

CSR Policy- Neuroglia Health Private Limited

1. PREAMBLE

Neuroglia Health Private Limited (“NHPL” or “the Company”) is a private limited company incorporated on April 28, 2015 and engaged in the business of providing medical education including publishing medical journals, creating online study materials, development of applications and softwares for doctors, other medical professionals and medical students in India. The Company believes in integrating its business values and operations to meet the expectations of all stakeholders – owners, employees community in which it operates and the regulators; based on this guiding philosophy, the Company approaches its CSR and is at the foundation in defining its CSR mission and vision; this philosophy has further guided the Company in choosing the CSR program as outlined in this document and its geographical reach; Based on this thought process, NHPL policy has been framed to drive planning, implementation and evaluation of initiatives and resources;

The company has engaged for being a socially responsible Company. Apart from compliance and running a responsible business, it has been engaged in the social upliftment of families in the geographical location of the Company through education. NHPL has conducted business in a socially responsible manner, paying taxes, following all the compliances, providing for social security, having a fair and good vendor sustainability practice.

The Company has had the philosophy to create a win-win situation for all of its stakeholders, consultants, employees, vendors, and customers in the form of fair practices. The company has all licenses, all legal software, required HR practices and a fair working environment.

2. DEFINITIONS

- a) “Act” means the Companies Act, 2013
- 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) “Board of Directors” or “Board” means the collective body of the directors of the Company.
- d) “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 such activities as mentioned in the Act.

e) “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;

f) “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;

g) “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;

h) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

i) “section” means a section of the Act.

3. OBJECTIVES

NHPL CSR policy intends at:

- Economic and social development that has a positive impact on the society at large.
- Embrace responsibility for the company’s actions and encourage positive impact through its initiatives to promote education, quality healthcare and reducing inequalities faced by socially and economically backward groups.

4. FOCUS AREAS

- Education: Promoting education, including special education and employment- enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for

establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.

- Healthcare: Promoting measures in healthcare, including preventive healthcare for enhancing livelihood and living conditions for socially and economically backward groups
- Care homes: Promoting setting up of homes for orphans, women and destitute for reducing inequalities faced by socially and economically backward groups
- OTHER ACTIVITIES: Such other activities which may be included by Companies in their CSR as mentioned in Schedule VII of the Act.

5. GOALS OR MODES OF IMPLEMENTATION

Sl. No	Focus Area	Action
1.	Education	<p>NHPL focus on education will be on three fronts:</p> <ul style="list-style-type: none"> ● To train students from underprivileged backgrounds in its various development centers. ● Provide grants to various colleges in India for improving their infrastructure. Sponsor chairs and create endowment funds for the colleges/universities to assist students with their studies. ● NHPL will work with various non-profit organizations that or it shall identify poor students, in and around or amongst the stakeholders of the company and provide for the educational fee, educational support, moral upliftment and related activities.
2.	Healthcare	NHPL will work with various non-profit organisations to support quality healthcare for economically poor patients through financial assistance. This will include emergency, preventive and diagnostic services.
3.	Orphanages and Care homes	NHPL will work with non-profit organisations to support children in orphanages, including the matters related to their health and education and destitute adults in care homes.

6. LOCATION OF CSR ACTIVITIES

The CSR committee will decide on the locations for CSR activities. It shall take cognizance of the recommendations of the Ministry of Corporate Affairs, with reference to social impact and the area of work which could be proximate to the location of the company.

7. UNDERTAKING CSR ACTIVITIES

NHPL will undertake its CSR activities, approved by the CSR Committee either directly or through eligible entities/organizations as approved by the CSR Committee.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company. Such surplus shall be spent towards its CSR activities in accordance with this policy.

8. COMPOSITION OF CSR COMMITTEE

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of three or more directors.

Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors

- Eiji Tsuchiya, Member
- Kazataka Kanairo, Member

Further, pursuant to sub section 9 of section 135 of the Act, where the Company's spend does not exceed fifty lakh rupees under sub section 5 of the Act, the constitution of the CSR Committee shall not be applicable and the functions for such Committee shall be discharged by the Board of Directors of the Company.

The CSR subcommittee is formed under the guidance of the CSR committee for the period of 2022 and 2023 and the committee members details are provided below :

- Priyank choubey- CTO
- Vineet Bagri - CEO
- Priya- Head of Finance and Control

9. (a) RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the CSR Committee include:

- A. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- B. Recommend the CSR Budget
- C. Recommend CSR activities as stated under Schedule VII of the Act

- D. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- E. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- F. Monitor the CSR Policy of the Company from time to time
- G. Authorize executives of the Company to attend the CSR Committee Meetings

10. GOVERNANCE

The Company, through 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 can undertake CSR activities as per the provisions of the Companies Act, 2013. Accordingly, such entities will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. Identified entities will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. The advisors, if any, will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

11. FUNDING, SELECTION AND MONITORING PROCESS

The CSR Committee will receive requests for funding of projects throughout the calendar year. Its panel of experts will evaluate proposals received under the focus areas and projects will be prioritized by assessing their potential impact. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

NHPL representatives will collaborate with stakeholders to monitor the status of each project and will report its findings and document it periodically.

