



POLICY ON OUTSOURCING OF ACTIVITIES

TAURUS CORPORATE ADVISORY SERVICES LIMITED.

Member: NSE, BSE, MCX SX

❖ **OBJECTIVE:**

This document constitutes a policy framework, containing among others procedures and restrictions, which will govern all outsourcing activities carried out by the Taurus Group.

❖ **SCOPE:**

This document constitutes a policy framework, containing among others procedures and restrictions, which will govern all outsourcing activities carried out by the Taurus Group. This policy is consistent with the “Guidelines on Outsourcing of Activities by Intermediaries” issued by the Securities and Exchange Board of India (SEBI) vide their circular CIR/MIRSD/24/2011 dated December 15, 2011.

❖ **POLICY:**

A. General Principles

1. Taurus Group shall render at all times high standards of service and exercise due diligence and ensure proper care in its operations. It is possible that outsourcing of certain activities may be resorted to from time to time with a view to, among others, reduce costs, and for strategic reasons.
2. Principles for Outsourcing - There could be a variety of risks associated with outsourcing. These may include operational risk, reputational risk, legal risk, strategic risk, counter party risk, concentration risk and systemic risk. In order to address the concerns arising from the outsourcing of activities by Taurus Group the principles mentioned in this policy have been formulated for governing its outsourcing activities.
3. Activities that shall not be Outsourced – Taurus Group will not outsource its core business activities and compliance functions, in adherence to the SEBI Circular referred above.
4. Reporting To Financial Intelligence Unit (FIU) - Taurus Group shall be responsible for reporting of any suspicious transactions / reports which come to its notice to FIU or any other competent authority in respect of activities carried out by the third parties with which it has any outsourcing arrangements.



B. Comprehensive Policy

The Board of Directors of Taurus Group {hereinafter referred to as the “the Board”} shall approve the policy and have the responsibility for the policy and related overall responsibility for activities undertaken under the policy.

1. The activities or the nature of activities that can be outsourced are as follows:
 - Only those activities which will, if outsourced would not impair the supervisory authority’s right to assess, or its ability to supervise the business of the Taurus Group are outsourced.
2. If there is a doubt about whether a particular activity can be outsourced or not, the clarification regarding the same may be obtained from the relevant Director / or from the Compliance Officer.
3. Before a decision is made to outsource an activity, the following aspects need to be considered -evaluation of risk concentrations, limits on the acceptable overall level of outsourced activities and risks arising from outsourcing multiple activities to the same entity.

C. Risk Management

1. An assessment of outsourcing risk has to be predefined and agreed upon by the Board. This will depend on factors like the scope and materiality of the outsourced activity.
2. The records relating to all activities outsourced shall be preserved centrally so that the same is readily accessible for review by the Board and / or Taurus Group senior management, as and when needed. These records should be preserved for a period of at least eight years after the cessation of the respective outsourcing arrangements. Such records shall be regularly updated and may also form part of the corporate governance review by the management of Taurus Group.

D. Un-diminished Ability to Fulfil Obligations

1. Taurus Group shall be fully liable and accountable for the activities that are being outsourced to the same extent as if the service were provided in-house.
2. The facilities / premises / data that are involved in carrying out the outsourced activity by the third party shall be deemed to be those of Taurus Group by the Regulator. Taurus Group and the Regulator or the persons authorized by it shall have the right to access the same at any point of time.
3. Outsourcing arrangements shall not impair the ability of SEBI / appropriate self-regulatory organization (SRO) or auditors to exercise its regulatory responsibilities such as supervision / inspection of Taurus Group.



E. Appropriate Due Diligence to be Conducted

1. Appropriate due diligence has to be conducted in selecting the third party to whom the activities are to be outsourced and in the monitoring of its performance.
2. Due care, skill, and diligence has to be exercised in the selection of the third party to ensure that the third party has the ability and capacity to undertake the provision of the relevant service effectively.
3. The due diligence undertaken by Taurus Group shall include assessment of:
 - a. third party's resources and capabilities, including financial soundness, to perform the outsourced work within the timelines fixed;
 - b. compatibility of the practices and systems of the third party with Taurus Group requirements and objectives;
 - c. market feedback of the prospective third party's business reputation and track record of their services rendered in the past;
 - d. level of concentration of the outsourced arrangements with a single third party.
4. An annual review to be conducted for each outsourced important operational function to assess the third party's current performance of and continued ability to appropriately perform the Outsourced Activity so as not to risk the quality, integrity, or continuity of the services offered by Taurus Group.

