

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

## 1. **PREAMBLE:**

Ministry of Corporate Affairs ('MCA') has issued guidelines on Corporate Social Responsibility under Section 135 of 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 with effect from 22<sup>nd</sup> January, 2021 necessitating changes to be made in the existing CSR Policy of the Company.

## 2. **APPLICABILITY OF THE CORPORATE SOCIAL RESPONSIBILITY POLICY ("POLICY") :**

The CSR is governed by Section 135 of the Companies Act, 201.

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 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. activities undertaken in pursuance of normal course of business of the Company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the condition that:
- such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
  - details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
- ii. 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 international level;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- v. activities supported by the companies on sponsorship basis for deriving marketing benefit for its products or services;
- vi. activities carried out for fulfilment 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.

- j. **“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
- i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
- Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.
- k. **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

#### **4. ROLE OF BOARD OF DIRECTORS:**

- a) The Board of Directors of **Neuzen Finance Private Limited** will after considering the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report.
- b) The Board of a Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.
- c) Approve the annual action 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.
- d) 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.
- e) 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.
- f) 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:

- Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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.
- 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.
- 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.

- Measures for the benefit of armed forces veterans, war widows and their dependents.
  - Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
  - 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.
  - 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
  - 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).]
  - Rural development projects.
- a. The Board of Directors of the Company may take up the above-mentioned activities through the following manner:
- a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other Company, or
  - a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
  - a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or any entity established under an Act of Parliament or a State legislature; or
  - To any organization deemed fit by the board of directors.

**7. CSR EXPENDITURE:**

The Board shall ensure that the Company spends, in every financial year, at least **two per cent 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 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