



CORPORATE SOCIAL RESPONSIBILITY
NBBL/NQMS/CSR/PO-01

Document History

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Introduction

CSR covers the entire process by which an organisation approaches, defines and develops its relationship with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies and projects. The CSR is not charity or mere donations but a way of going beyond business as usual, creating shared value and contributing towards social and environmental good.

The core element of CSR is the continuing commitment by NBBL to ethical principles and protection and care of the environment whilst improving the quality of life of all stakeholders including local communities and society at large. NBBL aims at creating shared value for all stakeholders involved in our CSR journey.

Objective

NBBL's business philosophy highlights the theme of respect and collaboration. Company has undertaken CSR with the basic aim of contributing towards easing distress and aiding in advancement of society while engaging with stakeholders thereby becoming a socially responsible corporate citizen. Through a series of interventions company seeks to mainstream economically, physically and socially challenged groups and to draw them into the cycle of growth, development and empowerment.

Scope

Ministry of Corporate Affairs (MCA), in exercise of its powers under sub-section (3) of Section 1 of the Companies Act, 2013 and vide Notifications dated 27th February, 2014, has appointed 1st April, 2014 as the date, on which Section 135 and Schedule VII of the Act has come into force. Further, MCA vide Notification dated 27.2.2014, has notified Companies (Corporate Social Responsibility Policy) Rules, 2014, to be effective from 1st April, 2014. The CSR Policy has been prepared by NPCI Bharat BillPay Limited (NBBL) in line with the provisions of Section 135 of the Companies Act 2013 and will be executed basis the present state and all future amendments to Section 135 and Schedule VII of the Companies Act, 2013.

The CSR amendment effective from 22nd January, 2021 is a clear transition from "Comply or Explain (COREX)" to "Comply or Pay Penalty (COPP)". A number of changes have been introduced for carrying out CSR activities including changes with respect to treatment of unspent CSR funds, 'unspent CSR account', 'transfer to Fund specified under Schedule VII, National Unspent CSR Fund, detailed annual report on CSR, CFO certification, impact assessment, defining 'ongoing projects', limiting administration cost to 5% etc. The Ministry of Corporate Affairs allowed any type of COVID-19 spending particularly in preventive healthcare or sanitation and disaster management to be covered under CSR expenditure. MCA has issued a fresh circular on 22nd April, 2021 mentioning that CSR funds for setting up "makeshift hospitals and temporary Covid care facilities" would be treated as an eligible CSR activity.

These changes have been accommodated in the CSR policy and shall apply to all CSR initiatives, projects, programme, and activities undertaken by NBBL. This Policy shall serve as a guiding document to help identify, execute, and monitor CSR projects in keeping with the spirit of the Policy.

Acronyms and Definitions

Acronym/ Term	Description
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
MCA	Ministry of Corporate Affairs, Government of India
MD	Managing Director
NGO	Non-Governmental Organization
NBBL	NPCI Bharat BillPay Limited
UC	Utilization Certificate
IA	Implementing Agency

Policy

Vision Statement

NBBL's business philosophy is predicated on inclusion and sustainability and highlights the theme of respect and collaboration. Through a series of interventions company seeks to a) mainstream economically, physically and socially challenged groups and draw them into the cycle of growth, development and empowerment through education leading to livelihood and b) Encourage and create sustainable conservation by supporting research, capacity building and projects to avoid, mitigate and reduce the negative impact created by anthropogenic factors on our environment.

Purpose of the Policy

NBBL is committed to identifying and supporting programs and projects aimed at:

