

**BHARATIYA RESERVE BANK  
NOTE MUDRAN PRIVATE LIMITED**

**Policy on Corporate Social Responsibility for Bharatiya Reserve Bank  
Note Mudran Private Limited**

**1. CONCEPT**

1.1 BRBNMPL had taken up the responsibility of contributing to the general welfare and growth of the communities generally living near its offices in Bengaluru & Mysuru, Karnataka and Salboni, West Bengal in a small way much before it was made mandatory by Govt. of India w.e.f 1<sup>st</sup> April 2014 under the Companies Act, 2013. **Corporate Social Responsibility** (CSR) is a concept whereby BRBNMPL serves the interests of society by taking responsibility for the impact of its activities on customers, employees, stakeholder, communities and the environment in all aspects of its operations.

1.2 Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of BRBNMPL to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. This commitment is beyond statutory requirements.

**2. OBJECTIVE AND PURPOSE**

The key purpose of this Policy is to:

- (i) Include guiding principles for selection, implementation and monitoring of activities;
- (ii) Include approach and direction given by the Board of a company, taking into account the recommendations of its CSR Sub-Committee;
- (iii) Outline the developmental areas in which the Company shall get involved in.
- (iv) Define governance structure for CSR management within the Company.
- (v) formulation of the annual action plan
- (vi) Describe the treatment of surpluses from CSR activities, if any.



### **3. APPLICABILITY**

This CSR Policy is applicable to BRBNMPL, which are mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 read with the amendments from time to time.

### **4. SCOPE OF CSR POLICY**

This Policy applies to all CSR projects that will be undertaken by BRBNMPL and shall fulfil all the requirements of Section 135 of the Companies Act, 2013, as amended from time to time. BRBNMPL shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013, amended from time to time. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation; amended rules issued from time to time and best practices that can be adopted by BRBNMPL.

### **5. PLANNING AND SELECTION**

5.1 The planning for Corporate Social Responsibility starts with the identification of the activities / projects to be undertaken. CSR projects / activities may be generally undertaken in and around locations where BRBNMPL carries out its operations. However, BRBNMPL may also opt to locate CSR projects anywhere in the country. We believe to drive our CSR policy with the same values which directs BRBNMPL. Hence, the CSR Policy is in harmony with BRBNMPL's core values and is aligned in the following manner to its CSR strategy:

- Being accountable for what we do: BRBNMPL considers itself accountable for contributing back in a meaningful way to the society/ Nation.
- Embrace Diversity: BRBNMPL believes in embracing diverse views and opinions which lead to a better solution. Accordingly, for execution of its CSR objectives BRBNMPL plans to partner, wherever necessary, with registered NGOs/ other charitable organizations to meet the CSR objectives.



5.2 Selection of activities under CSR are made to ensure that the benefits reach the smallest unit i.e. village, panchayat, block or district as the case may be depending on the funds allocated for the activity. The approach to CSR planning is not that of charity but of a long-term sustainable approach. The activities proposed to be covered under CSR for the respective financial year have to be approved by the Board on the recommendation of the CSR Sub-Committee of the Board.

## **6. IMPLEMENTATION**

6.1 CSR initiatives of BRBNMPL should consider the following parameters for identification / selection of schemes / projects.

- i) CSR expenditure should be project-based. Mere donations to philanthropic / charity or other organizations would not come under the category of CSR.
- ii) CSR activities should generate community goodwill, create social impact and visibility.
- iii) For every project, the time-frame and periodic milestones should be formulated at the outset.
- iv) CSR activities should help in building a positive image of BRBNMPL in the public perception.
- v) CSR activities may be related to United Nations Global Compact Program on Environment.
- vi) CSR projects may be closely linked with the principles of Sustainable Development, based on the immediate and long-term social and environmental consequences of their activities.
- vii) BRBNMPL may fine tune its CSR strategy for restoring / compensating for any ecological damage that might take place as a result of its operations.
- viii) Care may be taken to ensure that BRBNMPL work towards fulfillment of the National Plan goals and objectives, as well as the Millennium Development Goals adopted by our country, ensure gender sensitivity, skill enhancement, entrepreneurship development and employment generation by co-creating value with local institutions / people.



## 6.2 UNDERTAKING CSR ACTIVITIES

The CSR activities can be undertaken by the Company itself or through the followings implementing agencies:

- A Company established under section 8 of the Act; or
- A Registered public trust; or (amended as only registered public Trust)
- A Registered Society; exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act 1961, and
- Company having the established Track record of at least three years in undertaking similar activities

It shall be noted that the eligible intermediaries through which the company shall undertake the CSR Project or Programme will require registering itself with the Central Government by filing the Form CSR-1 electronically with effect from April 01, 2021.

◆ Further, on filing the Form CSR-1 with the Central Government, a unique CSR Registration Number will be generated by the system automatically.

◆ International Organization as defined in CSR Amended Rules 2021 dated January 22, 2021 can also be engaged 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.

6.3 BRBNMPL will generate awareness among all levels of its staff about CSR activities and the integration of social processes with business processes. Those involved with the undertaking of CSR activities may be provided with adequate training and re-orientation.

6.4 Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments / Agencies / Self-Help Groups etc. would be dovetailed / synergized with the initiatives taken by BRBNMPL.

6.5 All care should be taken to ensure that there is no duplication of CSR activities undertaken by BRBNMPL with that of programs run by Central, State and Local Governments.



