

## POLICY FOR CORPORATE SOCIAL RESPONSIBILITY

**I. SHORT TITLE:** This policy in relation to the Corporate Social Responsibility (“**CSR**”) of Morgan Stanley India Primary Dealer Private Limited is titled as the “**CSR Policy**” and shall include any alterations, amendments or modifications hereto from time to time.

### **II. VISION STATEMENT, OBJECTIVE AND APPLICABILITY**

1. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium and long term CSR programs and initiatives.
2. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“**Act**”) and the rules issued thereunder.
3. Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:
  - (i) Constitute/maintain the CSR Committee; and
  - (ii) Comply with the provisions of this CSR Policy

till such time as it again meets the criteria specified in Section 135(1) of the Act.

### **III. DEFINITION AND INTERPRETATION**

1. “**Board**” means the Board of Directors of the Company.
2. “**Company**” means Morgan Stanley India Primary Dealer Private Limited.
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.
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. “**Implementing Agency**” means an implementing agency as defined under paragraph IV (3).
9. “**Implementation Group**” means an implementation group as defined under paragraph IV (2).
10. “**Net Profits**” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act (or the provisions of the Companies Act, 1956, if then applicable), 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.

11. “**Society**” means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
12. “**Trust**” means a 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.

#### **IV. 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.
2. The Board shall constitute 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 Board as well as the CSR Committee.
3. Mode of Implementation: The CSR Activities may be undertaken by the Company directly through the Implementation Group or with the prior approval of the Board,
  - (i) Through a Trust, or a Society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise; and/ or
  - (ii) Through a Trust, or a Society or a company established under section 8 of the Act with a established track record of three years in undertaking similar programs or projects; and/ or
  - (iii) In collaboration with other companies or NGOs
  - (iv) In collaboration with any Industry Body coordinating such activities
  - (v) Direct contribution / implementation of any project approved by CSR committee/Board
  - (vi) Contribution to PM Relief Fund or any other fund as may be notified by Govt
  - (vii) Voluntary work undertaken by its employees and logged on to Global Volunteer Month web site or monitored in any other way by the company.

(the entities referred to under sub-clause (i) and (ii) above, are hereinafter referred to as “**Implementing Agencies**”).
4. 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.
5. In case of failure to ensure the minimum CSR Expenditure, details reasons for the same should be submitted by the Implementation Group to the Board, who shall include the same in their report.

## **V. 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. The CSR Committee shall consist of at least two / three directors of the Company having atleast two / three directors as the case may be. 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.
3. 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.
4. 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.
5. 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.

## **VI. CSR EXPENDITURE**

1. The CSR Committee shall recommend the amount of CSR Expenditure to be incurred in a year, in accordance with the Act and the Rules. For this purpose, the Board shall ensure a designated officer from the [finance department] of the Company provides the relevant financial data and such other necessary details to the CSR Committee to enable the Committee to recommend to amount of CSR Expenditure to the Board.
2. The Board shall be responsible for sanctioning the CSR Expenditure and taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.
3. The Board shall ensure that the CSR Expenditure in a financial year is at least at two per cent of the average Net Profits of the Company made during the three immediately preceding financial years.
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.
5. In order to count towards CSR Expenditure, CSR Activities must be carried out in India and should not be solely for the benefit of the employees of the Company and their families.
6. Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR Expenditure or considered a part of CSR Activities.
7. Any amounts expended while undertaking activities in pursuance of normal course of business of a Company or on an item not in conformity or in line with activities set out in Schedule VII of the Act, will not form a part of CSR Expenditure.

8. Board shall ensure that expenditure, if any incurred towards any capacity building exercise internally or of Implementing Agencies through institutions with established track record of at least three financial years, as the case may be, shall not exceed five percent of the CSR Expenditure in one financial year.

## **VII. CSR ACTIVITIES**

1. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
  - (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
  - (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, woman, 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 centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically back ward 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 windows 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 social-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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) Such other activities as may be specified under the Act or the CSR Rules from time to time.
2. 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.
3. Based on the scope of activities set out in paragraph VII (1) above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
4. 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.

5. 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 objectives and expected results of the CSR Activity;
  - (ii) The relevant sector and the nature of the CSR Activity;
  - (iii) The focus area/ location for implementation of the CSR Activity;
  - (iv) The amount to be allocated towards the CSR Activity;
  - (v) The indicative timelines for completion of the CSR Activity;
  - (vi) Whether the CSR Activity should be undertaken by the Implementation Group or any Implementing Agency or in collaboration with any other company; and
  - (vii) Such other details as it may deem necessary.
6. In case any of the CSR Activities to be undertaken are anticipated to be long term, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
7. Based on the recommendations of the CSR Committee, the Board shall approve the following:
  - (i) The specific CSR Activities that should be undertaken by the Company from time to time;
  - (ii) The amount that should be deployed towards such CSR Activity;
  - (iii) Whether the CSR Activities will be undertaken directly by the Company or through an Implementing Agency or in collaboration with any other companies [and record reasons for the same].

## **VIII. 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 an annual basis in such manner as the Board 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 an annual basis in such manner as the Board may direct.
3. 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.
4. Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

## **IX. 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. 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 such policy are also made available on the website (if any) of the Company as per the particulars specified in the Annexure A.
  - (iv) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

**X. 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 of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year;
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
	TOTAL						

\*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

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)