

INNEFU LABS LIMITED
(Formerly known as Innefu Labs Private Limited)

CSR POLICY

BACKGROUND:

Corporate Social Responsibility ("CSR") is a concept whereby corporate entities integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis. A business enterprise cannot be oblivious to societal and environmental development. The corporate entities are empowered and possess great potential to significantly influence the surroundings in which it operates. The main purpose of an entity must be beyond creating wealth i.e., towards attaining sustainable development and to create stakeholder value. CSR is the continuing commitment by the Company to behave ethically and contribute to the economic development while improving the quality of life of the workforce and their families as well as of the local community and the society at large.

OUR CSR VISION:

In this era of Globalization, liberalization and advances in communication technology, there is an alarming increase in the awareness of the CSR throughout the World. We firmly believe that if we want a better, safer, cleaner and healthy environment then we must take a first step to begin our journey towards striking a balance between the societal needs, economic development and eco-friendly environment through various CSR activities.

Every individual has the Right to Life, Right to live with dignity, Right to education, Right to clean and healthy environment which are engraved in the Constitution of India. The responsibility is cast upon the Government to ensure that these Rights are protected and are not exploited. We realize that this responsibility must be shared by each and every individual, especially by corporate entities to eradicate hunger, poverty, upliftment of the downtrodden society, provide education and protect the environment. We will strive to emerge as one of the best Corporate Citizens.

DEFINITION AND INTERPRETATION

1. **"Board"** means the Board of Directors of the Company.
2. **"Company"** means Electronics Sector Skills Council of India.
3. **"CSR Activities"** means such programs and projects as may be approved by the Board in terms of this CSR Policy.
4. **"CSR Committee"** means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.

5. "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
6. "**CSR Expenditure**" means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
7. "**Director**" means a member of the Board of the Company.
8. "**Net Profits**" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include (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.
9. "**Society**" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
10. "**Trust**" means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

CSR ACTIVITIES

1. The Company will undertake social projects in designated communities, in a focused manner, for maximum positive impact;
2. In consultation with the local community, the Company will design and effectively implement projects in areas such as healthcare, community development, education and skills development
3. Make quality healthcare accessible and affordable for the underprivileged either directly or through designated intermediary vehicle.
4. Develop and implement the education, water and sanitation, infrastructure development and elderly care projects for sustainable socio-economic development in the designated communities.
5. Develop the skills of the youth by setting up educational institutions, improving infrastructure of the existing institutes, providing schools for students and promoting research in the educational services sector.
6. To contribute towards the creation of an enterprise culture in our society.
7. As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and considers social responsibility as an integral part

of its business activities and endeavors to utilize allocable CSR budget for the benefit of the society. The specific projects and activities under these pillars are being worked on and more specifics will be finalised in due course. In terms of the CSR rules issued by the MCA the Company will be focusing on undertaking the project /programs /activities listed below, as specified in Schedule VII to the Act excluding activities undertaken in pursuance of normal course of business of a Company:

- i. Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and sanitation including contribution to the "Swachh Bharat Kosh" set-up by the Central Government for 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 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, and 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" setup 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 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;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to 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 Schedule Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

x. Rural development projects.

xi. Slum area development.

Explanation – For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.”

8. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
9. Based on the scope of activities stated above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
10. The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
11. The following details of any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations:
 - (i) The list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) The objectives and expected results of the CSR Activity;
 - (iii) The relevant sector and the nature of the CSR Activity;
 - (iv) The focus area/ location for implementation of the CSR Activity;
 - (v) The modalities of utilisation of funds and amount to be allocated towards the CSR Activity;
 - (vi) The implementation schedules for the projects or programmes with indicative timelines for completion of the CSR Activity;
 - (vii) The manner of execution - whether the CSR Activity should be undertaken by the Implementation Group or any Implementing Agency or in collaboration with any other company;
 - (viii) Monitoring and reporting mechanism;
 - (ix) details of need and impact assessment, if any, for the projects undertaken by the company; and
 - (x) Such other details as it may deem necessary.

12. In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
13. Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

COMPOSITION OF THE CSR COMMITTEE

The composition of the CSR Committee of the Board is as under.