## 7. GOVERNANCE STRUCTURE

A governance structure at BRBNMPL is responsible for implementing and administering CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013, read with amendments from time to time. The Board of Directors of who are ultimately accountable for the CSR projects undertaken by BRBNMPL. BRBNMPL has constituted a CSR Sub-Committee at the Board level. The CSR Sub-Committee is supported by the dedicated CSR Cells, comprised of representatives from the Companies.

## 8. CSR Cell

Dedicated CSR Cells have been constituted from among the employees at BRBNMPL, for implementing the CSR Policy, which shall work under the guidance of CSR Sub-Committee and will be mainly responsible for:

- (i) Execution of CSR Policy.
- (ii) Identify projects and key initiatives pursuant to CSR Policy.
- (iii) Facilitating allocation of funds to the projects as identified for CSR activities.
- (iv) Monitoring CSR Projects to establish effectiveness of CSR efforts and appraise the same to CSR Sub-Committee.
- (v) Compilation of information & preparation of Annual Reports on CSR activities and presenting the same to CSR Sub-Committee.
- (vi) Any other activity necessary to ensure achievement of CSR objectives.

## 9. FUNDING

9.1 The **CSR budget** will be mandatorily created through Board's approval which will be at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such amount as may be recommended by the CSR Sub-Committee from time to time in pursuance of this Policy.

### 9.2 TREATMENT OF UNSPENT AMOUNT

If the Company fails to spend 2% of the Average net profit, then the following shall be the treatment of the unspent amount, if any.





If unspent amount not relating to an ongoing project	the Board shall, in its report, shall specify the reasons for not spending the amount; and' unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year	<b>Impact:</b> Amount remaining unspent for the F.Y. 2020-21 shall be transferred to Schedule VII fund latest by September 30, 2021.
If unspent amount relating to an ongoing project	The amount 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).	<b>Impact:</b> The amount remaining unspent (on ongoing project) for the F.Y. 2020-21 shall be transferred to UCSRA latest by April 30, 2021. The amount remaining unspent transferred for F.Y. 2020-21 to UCSRA, shall be utilized for the project upto F.Y 2023-24,
If fails to spend on the ongoing Project	If Company Fails to spend in 3 years, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year	<b>Impact:</b> The unspent amount shall be transferred to a fund specified in Schedule VII.

9.3 BRBNMPL may allocate separate CSR budgets to each of its Offices/Presses to be spent by them under the Annual CSR Budget allocations.

## 10. Clarifications

List of Activities not included in CSR.

<u>Normal Course of Business</u>	Activities undertaken in pursuance of the normal course of business of the company.
<u>Outside India Activity</u>	Any activity undertaken by the Company outside the India (except for the training of the Indian sports personnel representing any State or Union territory at the national level or India at International level);
<u>Political contribution</u>	Contribution of any amount directly or indirectly to any political party under section 182 of the Act.



<u>Benefit of Employee</u>	Activities that significantly benefit the employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
<u>Benefit to its Product</u>	Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
<u>Other obligation in Law</u>	Activities carried out for the fulfillment of any other statutory obligations under any law in force in India.

## **11. COMPLIANCE, MONITORING AND REPORTING**

### **11.1 COMPLIANCE**

Dedicated CSR Cells will plan, implement, monitor and manage all CSR projects & activities for BRBNMPL as per the approval of the Board. The CSR Cells will formulate implementation plans for the projects specifying the following:

- (i) Activities to be undertaken.
- (ii) Budgets proposed.
- (iii) Time frame for implementation.
- (iv) Responsibilities and authorities for implementation.
- (v) Results expected to be achieved post implementation

### **11.2 MONITORING**

The CSR Cells will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

### **11.3 REPORTING**

- The CSR Sub-Committee of the Board, based on reports presented by the CSR Cells, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013, read with amendments form time to time.



- The CSR Sub-Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.
- The Company shall undertake impact assessment / measuring of social returns, through an independent agency, of its completed CSR projects for every Financial Year from 2019-20 onwards, 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.
- The expenditure incurred towards impact assessment study / measuring of social returns of CSR activities, shall be booked under expenditure towards CSR for that financial year, which shall not exceed two percent of total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

#### **11.4 DISPLAY OF CSR ACTIVITIES ON WEBSITE**

The composition of CSR Committee, CSR Policy and CSR Projects on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively. The Company shall also display on its website the Impact Assessment study reports, if applicable.

#### **12. CSR SUB-COMMITTEE**

CSR Sub-Committee shall formulate and recommend to the Board, an annual action plan in pursuance to its CSR Policy, which shall include the following:

- a. The list of CSR projects or programmes that are approved to be undertaken in the area of Schedule VII
- b. Manner of the execution of such projects.
- c. Modalities of utilization of funds and implementation of schedule for the projects;
- d. Monitoring and reporting mechanism for the projects or programme; and Details of need and impact assessment, if any, for the project undertaken by the Company.





### **13. TREATMENT OF SURPLUS**

Any surplus generated from CSR projects undertaken by BRBNMPL w. e. f. 2021-22 will be tracked and channelized into BRBNMPL's CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

### **14. CSR Activities coverage area**

#### **Possible areas of activities under CSR (As per Schedule VII of the Companies Act, 2013, amended from time to time)**

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of arts; setting up public libraries; promotion and development of traditional arts and handicrafts
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents



- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)".
- x. Rural development projects
- xi. Slum area development
- xii. Disaster management, including relief, rehabilitation and reconstruction activities

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