



Corporate Social Responsibility



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1. Introduction

Electronic Payment and Services Private Limited (EPS) is committed towards conducting business in an ethical, responsible, and sustainable manner. Our Corporate Social Responsibility policy (hereinafter referred to as 'CSR policy' or 'the policy') outlines our dedication to social, environmental, and economic responsibilities, practicing corporate values through its commitment responsibly, while meeting the interest of our Stakeholders.

EPS understands that its business has a varied impact on the society, hence, acknowledges the effective practices required during the consideration in the interest of its Stakeholders including its Shareholders, Employees, Business Partners and local communities. EPS endeavours to make a key business process which is both responsible and sustainable towards the development of the communities. EPS believes in conducting business in an accountable manner that creates a sustained impact on society.

2. Vision and Objectives:

To be a leading payment solutions and service provider in the Retail Banking & Payments System.

EPS recognizes that an enterprise and the society in which it operates are mutually dependent on each other and the growth of the industry is proportionate to the equitable development of the country, its environment and its people. Hence, it is the core responsibility of EPS to practice its core values through the commitment to foster growth in both socially and environmentally ways, with an intent of value creation towards the community, society and nation.

The objective of this CSR policy is to:

- a. Define CSR and approach adopted to achieve our CSR Objectives
- b. Define the framework for CSR activities.
- c. Identify the broad areas in which EPS will participate
- d. Outline the governance structure for CSR initiatives.
- e. Ensure compliance with Section 135 of the Companies Act, 2013, and other applicable laws and regulations.
- f. To serve as a guiding document to monitor and execute the CSR activities

3. Purpose and scope

This Policy is prepared pursuant to the requirements of Section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act'), Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('Rules') including any amendment(s) /modification(s) thereof. The scope of this Policy is to set out the guiding principles for selection, implementation and monitoring the CSR activities of EPS and for formulation of the Annual Action Plan for CSR activities.

4. CSR Committee- Constitution and Roles & Responsibilities

- a. The CSR Committee shall consist of two or more Directors of the Company
- b. The number of members of CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the Act and such rules and regulations as may be in force.
- c. The committee shall be responsible for providing recommendations with respect to the CSR activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act.

- d. The Committee shall be responsible for monitoring the CSR policy and its project implementation.
- e. The composition of the CSR Committee shall be disclosed in the Board report of the Company.

5. Key Focus Areas

EPS will focus its CSR efforts on the following areas, as outlined in Schedule VII of the Companies Act, 2013:

- a. Eradicating Hunger, Poverty, and Malnutrition: Support initiatives that provide meals, nutrition, and healthcare to underserved communities.
- b. Promoting Education: Partner with educational institutions to provide scholarships, infrastructure, and digital learning tools. Support vocational training programs to enhance employability skills.
- c. Promoting Gender Equality and Empowerment Support programs aimed at empowering women and promoting gender equality in education and employment.
- d. Environmental Sustainability: Implement initiatives to reduce our carbon footprint, such as energy-efficient operations and waste reduction programs. Support projects focused on renewable energy, water conservation, and biodiversity.
- e. Protecting National Heritage, Art, and Culture Contribute to the protection and promotion of India's heritage, art, and culture.
- f. Promoting Healthcare: Support healthcare initiatives, including mobile health clinics and telemedicine services. Promote mental health awareness and provide resources for employee well-being.
- g. Rural Development Projects: Engage in community development projects, including infrastructure development and support for local businesses in rural areas.
- h. Contributing Funds: To Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio economic development. To Contribute to incubators or research and development projects, public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies
- i. Any other activities as included in Annexure I- List of Permitted CSR Activities Under Schedule VII of this Policy that may be permitted under the Act as amended from time to time.

6. Structure, Implementation & Governance

A. CSR Team structure

- a. Chairman & Managing Director; shall as act the **CSR Monitoring Officer** as designated by the Board; to monitor the functions of the Internal CSR Committee.
- b. **The Internal CSR Committee** shall consist of representatives from various departments of the Company and will be responsible for the overall planning, executing, and monitoring of CSR projects. This Committee shall be responsible for submitting a complete report to the Board CSR Committee. The report shall consist recommendation of the projects, execution timelines lines, details of the implementing agency.
- c. **The Board CSR Committee**, as referred to in section 135 of the Act, shall be responsible for monitoring the functions of the Internal CSR Committee. It shall review all the CSR proposals, budget, reports submitted by the Internal CSR Committee and recommend the same to the Board of Directors for their consideration and approval.

B. Implementation & Management

1. CSR Activities:
 - a. The CSR activities shall be undertaken as projects, programs, or initiatives, excluding activities undertaken in pursuance of the normal course of business.
 - b. Pursuant to Rule 4 of the Companies (CSR Policy) Rules, 2014, the Company may undertake CSR activities through the qualifying implementing agency/ agencies and such agency shall be required to submit CSR registration number allocated by Registrar of Companies before implementing any activity and other mandatory registration confirmations.
 - c. Preference shall be given to the local area and areas around which EPS operates.
 - d. The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

Note: "International Organization" means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.
 - e. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
2. Employee Involvement:
 - a. Encourage employee participation in CSR activities through volunteer programs and awareness campaigns.
 - b. Recognize and reward employees who actively contribute to CSR initiatives.

C. Governance

1. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely-:
 - a. The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - b. The manner of execution of such projects or programs
 - c. The modalities of utilization of funds and implementation schedules for the projects or programs
 - d. Monitoring and reporting mechanism for the projects or programs
 - e. Details of need and impact assessment, if any, for the projects undertaken by the company Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
2. The Annual Action Plan may be altered by the Board of Directors of the Company ('Board') as per the recommendation of the CSR Committee at any time during the financial year to provide scope for mid-course correction basis reasonable justification.
3. Once the Annual Action Plan has been approved by the Board, necessary funds will be disbursed to partner organizations. The disbursed funds shall be utilized solely for the purposes and in a manner as approved by the Board.