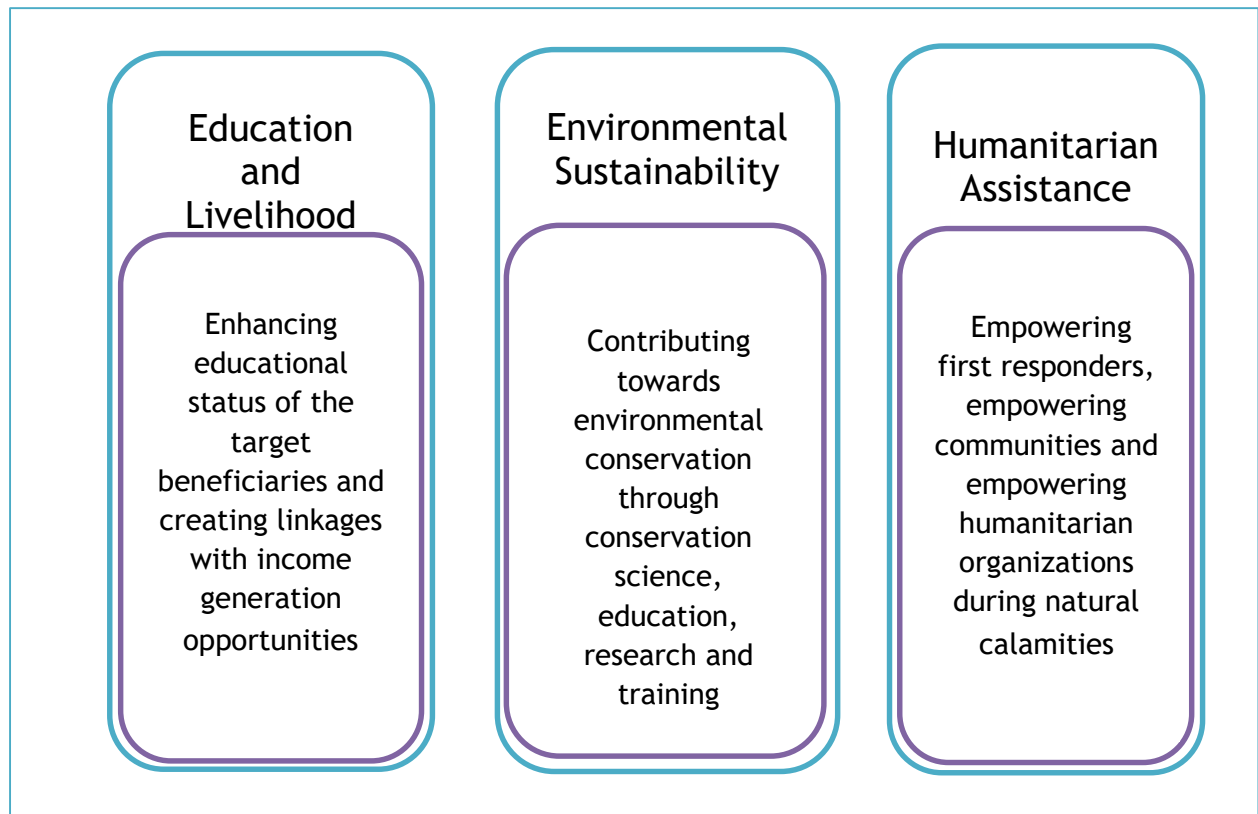
1. Developing and advancing the community, in particular, those at the bottom of the pyramid which are unequally endowed/enabled, and also
2. Encourage and create sustainable conservation by supporting research, capacity building projects, and reducing negative impact on the environment.

This policy will serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the policy.

The CSR policy serves as a self-regulating mechanism for the Company’s CSR activities and enable adherence to laws, ethical standards, and international practices in this regard. This policy is applicable, with immediate effect, to NBBL.

CSR Framework at NBBL

NBBL demonstrates its alignment with the CSR laws by contributing to the economic and social development of the communities and safeguarding the environment. While these two components are universal and will be at the center of most initiatives, there are various components which make up this huge canvas. Company’s interventions are focused on 3 core themes:



Education and Livelihood

NBBL believes that every individual is entitled to the Right to Education. In addition to educating masses by providing schemes, projects and activities for inclusion of and greater access for those excluded or with limited access to education. Company aims to undertake initiatives that will enhance the educational status of underserved sections of society. While lifting the status and standard of those weakest in these areas, we will also endeavor to take the best and make them even better. Additionally, support towards education for the underprivileged will be looked at in a way that platforms/programs are developed to ensure our holistic involvement in providing support to meritorious students to pursue their education (secondary and higher) till completion.

