



**TAURUS ASSET MANAGEMENT
COMPANY LIMITED**

Corporate Social Responsibility (CSR) Policy

A. Preamble

Taurus Asset Management Company Limited is the Investment Manager for Taurus Mutual Fund and has been sponsored by M/s. HB Portfolio Limited. Through this Policy, our emphasis will be on assisting groups belonging to the weaker and downtrodden sections of society by providing avenues for improvement of their economic condition.

This Corporate Social Responsibility (hereinafter referred to as "CSR") Policy has been adopted by the Board of Directors of the Company in their meeting held on June 27, 2015 and aims at being linked to sustainable development; economic, social and environmental requirements of society as a whole alongside its normal business activities. This policy document has been prepared in accordance with Section 135 and other applicable provisions of the Companies Act 2013.

B. Legislations

The CSR Policy is aligned and subject to the following legislations and rules established thereunder:

- i. Section 135 of the Companies Act, 2013;
- ii. Companies (CSR Policy) Rules 2014;
- iii. Schedule – VII of the Companies Act, 2013; and
- iv. General circulars as issued by the Ministry of Corporate Affairs from time to time, including:

Circular dated June 18, 2014, issued by Ministry of Corporate Affairs

C. Guiding Principles

1. Sustainable and holistic community development,
2. Special focus on women, youth and children,
3. Adopting communities in cities where Company has business footprint,
4. Preference to work with the most underprivileged section of the society,
5. Compliance with local regulations.

D. Definitions

1. "**Act**" means the Companies Act, 2013;
2. "**Annexure**" means the Annexure appended to this Policy

3. **“Average Net Profit”** means the profit calculated in accordance with the provisions of Section 198 of the Act.
4. **“Company”** means Taurus Asset Management Company Limited.
5. **“Corporate Social Responsibility (CSR)”** means and includes but is not limited to
 - a) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - b) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this policy
6. **“CSR Committee”** means the Committee as constituted by the Board of Directors of the Company in compliance with Section 135 of the Act and rules made thereunder;
7. **“Net profit”** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, shall not include the following:-
 - 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 net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, shall not be required to be re-calculated in accordance with the provisions of the Act.

8. **“Net worth”** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

9. “**Rules**” mean the Companies (Corporate Social Responsibility Policy) Rules, 2014.
10. “**Turnover**” means the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Words and expressions used and not defined hereinabove but defined in the Act and / or Rules shall have the same meaning respectively assigned to them in the Act and / or Rules, as the case may be.

E. CSR Committee

As per the requirements of Section 135 of the Act and Rules framed there under, the Board of Directors on April 29, 2015 constituted CSR Committee. The mandate of the CSR Committee is essentially:

1. To Formulate and recommend to the Board of Directors, the CSR Policy
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above
3. Monitoring the projects/disbursements made under the CSR policy from time to time and report on them to the Board

The Committee may invite other employees and may also use honorary services of external experts who have proven credentials in the field of community services.

F. CSR Activities

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any of the following activities, as part of its corporate social responsibility initiatives, which are defined in Schedule VII of the Companies Act 2013;

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

3. 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;
4. 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 including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of River Ganga.
5. 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:
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the 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 Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. Rural development projects
11. Slum area development
12. It also covers other activities which may be notified by the Ministry of Corporate Affairs from time to time.

G. CSR Contribution

1. Company subject to the provisions of the Act and rules thereto, shall endeavor to spend in every financial year, at least 2% of its Average Net Profits made during the 3 immediately preceding financial years on the Projects stated in the CSR Policy or any other amount as required as per Act and with the prior approval from the Board of Directors of the Company.