12. MONITORING, REVIEW AND EVALUATION

Monitoring & Review:

The Company has a robust and a well-defined governance structure to oversee the CSR activities undertaken to ensure the disbursement of funds and its utilization towards the projects.

Following are some indications of how the monitoring is executed:

Level 1: Local review - dissemination of MIS and exception reports by employees / Senior CSR Volunteers to the CSR Committee; Senior Leaders review on the progress, effectiveness, action plans and support required for the program – on a two monthly basis.

Level 2: CSR Committee to meet and review the progress and recommendations of the CSR team and decide on any course correction, if needed to ensure the Company's CSR Program is on course.

Level 3: Board Committee on CSR Review on quarterly basis.

Evaluation:

There are two kinds of evaluation that the Company shall undertake:

Internal Evaluation: CSR team shall, based on site visits and other inputs it may seek on the program implementation such as program effectiveness index or such other tools, decide the outcome of the Program. They could also conduct interviews with the beneficiaries or the beneficiary organization.

External Evaluation: Once in 3 years, the CSR Committee may appoint / work with external consultants, academic agency or such other agency as it may deem appropriate to have the impact of its CSR program assessed.

Apart from the above, the basis for selecting any program shall be based on socio- economic baseline studies to assess the community needs and priorities and periodically align its own CSR Programs to the community needs.

13. FREQUENCY OF MEETING

The meetings of the Committee could be held at such periodic intervals as may be required.

14. TREATMENT OF UNSPENT CSR AMOUNT

The Company shall treat the unspent CSR funds remaining at the end of a financial year 2021 and the years thereafter in any of the following ways:

- **Transfer to an Unspent CSR Account:** Any unspent amount from an ongoing project should be transferred within 30 days of the end of the financial year, to the specifically designated 'Unspent Corporate Social Responsibility Account' to be opened by the company. These amounts should be spent within the next three financial years, in accordance with the company's CSR policy. If these amounts remain unspent even after the three-year period, then they should be transferred, within 30 days of the end of the third financial year, to any fund specified in Schedule VII of the Companies Act, 2013.
- **Transfer to a Schedule VII fund:** If the funds are unallocated to any CSR project, then such unspent amount shall be transferred, within six months of the end of the financial year, to any fund specified in Schedule VII of the act.

15. TREATMENT OF EXCESS CSR AMOUNT SPENT

If the company has spent amounts more than the prescribed two percent on CSR, the company can set off such excess amounts against the CSR spends in the next.

16. ANNUAL ACTION PLAN

The Annual Action Plan (AAP) of the Company shall include the following:

- List of projects or programmes approved to be undertaken in such areas.
- Manner of execution of such projects.
- Modalities of utilization of funds and implementation schedules for projects.
- Monitoring and reporting mechanism for each of such projects.
- Details and need of impact assessment for projects undertaken.

17. IMPACT ASSESSMENT

- Where the Company is having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.
- The expenditure booked on undertaking the impact assessment towards Corporate Social Responsibility shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is lower.
 - If the company has spent amounts more than the prescribed two percent on CSR, the company can set off such excess amounts against the CSR spends in the next three financial years. The board of directors need to pass a resolution for this.

18. CAPITAL ASSETS

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by the following:

- A Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- a Public Authority.

18.1 IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET(S),

- a) Date of creation or acquisition of Capital Asset(s)
- b) Amount of CSR spent for creation or acquisition of capital Asset (s)
- c) Details of Entity/ies, Public Authority or beneficiary/ies under which/whose name such capital asset(s) is registered with the address.

19. WEBSITE DISCLOSURE

The Company shall disclose the details of the Committee, CSR policy and other compliances under the Act pertaining to CSR in its website.

20. EFFECTIVE DATE

This policy is effective from December 18, 2019.

21. CONFIDENTIALITY

All deliberations of the Committee, and all records, material and information pertaining to the Corporation obtained by a member of the Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material, and information from improper access.

22. POLICY REVIEW AND THE AMENDMENT

The CSR Policy of the company may be amended at any time by the board of the company on the Recommendation of the CSR committee.

23. ANNEXURES

Sl. No	CSR Projects or Activities	Thematic Area	Allocated Budget for Project or Activities	Unspent Budget	Cumulative expenditure up to the reporting date	Mode of implementation- Direct or Implementation Agency	Budget transferred to the unspent CSR Budget for the current project	Amount transferred to a fund specified under Schedule VII

1	Nature Merit and Employment readiness Program (Career Connect and Nature merit)	Education	Rs.85,91,595/-	Rs. 47,24,595/-	Rs. 38,67,000/-	Implementing Partner: Vidya Poshak	Rs. 78,98,595	Nil-0
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24. CSR PROGRAMS AND INITIATIVES ALONG WITH THE OUTCOME INDICATORS

Thrust Area	Flagship Activities	Outcome Indicators	Output
Promoting Education among Children	Details of the program that NHPL shall participate into and/or conduct	The outcome through quantitative parameters of the programs made impact - such as, % increase / retention of students enrolment expected from the programs / activities	The total number of participants in the program eg., number of schools / students benefited etc.,