

Transcript of the proceedings of 15th Annual General Meeting of National Payments Corporation of India held on Wednesday 27nd September 2023 through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')

Mr. Biswamohan Mahapatra, Chairman:

Welcome address

Good Morning, Ladies & Gentlemen.

I am, Biswamohan Mahapatra, Independent Director and Non-Executive Chairman of the Board. I also chair the Committee of Independent Directors and Shareholding Management Committee of the Board.

In terms of clause 67 of the existing Articles of Association of the Company, I am going to chair this Annual General Meeting (AGM).

I welcome you all to the 15th Annual General Meeting of National Payments Corporation of India (The Company).

Similar to the preceding two years, this AGM is once again conducted through video conferencing/other audio-visual means, and it does not involve the physical presence of members at a common venue. This is in accordance with the applicable circulars issued by the Ministry of Corporate Affairs (MCA), Government of India.

Introduction of Board Members

I am attending this meeting from the registered office of the Company.

Before we initiate the AGM proceedings, let me introduce my colleagues on the Board who have joined us through video conferencing/other audio visual means:

Sl No.	Name of Director	Designation	Attended from/through
1.	Mr. Dilip Asbe	Managing Director and CEO	Registered Office
2.	Dr. Amitha Sehgal	Independent Director and Chairperson of Board's Nomination and Remuneration Committee	Video conferencing

3.	Mr. Venkatraman Srinivasan	Independent Director and Chairperson of Board's Audit Committee	Video conferencing
4.	Prof. Rishiksha T. Krishnan	Independent Director and Chairperson of Board's Business Strategy Committee	Video conferencing
5.	Dr. D. Manjunath	Independent Director and Chairperson of Board's Technology and Project Management Committee	Video conferencing
6.	Mr. Ajay K Khurana	Nominee of Bank of Baroda and Chairperson of Board's Management Committee	Video conferencing
7.	Mr. Hemant Verma	Nominee of Punjab National Bank	Video conferencing
8.	Mr. Parag Rao	Nominee of HDFC Bank Limited	Video conferencing
9.	Mr. Bijith Bhaskar	Nominee of ICICI Bank Limited	Video conferencing
10.	Mr. Siddharth Rungta	Nominee of The Hongkong and Shanghai Banking Corporation Limited	Video conferencing
11.	Mr. Sumit Bali	Nominee of Axis Bank Limited	Video conferencing

The following directors could not attend the meeting due to official exigencies:

1. Mr. Shailendra Trivedi, Nominee of Reserve Bank of India;
2. Mr. Rana Ashutosh Kumar Singh, Nominee of State Bank of India;
3. Mr. Nitesh Ranjan, Nominee of Union Bank of India; and
4. Mr. Imran Amin Siddiqui, Nominee of Indian Bank.

From the Management side we have the presence of:

1. Mr. Rupesh H Acharya, Chief Financial Officer, attending the meeting from the registered office in Mumbai.
2. Ms. Priyanka Agrawal, Company Secretary, attending the meeting from the registered office in Mumbai.
3. Mr. Ritesh Shukla, CEO, NPCI International Payments Limited, attending the meeting through video conference

4. Mr. Nishith Chaturvedi, Chief HR & Admin, attending the meeting through video conference
5. Mr. Viswanath Krishnamurthy, Chief Risk Officer, attending the meeting through video conference
6. Mr. Vishal Kanvaty, Chief Technology Officer, attending the meeting from the registered office in Mumbai.

Further,

1. Mr. Parag Jain, Representative of M/s Banshi Jain & Associates, Statutory Auditors for FY 2022-23 (Outgoing Statutory Auditors);
2. Mr. Ambesh Dave, Representative of M/s.Chandabhoy & Jassoobhoy, proposed Statutory Auditors for the financial year 2023-24 and
3. Mr. Dhrumil M Shah, representative of Dhrumil M. Shah & Co. LLP, Secretarial Auditors, (formerly known as M/s Dhrumil M Shah & Company), Secretarial Auditors appointed for the financial year 2023-24, have also joined this meeting.

Participation of members through video conferencing/other audio visual means is being reckoned for the purpose of quorum as per the circular issued by the MCA and Section 103 of the Companies Act, 2013.

The Company has complied with provisions of the Companies Act, 2013 and Rules made thereunder read with circulars issued by the Ministry of Corporate Affairs.