2. Company can grant donations to registered trusts / Society/Foundation/ NGOs/ Charitable institutions registered as Societies or Public Charitable Trusts or a Company established either by itself or its holding entity, subsidiary company or associate company under section 8 of the Act or by such institutions in terms of the Act or undertake CSR activities for implementing its socially oriented projects.
3. The CSR Committee will decide on the following with regard to spending of CSR contribution:
 - a) Approval of NGOs / Institution for granting donations.
 - b) The Company may also collaborate with other companies including those within the HB Group for undertaking projects or programs 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 programs.
 - c) Approval of the projects/activities to be undertaken provided the same fall within the purview of activities mentioned in Schedule VII of the Act and as amended from time to time;
 - d) Percentage of total amount to be donated / contributed to such earmarked projects; and
 - e) Tranches of disbursement.
4. Any surplus arising from CSR projects or programs or activities will not form part of the business profits of the Company.
5. Any income arising from the contribution received and surplus arising out of the CSR activities will be used for CSR only.

H. Monitoring and Review

1. Corporate social responsibility activities will be monitored by the CSR Committee.
2. MD will prepare and submit quarterly report(s) to the CSR Committee highlighting the outlays and outcomes of the programs/projects in specific details for review by the CSR Committee.
3. Board of Directors of the Company will review reports of CSR Committee on implementation of CSR programs / projects on half yearly basis.

4. The CSR Committee will evaluate, review, approve and monitor CSR projects on a Cost Benefit and Impact Analysis. The proposal would include details to the amount of financial involvement, indirect costs impact, detailed project report and plan.
5. External help for the development and execution of such programs may be sought per scale and need be determined by the CSR Committee.

Apart from above mentioned reports, MD will also submit the following to CSR Committee:

- a. A Feasibility and Impact Assessment of continuing a particular program implemented through an external agency or via the internal CSR activity;
- b. Quarterly & annual report(s) to CSR Committee highlighting the outcomes and challenges of the program/projects in specific detail along with a financial report;
- c. Utilization certificate (on quarterly basis) with statement of expenditure duly certified by a Chartered Accountant will be submitted; and
- d. Confirmation of compliance to other legal and statutory requirements as necessary.

I. Reporting / Disclosure

Apart from the reporting requirement as mentioned hereinabove in the CSR Policy, following regulatory disclosure requirements also need to be complied in relation to CSR activities of the Company:-

1. Composition of the CSR Committee shall be disclosed in the Board Report;
2. A responsibility statement of the CSR Committee to the Board of Directors on annual basis, that the implementation and monitoring of CSR Policy, is in compliance with the CSR Objectives and Policy of the Company.
3. The Board Report shall include an annual report on CSR activities in prescribed format (by MCA) containing specified particulars i.e. Brief Outline of CSR Policy, its content the Average Net Profit for the last 3 FYs and the prescribed CSR Expenditures etc.;
4. If the company fails to spend the prescribed amount, the Board of Directors' of the Company shall, in its report specify the reasons for not spending the amount; and

5. The content of CSR Policy shall be displayed on the company's website www.taurusmutualfund.com
6. A comprehensive annual CSR Report detailing the initiatives with relevant annexures and photographs along with account statement (all inclusive) shall be created and communicated for internal company records.

*Format of Reporting for Board Report shall be as per **Annexure – 1** as may be amended from time to time.

J. Amendment / Policy Review

- 1) The CSR Committee reserves the right to modify, cancel, add, delete or amend the CSR Policy in accordance with the Companies Act, 2013, rules and regulations as may be applicable from time to time or otherwise at any time, with the prior approval of the Board of Directors.
- 2) Subject to change in the statutory requirements, if any, the first review of the Policy shall be due on December, 2016 and thereafter, as the Committee / Board may desire.

K. Custodian of the Policy

The Compliance Officer shall be responsible for safe custody of the Policy.

L. Effective date of CSR Policy

This CSR Policy will come into effect from June 27, 2015, the date of approval by the Board of Directors' of the Company.

Annexure - 1

Format for the Annual Report on CSR Activities to be included in the Boards' Report

1. A 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

S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programme: (i) Local area or other (ii) Specify the State or District where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent on project or programs: Sub head: 1. Direct expenditure on project or programme; 2. Overhead	Cumulative expenditure up to the date of reporting	Amount spent: Direct or through implementing agencies*
1							
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/-	Sd/-	Sd/-
(Managing Director)	(Chairman CSR Committee)	(Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)