



CORPORATE SOCIAL RESPONSIBILITY POLICY

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1 Overview and Purpose

Loyalty Solutions & Research Private Limited (“LSRPL” or “PAYBACK India”) believes that serving our communities is not only integral to running a business successfully; it is part of our individual responsibilities as corporate citizens. The mission of our program is to bring to life the LSRPL value of good corporate citizenship by supporting diverse communities in ways that enhance the LSRPL reputation with employees, customers, business partners and other stakeholders. The purpose of this Corporate Social Responsibility Policy (hereinafter referred to as “LSRPL CSR Policy” or “the Policy”) is to ensure that the LSRPL CSR obligations of the LSRPL are executed in accordance with the provisions of the Companies Act, 2013, contributions are consistent with the objectives of LSRPL.

2 Scope

This Policy is applicable to LSRPL for compliance of its CSR obligation in accordance with the provisions of the Companies Act 2013.

3 Key Definitions

In this Policy, unless the context otherwise requires

- ‘Act’ means Companies Act, 2013;
- ‘Corporate Social Responsibility’ means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and implementing rules;
- ‘Ministry’ means the Ministry of Corporate Affairs;
- ‘Net Profit’ for the section 135 and these rules shall mean net profit before tax as per books of accounts and shall not include profits arising from branches outside India.
- 2% CSR spending would be computed as 2% of the average net profits made by the bank during every block of three years. For the first CSR reporting period, the Net Profit shall mean average of the annual net profit of the preceding three financial years ending on or before 31 March 2017. Tax treatment of CSR spend will be in accordance with the IT Act as may be notified by Central Board of Direct Taxation (CBDT).
- “CSR Committee” means Corporate Social Responsibility Committee of LSRPL, formed in compliance with section 135 of the Act and implementing rules.
- Words and expressions used in this Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.
- Charitable Organization, Charity or charities: An organization which qualifies and fulfills the requirements under the Companies Act, 2013 including applicable Rules made thereunder for the time being in force and is eligible to receive funds for CSR activities under the Act.

4 Roles and Responsibilities

LSRPL CSR Committee has the following roles and responsibilities:

- Review and approve all requests for charitable contributions and ensure that the recipient organizations are eligible for receiving funds for CSR activities as required under the provisions of the Companies Act, 2013.
- Ensure compliance with the CSR rules and regulations as applicable and amended from time to time.
- Ensure that contributions are in accordance with the provisions of Companies Act, 2013.
- Ensure that all payments to charities, whether charitable contributions or not, are properly accounted for.
- Recommend the amount of expenditure to be incurred on CSR activities.

5 Policy Requirements

5.1 LSRPL CSR Committee, CSR Spend and CSR Reporting Requirements

LSRPL CSR Committee: LSRPL CSR Committee constituted in accordance with the Provisions of the Companies Act, 2013 including any other applicable provisions, rules or guidance for the time being in force shall have the responsibilities of oversight and compliance of the provisions relating to CSR. The constitution of the LSRPL CSR Committee members is described in LSRPL Corporate Social Responsibility (CSR) Policy and may be restructuring when it requires.

Annual CSR Spend: LSRPL CSR Committee shall finalize the amount required to be spent on CSR activities and projects including the manner of expenditure in that financial year. The amount so required, currently 2% of average net profit of last three years to be spent shall be calculated in accordance with the provisions of the Companies Act, 2013 or any rules made there under and for the time being in force.

LSRPL CSR Committee Meetings: LSRPL CSR Committee shall meet as and when required. LSRPL Committee shall, inter alia, review the ongoing CSR spends, projects, compliance with LSRPL CSR Policy, Compliances and reporting requirements under the provisions of the Companies Act, 2013.

Miscellaneous: LSRPL CSR Committee shall act in accordance with the requirements of the Companies Act, 2013, other applicable internal policies including any incidental and ancillary matters as may be deemed necessary and required.

Annual CSR Reporting: LSRPL CSR Committee shall prepare and provide an annual report in the Director's Report of LSRPL Board in the below format.

Format for the Disclosure in Annual Report

- A brief outline of the LSRPL CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the LSRPL CSR Policy and projects or programs.
- The Composition of the LSRPL CSR Committee.
- Average net profit of the company for last three financial years
- Prescribed CSR Expenditure (two percent of the amount as in item 3 above)
- Details of CSR spent during the financial year
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.
- In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report
- A responsibility statement of the LSRPL CSR Committee that the implementation and monitoring of LSRPL CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1)Local area or other 2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure Up to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	TOTAL						

****End of Policy****