As the requisite quorum is present for the Annual General Meeting, I call this Meeting to order.

I now call upon Ms. Priyanka Agrawal, Company Secretary, to provide general instructions to the members regarding participation in this meeting and on casting of votes.

Ms. Priyanka Agrawal, Company Secretary:

Thank you, Chairman Sir.

Before initiating the proceedings of the AGM, I would request members to take note of the following:

The Members may note that this meeting is being held through video conferencing and other audio visual means in compliance with the provisions of the Companies Act, 2013 read with applicable circulars issued by the Ministry of Corporate Affairs.

We would like to inform that all the Members have been kept on mute to enable seamless conduct of the meeting. Members who have registered themselves as speakers will get the opportunity to express their views and/or ask queries during the AGM. Members are requested to use earphone/headphone and attend the meeting from a place which has good lighting in order to ensure good audio and video quality. We shall be allowing them to speak once the Chairman directs the same. We request the speakers to limit their speech to two-three minutes for the benefit of other shareholders. If you have any queries, please post the same in the chat box option available on the platform through which members have joined today's meeting.

Subsequent to the circular dated 8th April 2020 and further circulars issued, latest being 10/2022 dated 28th December 2022, by the Ministry of Corporate Affairs (MCA), the facility to appoint proxy to attend and cast vote for the members, is not available for this AGM and hence the Proxy register for inspection is not available.

Further, to transact the businesses as mentioned in the notice, the members were provided an opportunity to inspect all documents referred to in the notice and statement issued pursuant to Section 102 of the Companies Act, 2013 (The Act), forming part of the notice.

This is to confirm that the proceedings of the AGM will be deemed to be conducted at the registered office of the Company which shall be the deemed venue of the AGM.

It may be noted that the Company reserves the right to restrict the number of members asking questions, depending on the availability of time during the course of the meeting.

Proceedings of the AGM will also be recorded and the transcript of the same would be made available on the website of the Company at the earliest.

The Company has received 38 valid Authorised Representations, who were entitled to vote, as per register of members, provided by the Depositories, i.e., CDSL and NSDL, representing 91.81%, of the paid up share capital of the Company and which also satisfies the requirements of quorum, as prescribed under the Act to convene a valid General Meeting.

The Register of Directors and Key Managerial Personnel and their shareholding and Register of contracts or arrangements in which directors are interested are available for inspection during the meeting in case of any specific request came from any member.

Notice of the 15th Annual General Meeting and a copy of the Annual Report for FY 2022-23 have been already circulated to the members.

The text of the resolutions along with statement pursuant to Section 102 of the Companies Act, 2013, is provided in the Notice circulated to the members.

In compliance with the MCA Circulars, the items of special business in the AGM Notice are considered unavoidable and hence are proposed for approval of the members.

The Reports of the Statutory and Secretarial Auditors for the financial year 2022-23 do not contain any adverse qualifications, observations or comments on the functioning of your Company and therefore, with your permission, may we take the Auditor's Report as read.

With your permission, I shall take them as read.

I now request Chairman to address the shareholders

Mr. Biswamohan Mahapatra, Chairman:

Thank you Priyanka

Let me now apprise you on the performance of your Company during the year

ADDRESS BY THE CHAIRMAN

Dear valued Stakeholders:

Good morning. As we convene this Meeting in virtual setting once again, I extend my appreciation for your valuable time and presence, regardless of your location and for your continued faith in National Payments Corporation of India (NPCI) and its Board of Directors and Management.

Yet again, this year has been a remarkable journey for NPCI. Unified Payments Interface (UPI) has demonstrated unprecedented growth, surpassing any real-time payments (RTP) system globally, with monthly transactions volume of over 10 Billion and value over Rs. 15 Lakh Crore.

NPCI has proudly completed the construction of certified Tier IV Smart Data Centers in Chennai and Hyderabad, setting a pioneering standard in India's payments industry. These centers boast India's first Tier IV Design & Construction (TCDD & TCCF) certification, reinforced by a comprehensive eight-layers of security, combining physical and electronic safeguards.

While we have firmly established a strong foothold in India, we are now focusing on replicating this success in cross-border markets. RuPay and UPI's linkage with overseas markets will further anchor trade, travel and remittance flows between the countries and lower the cost of cross-border remittances.

I would now like to touch upon the major highlights of performance and focus areas for NPCI group, since the last AGM.

