

Morningstar India Private Limited

Corporate Social Responsibility Policy

Version Number	Created/Modified By	Created/Modified In
1	Rashmi Pandit	April 2015
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1. Overview

Section 135 of the Companies Act, 2013 and applicable rules, circulars and notifications issued by the Ministry of Corporate Affairs or **MCA** (collectively, **Law**), make it mandatory for companies to implement Corporate Social Responsibility (**CSR**), if during any financial year:

- their net worth is Rupees five hundred crore (Rs. 5,000 mn) or more, or
- their turnover is Rupees one thousand crore (Rs. 10,000 mn) or more, or
- their net profit has been Rupees five crore (Rs. 50 mn.) or more.

The Law requires that such companies:

- constitute a CSR Committee, consisting of members of its Board of Directors;
- formulate and implement a CSR policy; and
- set aside and spend towards CSR activities, in every financial year, at least 2% of its average net profits for the three (3) immediately preceding financial years.

Morningstar India Private Limited (**Company**), a company incorporated under the erstwhile Companies Act, 1956, and having its registered office at 9th Floor, Platinum Technopark, Plot No. 17/18, Sector 30A, Vashi, Navi Mumbai – 400075, Maharashtra, India, meets the net profit criterion mentioned above. Therefore, on the recommendation of the CSR Committee of the Board of Directors of the Company, this CSR Policy (**Policy**) is approved and adopted by the Board of Directors with immediate effect.

2. Objectives of the Policy

The Policy aims to achieve the following objectives:

- Define CSR goals for the Company and spell out the Company's approach towards achieving them;
- List out the types of CSR projects that the Company believes in and would consider engaging in/contributing towards;
- Identify geographical areas where the Company would consider for the CSR projects;
- Define the extent or quantum of amount the Company will set aside for CSR;
- Serve as a guiding document for execution of the Company's CSR projects and

monitoring their execution;

- (f) Explain how the surpluses from the CSR projects of the Company will be handled.

3. CSR Committee

(a) Composition of the CSR Committee:

The CSR Committee shall consist of the following Directors of the Company:

- (i) Mr. Aditya Agarwal
- (ii) Mr. Shreyas Shah (Alternate Director)

(b) Responsibilities of the CSR Committee:

- (i) Formulating the Policy (and revising it from time to time, as and when required), and recommending it to the Board of Directors for approval;
- (ii) Indicating, through the Policy, the types of CSR activities/projects that the Company intends to engage in/contribute towards (**CSR Projects**);
- (iii) Approving and ensuring implementation of the CSR Projects;
- (iv) Determining (a) the amount of expenditure to be incurred by the Company on CSR Projects (**CSR Budget**); (b) the allocation of the CSR Budget among various CSR Projects; and (c) the tranches of disbursement;
- (v) Monitoring the implementation of the CSR Projects and compliance of the Policy, from time to time; and
- (vi) Submitting a report to the Board of Directors, on the Company's CSR activities, on a yearly basis. (*Format as per Annexure I*).

4. CSR Expenditure

(a) CSR Budget

The Company shall spend on CSR Projects, in every financial year, 2% of its average net profits for the three immediately preceding financial years, in compliance of the Policy.

(b) Allocation to CSR Projects

Within the CSR Budget mentioned in 4. (a) above, the CSR Committee shall have the discretion to determine the following:

- (i) Percentage of total amount to be spent on each CSR Project and
- (ii) Tranches of disbursement.

(c) Examples of Included and Excluded Expenditure

Included Expenditure:

- (i) Any expenditure, including contribution to corpus, for the CSR Projects of the Company.
- (ii) Salaries paid to employees, if any, who work on CSR activities (in proportion to

- the time/hours spent specifically on CSR); and
- (iii) Such other expenses as may be specified by the Law as valid CSR expenditure from time to time.

Excluded Expenditure:

As per the Law, any expenditure that does not qualify as valid CSR Expenditure shall be excluded for the purposes of the Policy. Examples include expenditure incurred:

- (i) On any activity that is not in conformity with the Policy;
- (ii) On any activity that is not in accordance with the Law;
- (iii) On any project or program that benefits only the employees of the Company and their families;
- (iv) For one-off events such as marathons, awards, charitable contributions, advertisements, sponsorships of TV programs etc.;
- (v) For the fulfillment of any regulation or statute such as Labour laws, Land Acquisition Act etc.;
- (vi) On activities undertaken in the normal course of business of the Company;
- (vii) By way of direct or indirect contribution to any political party.

