

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.
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 Policytill 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, 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. **"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, 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 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.

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 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 through its Implementation Group 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 group companies / affiliates 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.

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. 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 utilisation 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 two/ 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.

VI. 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.

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 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, 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, conversation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up 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, 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 or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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) 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).
 - (x) Rural development projects;
 - (xi) Slum area development
Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;
 - (xii) Disaster management including relief, rehabilitation and reconstruction activities; and
 - (xiii) Any other project as may be specified under Schedule VII of the Companies Act, 2013, 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 I. 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 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.
6. 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.
7. Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

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 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.

IX. REPORTING AND RECORD KEEPING

- I. 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.

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**

- Brief outline on CSR Policy of the Company.
- 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 |
|---------|------------------|------------------------------------|--|--|
| | | | | |

- 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.
- 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).
- 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 | | |

- Average net profit of the company as per Section 135(5).
- Two per cent of average net profit of the company as per Section 135(5)
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
 - Amount required to be set off for the financial year, if any
 - Total CSR obligation for the financial year (7a+7b-7c).
- 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 |
| | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

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

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

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

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