S. No.	Name	Designation/Category	CSR Committee
1.	Sh. Abhishek Sharma	Director	Chairperson
2.	Sh. Tirender Wig	Director	Member
3.	Sh. Priyank Jain	Director	Member

The Board shall have the power to make any change(s) in the constitution of the Committee

IMPLEMENTATION OF THE CSR POLICY

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
2. The CSR Committee shall approve reconstitution of an implementation group for the purposes of implementation of the CSR Activities approved by the Board from time to time (the "Implementation Group") and submitting report of the progress on the CSR Activities to the CSR Committee, which shall be further laid before the Board.
3. Mode of Implementation: The CSR Activities may be undertaken by the Company directly or with the prior approval of the Board, through any of the following entities as "Implementation Agency" being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021):
 - (i) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other Company;

- (ii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
- (iii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
- (iv) Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.

4. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.

5. The Company may engage international organizations 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.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

The Company may collaborate with the other companies in consultation with the CSR committee, to identify, conduct due diligence and contribute to CSR projects. As part of such collaboration, any one of the Morgan Stanley collaborating group companies / affiliates may engage with Implementation Agencies (including execution of the appropriate memorandum of understanding or any other documents as approved by the CSR Committee) on behalf of the Company.

6. The Board shall empower the Implementation Group to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/ agreements as it may deem fit.

7. In case of failure to ensure the minimum CSR Expenditure i.e. 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years, detailed reasons for the same should be submitted by the Implementation Group to the CSR Committee and the Board. Further the Board shall duly include such explanation in their annual board of directors' report.

CSR COMMITTEE

1. The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.
2. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:
 - (i) Formulating and recommending CSR activities to the board of directors;
 - (ii) Recommend amount of expenditure;
 - (iii) Monitor CSR policy of the company; and
 - (iv) Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes;
 - (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company.
3. The CSR Committee shall consist of at least three directors of the Company. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.
4. The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
5. All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/interpretation shall rest with the Board.
6. No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

CSR EXPENDITURE

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.
2. The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.
3. The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.
4. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
5. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
 - (i) activities undertaken in pursuance of normal course of business of the company 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;
 - (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 (29 of 2019);
 - (iv) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
 - (v) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
6. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

MONITORING PROCESS

1. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported by the Implementation Group to the Board as well the CSR Committee on a quarterly basis in such manner as the CSR Committee may direct.

2. In the event any of the CSR Activities are undertaken through an Implementing Agency, the Implementation Group should obtain relevant information from the Implementing Agency and ensure that the progress on such CSR Activity is submitted to the Board as well the CSR Committee on a quarterly basis in such manner as the CSR Committee may direct.
3. For the purposes of monitoring, the Implementation Group may visit the Implementation Agency site to review CSR project and carry out inspections as recommended by the CSR Committee from time to time.
4. Upon receipt of such progress report by the Implementation Group, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board.
5. Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

REPORTING AND RECORD KEEPING

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The Board's report of the Company shall include an annual report on CSR containing the particulars set out in Annexure A to this CSR Policy and such other details as may be prescribed from time to time under the Act and the CSR Rules.
3. In respect of the reporting, the Board will be responsible to ensure that:
 - (i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
 - (ii) The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
 - (iii) The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board are also made available on the website (if any) of the Company.
 - (iv) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

AMENDMENT

1. The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

ANNEXURE A

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1			
2			
3			
TOTAL			

6. Average net profit of the company as per Section 135(5).

7. (a) Two per cent of average net profit of the company as per Section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

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(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs)	Amount spent in the current financial Year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
										Name CSR Registration number
1.										
2.										
3.										
	Total									

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in Rs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
							Name CSR registration number
1.							
2.							
3.							
	Total						

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs)
(i)	Two per cent of average net profit of the company as per Section 135(5)	
(ii)	Total amount spent for the Financial Year	

(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs)	Amount spent in the reporting Financial Year (in Rs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.							
2.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs)	Status of the project - Completed /Ongoing
1.								
2.								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of Section 380 of the Act] (Wherever applicable).]
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