(d) Treatment of surplus

Any surplus arising from the CSR Projects will be treated in the manner laid down by the Law from time to time.

5. CSR Goals of the Company

The CSR goals of the Company are to contribute towards one or more of the activities that may be provided in Schedule VII of the Companies Act, 2013 from time to time. Examples include:

- i. Eradicating hunger, poverty and malnutrition;
- ii. Promoting education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled;
- 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 backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water etc.

6. CSR Projects

The Company shall undertake CSR Projects in line with its CSR goals, as mentioned in 5. above, and in doing so, will:

- (i) make contributions to non-profit organizations, including specified funds maintained by the Central/any State Government, such as the Prime Minister's Relief Fund etc. or
- (ii) partner with non-profit organizations/NGOs that have a known track record of service, performance, governance and accountability, or

- (iii) engage in a combination of the methods listed in (i) and (ii) above.

The Company also wishes to encourage its employees to volunteer and participate in the CSR Projects, to the extent feasible.

(a) List of CSR Projects

The Company shall focus on CSR Projects in one or more areas, in line with the CSR goals of the Company mentioned in 5. above. Based on the recommendation of the CSR Committee, the Board of Directors will approve a CSR plan for each financial year, which will be made available on the Company's website.

(b) Process for execution of the CSR Projects

The following procedure shall be followed by the Company for executing CSR Projects:

- (i) The CSR Committee shall, in line with the Policy, select and approve CSR Projects, after conducting necessary due diligence, either by themselves or through employees assigned to do this;
- (ii) In the event of partnering with an entity or NGO or making a contribution to an NGO towards a CSR Project, the CSR Committee shall:
 - ensure, before partnering with the entity/NGO, that the latter has all the requisite approvals required under all applicable laws;
 - ensure that contribution is made only towards the specific project(s) identified and approved by the CSR Committee.

(c) Implementation schedule for CSR Projects

Each CSR Project shall be implemented within a reasonable time period from the date of initiating the project or partnering with the relevant entity/NGO, such that the project meets the target objective.

(d) Monitoring Mechanism for implementation of the CSR Projects

With a view to monitoring implementation of each CSR Project, the CSR Committee shall follow the following mechanism:

Obtain the following information/documents from the partnering entity/NGO concerned:

- i. For CSR Projects (other than short term projects that commence during a financial year and end before March 31st of the said financial year), audited financial statements, as at the end of the financial year(s) to which the CSR Projects pertain;
- ii. Periodic progress report(s) with regard to the CSR Project;
- iii. Copies of any report or other document received by the partnering entity/NGO concerned from its auditors relating to its financial position or affairs, which is of a material nature with regard to either the business continuity of the partnering entity/NGO or the CSR Project; and

- iv. Any information which may affect or jeopardize the implementation of the CSR Project(s) or the activities of the partnering entity/NGO in general.

Depending on the size of the contribution, the partnering entity/NGO, and the CSR Project in itself, the CSR Committee may carry out one or more of the following activities:

- i. Field visits by employees of the Company, as designated for this purpose by the CSR Committee;
- ii. Review of the documents submitted by the partnering entity/NGO as detailed above.

The CSR Committee may, where felt necessary, engage external agencies to evaluate the CSR Projects and monitor their progress; however the responsibility of monitoring the implementation of the CSR Projects and utilization of the CSR Budget shall continue to vest in the CSR Committee.

7. Geographical area(s) where the Company will undertake CSR Projects

The Company shall engage in or contribute towards CSR Projects within India.

8. Dissemination of Information

(a) The CSR Committee shall provide an annual report to the Board of Directors, on the Company's CSR activities, for each financial year, in the extant format prescribed under the Companies Act, 2013. This shall be filed with MCA as part of the Directors' Report in the Annual Report of the Company.

(b) The latest Policy and annual CSR Plan of the Company shall be made available on the Company's website.

Annexure I

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 the 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 set-off 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 percent 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.

(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	
				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)	(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.	
				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 percent 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.							
3.							
	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								
3								
	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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