Financial Summary– FY 2022-23

a) During the financial year ended 31st March 2023, your Company has accounted a Consolidated Total Income of Rs. 2,311.36 crores and Standalone income for NPCI was Rs.2225.26 and a Consolidated post-tax surplus for the group as a whole was Rs. 828.04 crores and for NPCI as a standalone company was Rs. 809.394.

b) The Consolidated net worth of the group has increased to Rs. 3,728.58 crores and for the standalone company i.e. NPCI it was 2700.10 crores. The Consolidated Capital Expenditure in FY 2022-23 was Rs.442.89 crores.

I am pleased to inform you that in FY 2022-23, our businesses have consistently exhibited robust performance, bringing us closer to the realization of our vision.

NPCI International Payments Ltd., a wholly owned subsidiary of the Company

In April 2020, NPCI had set up NPCI International Payments Ltd. (NIPL), a wholly owned subsidiary incorporated with the endeavour to transform the global payment ecosystem by deploying our best-in-class platforms and technology, including our real time payment solution UPI and the card scheme RuPay in the international markets.

During the year under review, NIPL has enabled the acceptance of RuPay cards and UPI Apps in other countries. It has allowed Indian travellers to conveniently carry out digital transactions beyond the Indian borders. At the same time, NIPL facilitated real-time, secure, and cost effective cross-border P2P payments between India and Singapore. Further, to enhance global interoperability, NIPL has engaged with various Central Banks to establish a technology sharing arrangement. With growing traction for UPI and RuPay, NIPL aims to leverage its technological

expertise to make its payment platform easily accessible for a larger number of users in different parts of the world.

NPCI Bharat BillPay Ltd., a wholly owned subsidiary of the Company

NPCI had also set up NPCI Bharat BillPay Limited (NBBL), incorporated on 10th December 2020 with a primary objective of operationalising the Bharat Bill Payment Central Unit (BBPCU) under BBPS and in line with RBI directives.

NBBL has introduced UPI Auto-Pay for seamless BBPS bill payments. NBBL partnered with UPI123Pay to enhance payment options for customers. Additionally, NBBL's collaboration with RuPay, allowed RuPay Credit Card issuers to become BBPS billers. This move empowers cardholders to make efficient payments through BBPS. BHIM is also welcomed as an Operating Unit (OU) on BBPS, extending services to BHIM mobile app users.

I will now highlight some of the new NPCI initiatives launched by Hon'ble Governor, RBI at Global Fintech Fest (GFF) recently held on 6th September 2023:

- a) **Credit Line on UPI:** This new offering enables pre-sanctioned credit lines from banks *via* UPI and will revolutionize customer access to credit, fostering a more streamlined and digital banking ecosystem.
- b) **UPI LITE X and UPI Tap & Pay:** Through UPI LITE X feature, users can now both send and receive money whilst being completely offline, therefore, allowing users to initiate and execute transactions even in areas with poor connectivity, such as underground stations, remote areas, etc.

In addition to the conventional Scan and Pay method, users now have the option to simply tap Near Field Communication (NFC) enabled QR codes at merchant locations to complete their payments.

- c) **Hello UPI - Conversational Payments on UPI:** The introduction of conversational UPI payments will broaden payment accessibility for most Indians who are fluent in their native languages, providing significant benefits to senior citizens and digitally inexperienced individuals.

- d) **BillPay Connect:** With BillPay Connect, Bharat BillPay introduced a nationalized number for bill payments across India. Customers can now conveniently fetch and pay their bills by sending a simple 'Hi' on the messaging app. Along with this, customers without smartphones or immediate mobile data access will be able to pay bills by giving a missed call.

Awards and recognition

In the year under review, NPCI received several prestigious awards in various domains, as outlined in the Annual Report. I would like to highlight the most noteworthy among them:

- a) NPCI featured in TIME100 Most Influential Companies 2023;
- b) Mr. Dilip Asbe, Managing Director & CEO was conferred the award for Outstanding Contribution to Brand India at the 18th edition of the India Business Leadership Awards (IBLA);
- c) The Institute of Chartered Accountants of India (ICAI) awarded NPCI the Gold Shield Award for excellence in financial reporting in the 'Not for Profit' Category; and
- d) The Institute of Directors (IOD), India, has conferred the 'Golden Peacock Award' to NPCI for prudent 'Risk Management'.