The aspiration of any individual is to become an educated and learned citizen of the country and in turn earn a livelihood which can help him/her create opportunities for development of self and the community. We endeavor to create linkages that will attempt to do the above in a manner that addresses the need for educational support, which is also linked to income generation, including livelihoods, and strengthens the financial status of the beneficiaries.

Environmental Sustainability

NBBL believes in sustainable development and is committed to the conservation of the environment as a responsibility to present and future generations of the country and the planet. We endeavor to address the support for sustainable conservation through projects in conservation science, research, education and training.

Under this focus area, NBBL aims to:

1. Build capacities of communities and of critical stakeholders in protecting India's rich biodiversity.
2. Ensuring sustainable development of resources integral to the wellbeing of India's biodiversity and
3. Create mitigation parameters for pressing environmental challenges

Humanitarian Assistance

India has been vulnerable to natural disasters on account of its unique geo-climatic conditions. Floods, droughts, cyclones, earthquakes and landslides have been recurrent phenomena and India has witnessed a number of natural disasters impacting millions of people. The loss in terms of private, community and public assets has been astronomical. In the event of a major natural catastrophe or crisis situation, being a socially responsible corporate citizen, NBBL reaffirms its commitment to join hands with the government, community and civil society in providing relief assistance to communities/regions which are impacted by natural disasters. Company seeks to assist humanitarian relief efforts in a manner that benefits the nature of the event and its impact on the region in which it has occurred.

Natural disasters erode away not just at the financial and infrastructural resources of the country but also degrade the quality of life of individuals and communities directly and indirectly impacted by natural calamities. Company will ensure adequate response is provided in the manner as stated below:

1. Immediate humanitarian relief directed towards people impacted (immediate response)
2. Rehabilitation of people and communities impacted by the natural calamity (long term response)

NBBL CSR Partner Guidelines

NBBL endeavors to create programs that create sustainable impact on its beneficiaries and geographies. For the same, NBBL will partner with:

1. Registered NGO/Trust/Society/Foundation or any not-for-profit implementing agency that has expertise/inclination towards areas of focus that aligns with NBBL's 3 areas of intervention and is compliant with the law of the land and has an established track record of at least 10 years in carrying on activities in the related area.
2. A registered Company may also be partnered with subject to clear satisfaction of "no commercial benefit" and "no conflict of interest" criteria. The intent of funding, supporting projects and programmes to ensure that benefit to society is the primary outcome and no undue intended or unintended "profit or commercial benefit outcome" is created for the company we partner with.

3. Partnerships with corporate CSR entities which share alignment with NBBL's values and themes for programs aimed at achievement of company's CSR objectives.
4. NBBL will not form partnerships with any Registered / NGO / Trust / Society / Foundation or any entity wherein there is a Related Party Transaction with any member of the said entity.
5. Implementing Agency should ensure that the roles, responsibilities and membership committee and/or Board or other decision making bodies are clearly defined and documented and the information is accessible for all the stakeholders.
6. Implementing Agency should ensure adequacy of in-house expertise to ensure accountability in the system.
7. It is the ethical and legal obligation of the Implementing Agency that it shall use the grant in an efficient and planned manner.
8. Implementing Agency should give appropriate acknowledgment and prominence towards NBBL's branding for implementation activities in NBBL funded projects.
9. W.e.f 01.04.2021 registration of such entity shall be mandatory by filing form CSR 1. Unique CSR registration number shall be generated for each entity.
10. In addition to registration under respective act, registration under provision of section 12 A & 80 G of the Income Tax has been made mandatory.

Budget

The Board shall allocate the budget for CSR activities. It shall also ensure that Management undertakes to ensure that the allocated budget amount is spent in CSR initiatives as undertaken by NBBL as per CSR Policy, guidelines and specific approvals accorded by the Board.

All the utilization certificates, agreements, invoices with actual spend will be diligently documented and periodically audited and reviewed. In case entire budget is not spent in a financial year, Unspent amount related to ongoing project to be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account (UCSRA). For example, such amount remaining unspent (ongoing project) for the current financial year shall be transferred to UCSRA latest by 30th April of next financial year . The amount transferred to UCSRA has to be utilized for project within 3 years, otherwise shall be transferred to a fund specified in Schedule VII.