D. Budget & Expenditure

- a. EPS will allocate a minimum of 2% of its average net profits of the preceding three financial years towards CSR activities.

Note: The average net profit for the purpose of determining the spending on CSR activities is to be computed in accordance with the provisions of section 198 of the Act and will also be exclusive of the items given under rule 2(1)(h) of the Companies (CSR Policy) Rules, 2014. Section 198 of the Act specifies certain additions/deletions (adjustments) to be made while calculating the net profit of a company (mainly it excludes capital payments/receipts, income tax, set-off of past losses). Profit Before Tax (PBT) is used for computation of net profit under section 135 of the Act.

- b. The budget will be approved annually by the CSR Committee and the Board of Directors.
- c. In case the Company does not fall under provisions of Section 135(5) with respect to CSR expenditure (i.e., inadequate funds), the Company may not allocate the CSR budget in such a financial year.
- d. The Board CSR Committee and Board of Directors shall ensure that the administrative overheads incurred during the implementation of CSR activities shall not exceed five percent (5%) of total CSR expenditure of the Company for the financial year.

Note: According to rule 2(1)(b) of the Companies (CSR Policy) Rules, 2014, administrative overheads mean the expenses incurred by the company in the general management and administration of CSR functions in the company. Therefore, expenses incurred by implementing agencies on the management of CSR activities shall not amount to administrative overheads and cannot be claimed by the company.

- e. Any surplus arising out of the projects/programs which are funded from the CSR budget, shall not form part of the business profit and shall be dealt with as per the provisions of the Act and applicable rules.
Note: Surplus refers to income generated from the spend on CSR activities, e.g., interest income earned by the implementing agency on funds provided under CSR, revenue received from the CSR projects, disposal/sale of materials used in CSR projects, and other similar income sources. The surplus arising out of CSR activities shall be utilized only for CSR purposes.
- f. Any excess amount spent on CSR activities during the financial year may be set off against the requirement to spend as per the Act and CSR Rules up to immediate succeeding three financial years subject to compliance with the conditions provided under the Act and applicable rules.
- g. Any capital asset created / acquired through CSR funds shall be handed over to the entity as specified in the CSR Rules. The expenses relating to transfer of capital assets such as stamp duty and registration fees, will qualify as admissible CSR expenditure in the year of such transfer.
- h. In case, the Company fails to spend the CSR budget of a year, the reasons for not spending the amount will be specified in the Directors' Report and the unspent amount shall be dealt with as per the provisions of Section 135 (5) & 135 (6) of the Act.

7. CSR Reporting

- a. Pursuant to Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time, Chief Financial Officer (CFO) or the person responsible for financial management shall certify to the Board to the effect that the funds disbursed by the Board for CSR implementation have been utilized for the purposes, on annual basis.
- b. The Company shall prepare an Annual Report containing all the particulars of activities conducted during every financial year in the format as prescribed under the Act which shall be annexed to the Board's Report of the Company.
- c. In case of Average CSR Obligation of INR 10 Crore or more, in the 3 immediately preceding financial years, the Company shall undertake the impact assessment, through an independent agency as prescribed under the Act.

8. Disclosure Requirements

The Company shall mandatorily disclose the CSR Policy, Composition of CSR Committee, and Annual Action Plan approved by the Board on its website.

Details of CSR Projects/ programs, manner of execution, may be disclosed in the following tabular format:

I. CSR Activity Plan:

Sl. No.	Name of the CSR Project/ Programme	Activities under Schedule VII	Modality of fund utilization in FY 2023-24 & FY 2024-25	Implementation Schedule#	Allocated Budget (₹ in Crore)	Details of need and impact assessment, if any
A. The following projects are being undertaken through an implementing agency i.e. XXX (CSR Regn. No.: CSRXXXXXXX)						

9. Policy Review

The Board CSR Committee shall review the CSR Policy periodically and may recommend alterations or amendments to the Board, as it deems fit to comply with the statutory obligation of the Company, subject to compliance with applicable law.

*For any queries or clarifications regarding this policy, please contact the Corporate Affairs Team
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Annexure 1: List of Permitted CSR Activities Under Schedule VII

The Board of Directors shall ensure that the activities included by a company in its **CSR Policy fall within the purview of the activities included in schedule VII** of the Act. The activities specified in Schedule VII which may be included by companies in their Corporate Social Responsibility Policies are as follows:

Sr. No	CSR Activities
1	Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care, contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2	Improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently abled and livelihood enhancement projects.
3	Improving gender equality, setting up homes and hostels for women and orphans, empowering women, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4	Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga.
5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
6	Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.
7	Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
8	Contribution to the Prime Minister's National Relief Fund, Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other

	fund set up by the Central Government for socio-economic development providing relief and welfare of the Scheduled Castes, the Scheduled and backward classes, other backward classes, minorities and women.
9	Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government, State Government, Public Sector Undertaking or any agency of the Central Government or State Government.
10	Contributions to public funded Universities, IITs, National Laboratories and autonomous bodies established under DAE, DBT, DST, Department of Pharmaceuticals, Ministry of AYUSH, Ministry of Electronics and Information Technology and other bodies, namely DRDO, ICAR, ICMR and CSIR, engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
11	Rural development projects.
12	Slum area development. Slum area means any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
13	Disaster management, including relief, rehabilitation and reconstruction activities.

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