Way forward

- a) Focus on fulfilment of RBI's Payment System Vision 2025;
- b) Strengthening BHIM platform for the Technology upgrade and features with an objective of increasing market share;
- c) Focus on System Resiliency and Scalability;
- d) Digital Payments Safety and Awareness campaigns;
- e) Focus on scaling newly launched UPI and BBPS platform features;
- f) Growth of NPCI's subsidiaries; and
- g) Creating sustainable, scalable and replicable solutions for some of India's most pressing social challenges in partnership with leading NGOs, to drive initiatives in the realm of Community Education and Livelihood, Environmental Sustainability and Humanitarian Assistance.

I express gratitude towards our valued customers, employees and other stakeholders for their invaluable contributions that have fuelled our consistent growth each year. Furthermore, I extend my appreciation to you once again for your ongoing trust and support in both our company and its esteemed Board of Directors and Management. Our unwavering commitment is centered on

the advancement of an evolving and interconnected payments network on a global scale, all the while ensuring effortless and secure experiences for consumers.

Before transacting the agenda contained in the notice, let me briefly inform you about the items of business which form part of the Notice. Item Nos. 1 to 4 relate to:

1. Adoption of financial statements (including Consolidated Financial Statements) together with the Reports of the Boards and Auditors thereon;
2. Re-appointment of Mr. Ajay K Khurana as a Director liable to retire by rotation and being eligible, offering himself for re-appointment;
3. Re-appointment of Mr. Imran Amin Siddiqui as a Director liable to retire by rotation and being eligible, offering himself for re-appointment; and
4. Appointment of Statutory Auditors of the Company for FY 2023-24.

These items form part of the Ordinary Business to be transacted at the Annual General Meeting. Approval of Members is therefore, sought for the same.

In respect of items covered under resolution Nos. 5 to 9, necessary explanation(s) have been provided in the Explanatory Statement issued pursuant to Section 102 of the Act, forming part of the Notice of the Annual General Meeting.

AGENDA ITEM-1

Before taking the Agenda Item for voting, I would like to inform you that voting on items mentioned in the notice, will be done by the show of hands.

I now take up Agenda No.1 of the notice of the meeting, relating to Adoption of Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended 31st March 2023, together with the Reports of the Board and Auditors thereon.

I now move the resolution for approval and adoption of accounts for the year ended 31st March 2023.

With your permission, we may take the Resolution as read.

Before moving ahead with the proceedings of AGM, I would like to invite the shareholders to offer comments and seek clarifications if any, on this Agenda item and request Mr. Dilip Asbe,

Managing Director and CEO and Mr. Rupesh H Acharya, Chief Financial Officer (CFO) to provide clarifications, if required.

I now request someone to propose and second the resolution.

Proposed by: Mr. Shekhar Suman, State Bank of India

Seconded by: Mr. Subiman Roy, Bank of India

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously as an Ordinary Resolution.

AGENDA ITEM-2

I now take up agenda item No. 2, for re-appointment of Ajay K Khurana (DIN: 09076961), as nominee director of Bank of Baroda, liable to retire by rotation and being eligible, offers himself for re-appointment.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Shubham Kumar, representative from Canara Bank

Seconded by: Mr. Vippala Ramachandra Reddy, representative from The Karur Vysya Bank Limited

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously as an Ordinary Resolution.

AGENDA ITEM-3

I now take up agenda item No. 3, for re-appointment of Imran Amin Siddiqui (DIN: 09153707), as nominee director of Indian Bank, liable to retire by rotation and being eligible, offers himself for re-appointment.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Manoj Yadav, representative from The Cosmos Co-operative Bank Limited

Seconded by: Mr. Kalpesh Solanki, representative from Bank of Baroda

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously as an Ordinary Resolution.

AGENDA ITEM-4

I now take up agenda item No. 4, for appointing the Statutory Auditors for the Financial Year 2023-2024 to hold office from the conclusion of the 15th Annual General Meeting of the Company that is today until the conclusion of the 16th Annual General Meeting of the Company and fix their remuneration.

Please note as on the date of issue of AGM, notice on 12th September 2023 the Company had not received the letter from the CAG with respect to appointment of the statutory auditor.