Unspent amount not related to ongoing project: where amount doesn't relate to any ongoing project, then in case of failure to spend the same, will require carrying forwarding of the same to a Fund specified in Schedule VII, within 6 months of the close of financial year, in addition to disclosure of reason for not spending in Board Report. For example, amount remaining unspent

(other than ongoing project) for current financial year shall be transferred to Schedule VII fund latest by 30th September of next financial year.

Roles and Responsibilities of the CSR Team

1. To carry out due diligence before execution of any project approved by the CSR Committee of the Board.
2. Due diligence process shall include analyzing below mentioned details of prospective Implementing Agency (IA):
 - Audited financial statements of last 3 years
 - Annual Project Report of last 3 years
 - PAN of Implementing Agency and of Board members/Trustees
 - 80 G/ 12 A of the Income tax Act
 - Details of Board members & regularity of Board meetings
 - To ensure declaration of any conflict of interest with NBBL
3. To be the central co-coordinating point for handling NBBL's overall CSR programs across the company.
4. To interface with the various organizational units internally and externally to ensure effective implementation of projects undertaken.
5. To ensure proper utilization of funds through screening of UCs (Utilization Certificate) and other financial documents and reporting on actual field implementation through quarterly field visits
6. To ensure that any deviation of budget/timeline/quality of work is reported to the Chief of HR in a timely manner
7. Interface with the Board CSR Committee to obtain necessary approvals and resolutions as may be required.
8. Reporting to the Management on all progress made in the CSR interventions throughout the year.
9. To plan the annual budgets for CSR activities to be undertaken.
10. To get the audit done for all projects under implementation.
11. To maintain transparency in project monitoring by maintaining a dashboard on the NBBL website.

Activities not applicable as CSR

The below activities will be not undertaken or considered under the ambit of CSR projects or as part of any CSR initiatives:

1. Financial literacy and inclusivity programs
2. Activities that significantly benefit the employees of the company.

3. Contribution of any amount directly or indirectly to any political party under section 182 of the act.
4. Any activity undertaken by the company outside India (except for training of Indian sports personnel representing any State or Union territory at National level or India at International level).
5. Activities undertaken in pursuance of normal course of business of the company (except COVID 19 related R&D up to the financial year 2022-23, subject to certain conditions).
6. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
7. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

Governance Mechanism

The governance for the CSR interventions of NBBL will be headed by the Board Level CSR Committee. NBBL's CSR activities will be driven by dedicated CSR team under the guidance and support of senior functionaries in particular MD & CEO. The Board level Committee will meet at least twice a year (October/November and April/May) to review the implementation of CSR projects/programs. CSR team will be responsible for the execution of the decisions taken by the Board Level CSR Committee and will ensure on ground implementation.

Monitoring and Reporting

The CSR team and/or an external impact assessment and monitoring partner approved by the CSR Committee of the Board would be responsible for monitoring approved projects, which may include site visits, independent beneficiary reviews and impact analysis This will be done based on the milestones and success indicators, defined for the project together with the Implementing Agency.

It will be the responsibility of the Implementing Agency to provide the project progress report and the Utilization Certificate on a Quarterly basis or as required by NBBL.

CSR Team will conduct impact assessment and monitoring visit of the project sites on a quarterly basis and submit a visit report on the basis of milestones/achievements submitted by Implementing Agency and actual findings

Project spend against the allocated budget should be strictly monitored and any actual/likely spend overflow/deviation must be reported to the CSR Committee. Any further expenditure must be approved by the CSR Team and Chief of HR before further progress

NBBL will report on significant CSR activities as part of its Director's Report. The reporting format would be the same as prescribed in the rules notified by the Ministry of Corporate Affairs.

NBBL will undertake impact assessment, through an independent agency, of CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

Amendment to the policy

NBBL reserves its right to amend or modify the Policy in whole or in part, so long as it is not inconsistent with the provisions of the Companies Act 2013 and Rules as laid down by the Ministry of Corporate Affairs, Government of India.