

**POLICY ON
CORPORATE SOCIAL RESPONSIBILITY
NEUZEN FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS UMANG TRADING PVT. LTD.)**

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1. PREAMBLE:

Ministry of Corporate Affairs ('MCA') has issued guidelines on Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with Schedule VII i.e., Companies (Corporate Social Responsibility Policy), Rules 2014 to companies meeting certain criteria. The said Act and Rules in this regard have been substantially amended as required, necessitating changes to be made in the existing CSR Policy of the Company.

2. APPLICABILITY:

The CSR is governed by Section 135 of the Companies Act, 2013.

The CSR provisions within the Act are applicable to companies:

- a. having net worth of rupees five hundred crore or more, or
- b. turnover of rupees one thousand crore or more or
- c. a net profit of rupees five crore or more during an immediately preceding financial year.

Neuzen Finance Private Limited (formerly known as Umang Trading Pvt. Ltd.) ("the Company") falling within the ambit of the above-mentioned clauses needs to comply with the said section and rules related to CSR.

3. DEFINITIONS:

- a. "Act" means Companies Act, 2013 and rules framed therein.
- b. "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c. "Average net profit" means:
 - credit shall be given for the sums specified in sub-section (2) of Section 135 of the Act, and credit shall not be given for those specified in sub-section (3) of Section 135 of the Act; and
 - the sums specified in sub-section (4) of Section 135 of the Act shall be deducted, and those specified in sub-section (5) of Section 135 of the Act shall not be deducted.
- d. "Board" means Board of Directors of the Company
- e. "Company" means **Neuzen Finance Private Limited** (formerly known as Umang Trading Pvt. Ltd.)

- f. Corporate Social Responsibility (CSR)**” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
- i. 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 the international level;
 - ii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iii. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
 - iv. activities supported by the companies on sponsorship basis for deriving marketing benefit for its products or services;
 - v. activities carried out for fulfillment of any other statutory obligations under any law in force in India.
- g. “CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- h. “CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- i. “Directors”** means individual Director or Directors on the Board of the Company.

4. BOARD RESPONSIBILITIES

- a.** Plan of CSR as recommended by CSR Committee. Further, the Board may alter the said action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- b.** The Board shall ensure that the CSR activities and CSR expenditure are undertaken as per Sec 135 read with relevant rules as amended from time to time.
- c.** The Board shall monitor the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- d.** The Board of Directors are required to disclose the reasons if the amount allocated for CSR activities are not spent during a financial year in the Board’s Report.

5. CSR COMMITTEE RESPONSIBILITIES:

Neuzen Finance Private Limited shall constitute a Corporate Social Responsibility (CSR) Committee of the Board shall be responsible for mentioned below:

- a. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.
- b. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company including the activities as specified in Schedule VII of Companies Act, 2013.
- c. Approve the implementing agency as per the eligibility criteria mentioned in Sec 135 of Companies Act 2013 and relevant rules as amended from time to time.
- d. Recommend the manner of execution of such projects or programmes.
- e. Recommend the modalities of utilisation of funds and implementation schedules for the projects or programmes.
- f. Monitoring and reporting mechanism for the projects or programmes.

6. CSR ACTIVITIES:

Activities to be undertaken by the CSR committee as per Schedule VII of Companies Act, 2013 as amended from time to time. Below mentioned is the illustrative list of Schedule VII:

- i. Eradicating hunger, poverty and malnutrition [“promoting health care including preventive health care”] and sanitation [including contribution to the Swach 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 center 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

- v. 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.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents. [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- viii. Contribution to the Prime Minister's National Relief Fund
- 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.

7. CSR EXPENDITURE:

The Board shall ensure that the Company spends, in every financial year, at least **two percent of the "Average Net Profits" of the Company made during the three immediately preceding financial years**, in pursuance of its Corporate Social Responsibility Policy.

8. CSR REPORTING AND MONITORING:

The Company shall annex with its Board Report an annual report on CSR.

9. REVIEW OF THE POLICY:

The Policy shall be amended or modified with the approval of the Board on the recommendation of the Corporate Social Responsibility Committee. Consequent upon any amendments in RBI guidelines or any change in the position of the Company, necessary changes in this Policy shall be incorporated and approved by the Board on the recommendation of the Corporate Social Responsibility Committee.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy. The CSR Policy referred to above is to be read in conjunction with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, as amended from time to time. This Policy is subject to review from time to time.

****THE END****