Post receipt of the letter from CAG, the additional information pertaining to the appointment of Statutory Auditor was communicated to the Shareholders *vide* e-mail dated 26th September 2023. As per the letter dated 12th September 2023, received from the office of the Comptroller and Auditor General of India (CAG) it was proposed to appoint M/s. Chandabhoy & Jassoobhoy, Chartered Accountants as the Statutory Auditors for the Financial Year 2023-2024 and fix their remuneration not exceeding Rs 8,00,000/- plus applicable taxes (exclusive of out of pocket expenses, if any, not exceeding 10% of the remuneration) for audit of standalone and consolidated financial statements of the Company.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Subiman Roy, representative from Bank of India

Seconded by: Mr. Siddharth Dhananjay, representative from Kotak Mahindra Bank Limited

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously as an Ordinary Resolution.

AGENDA ITEM-5

I I now take up agenda item No. 5 for appointing Mr. Shailendra Trivedi (DIN: 09520162), as a Nominee Director Reserve Bank of India, who shall not be liable to retire by rotation.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Shubham Kumar, representative from Canara Bank

Seconded by: Mr. Dilip Tawde, representative from Saraswat Co-operative Bank Limited

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously as an Ordinary Resolution.

AGENDA ITEM-6

I now take up agenda item No. 6 for appointing Mr. Siddharth Rungta (DIN: 08553875), as a Nominee Director representing The Hongkong and Shanghai Banking Corporation Limited, who shall be liable to retire by rotation.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Santosh Kumar KV, representative from Dhanlaxmi Bank Limited

Seconded by: Mr. Satish Kumar, representative from Indian Bank

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously.

AGENDA ITEM-7

I now take up agenda item No. 7, for appointing Dr. D. Manjunath as an Independent Director of the Company, to hold office upto 18th April 2026 and whose office shall not be liable to retire by rotation.

On behalf of the Board, I would like to state that based on the recommendation of the Nomination and Remuneration Committee, the Board opined that having Dr. D. Manjunath on the Board of Directors would be a matter of honour and NPCI would gain tremendously out of his vast experience in the field of technology, Innovation and other areas. Further, the Board had found the candidature of Dr. D. Manjunath, appropriate for appointment as an Independent Director of the Company for a term of three consecutive years, upto 18th April 2026.

It is proposed to appoint Dr. D. Manjunath as an Independent Director of the Company for a term of three consecutive upto 18th April 2026.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Parag Rao, representative from HDFC Bank Limited

Seconded by: Mr. Kunal Kakkar, representative from AU Small Finance Bank Limited

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously as an Ordinary Resolution.

AGENDA ITEM-8

I now take up agenda item No. 8 for appointing Mr. Parag Rao (DIN: 02436612), as a Nominee Director representing HDFC Bank Limited, who shall be liable to retire by rotation.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Bijith Bhaskar, representative from ICICI Bank Limited

Seconded by: Mr. K Ramji, representative from City Union Bank Limited

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously.

AGENDA ITEM-9

I now take up agenda item No. 9, for revision in remuneration payable to Mr. Dilip Asbe (DIN: 02990724), Managing Director & CEO of the Company, for the period from 1st April 2023 to 31st March 2024. Mr. Dilip Asbe was appointed as Managing Director and CEO of NPCI in January 2018. Further, the shareholders at the 14th AGM of the Company had approved the re-appointment of Mr. Asbe for a period of 5 years effective 8th January 2023 upto 7th January 2028.

On behalf of the Board, I would like to state that based on the recommendation of the Nomination and Remuneration Committee, the Board approved the revision in the remuneration payable to Managing Director and CEO. Further, it was informed that proposed remuneration has been arrived after considering parameters such as relevant industry comparable as well as internal parity at the same band within the organisation.

With your permission, we may take the resolution as read.

I now request someone to propose and second the resolution.

Proposed by: Mr. Siddharth Rungta, representative from The Hongkong and Shanghai Banking Corporation Limited

Seconded by: Mr. Mahadevan CR, representative from ESAF Small Finance Bank Ltd

I now put the resolution to vote –

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, the Chairman declared the resolution has been passed unanimously as an Ordinary Resolution.

Ms. Priyanka Agrawal, Company Secretary:

Before the conclusion of the proceeding of the meeting, the members were again given an opportunity to seek any clarifications/queries about the Company. No queries were asked by the shareholders.

On behalf of Company, Chairman assured the shareholders that the Company and its management is doing great in the given environment.

VOTE OF THANKS

The Chairman thanked all the members present at the meeting and declared that the resolutions set forth in the notice are deemed to be passed today. Further, announced that the 15th Annual General Meeting is concluded.