F. Existence of Written Contracts

1. Outsourcing relationships shall be governed by written contracts / agreements / terms and conditions (as deemed appropriate) {hereinafter referred to as "contract"} that clearly describe all material aspects of the outsourcing arrangement, including the rights, responsibilities and expectations of the parties to the contract, client confidentiality issues, termination procedures, etc.
2. Care shall be taken to ensure that the outsourcing contract covers the following points in major:
 - a. clearly defines what activities are going to be outsourced, including appropriate service and performance levels;
 - b. provides for rights, obligations and responsibilities of Taurus Group and the third party, including indemnity by that third party in favour of Taurus Group
 - c. provides for the liability of the third party to Taurus Group for unsatisfactory performance/other breach of the contract
 - d. provides for the continuous monitoring and assessment by Taurus Group of the third party so that any necessary corrective measures can be taken up immediately, i.e., the contract shall enable Taurus Group to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet legal and regulatory obligations;
 - e. includes, where necessary, conditions of sub-contracting by the third-party, i.e. the contract shall enable Taurus Group to maintain a similar control over the risks when a third party outsources to further third parties as in the original direct outsourcing;
 - f. has unambiguous confidentiality clauses to ensure protection of proprietary and customer data during the tenure of the contract and also after the expiry of the contract;



- g. specifies as appropriate the responsibilities of the third party with respect to the IT security and contingency plans, insurance cover, business continuity and disaster recovery plans, force majeure clause, etc.;
- h. provides for preservation of the documents and data by the third party ;
- i. provides for the mechanisms to resolve disputes arising from implementation of the outsourcing contract;
- j. provides for termination of the contract, termination rights, transfer of information and exit strategies;
- k. neither prevents nor impedes Taurus Group from meeting its respective regulatory obligations, nor the regulator from exercising its regulatory powers; and
- l. provides for Taurus Group and /or the regulator or the persons authorized by it to have the ability to inspect, access all books, records and information relevant to the outsourced activity with the third party.

G. Contingency Plans

1. Taurus Group shall take appropriate steps to assess and address the potential consequence of a business disruption or other problems at the third party level. Notably, it shall consider contingency plans at the third party; co-ordination of contingency plans at both Taurus Group and the third party; and contingency plans of Taurus Group in the event of non-performance by the third party.
2. To ensure business continuity, robust information technology security is a necessity. A breakdown in the IT capacity may impair the ability of Taurus Group to fulfill its obligations to other market participants/clients/regulators and could undermine the privacy interests of its customers, harm Taurus Group reputation, and may ultimately impact on its overall operational risk profile. Taurus Group shall, therefore, seek to ensure that the third party maintains appropriate IT security and disaster recovery capabilities.
3. Periodic tests of the critical security procedures and systems and review of the backup facilities shall be undertaken by Taurus Group to confirm the adequacy of the third party's systems

H. Confidentiality Protection

1. Assure that the third parties protect confidential information of both Taurus Group and its customers from intentional or inadvertent disclosure to unauthorised persons.
2. Care to be taken to protect proprietary and confidential information of Taurus Group / its customers and is not misused or misappropriated.
3. Taurus Group shall prevail upon the third party to ensure that the employees of the third party have limited access to the data handled and that too only on a "need to know" basis and the third party shall have adequate checks and balances to ensure the same.
4. In cases where the third party is providing similar services to multiple entities, that third party should ensure that adequate care is taken by it to build safeguards



for data security and confidentiality of the information of Taurus Group and its customers.

❖ **REVIEW OF POLICY AND MAINTENANCE OF RECORDS:**

This policy may be reviewed as and when there are any changes introduced by any regulatory/statutory authorities or as and when considered necessary on account of business requirements and risk management policy.

The compliance officer as such would periodically review this policy and would ensure its compliance along with the operations department.

Details of key personnel:

Sr. No.	Particulars	KMP-1	KMP-2
01.	Designation	Principal Officer	Compliance Officer
02.	Name	Mr. Mihir Mehta	Ms. Deepali Vaidya
03.	Contact No.	022-61471100	022-61471177
04.	Fax No.	022-26104925	022-26104925
05.	Email id	Mihir.mehta@taurusgrp.com	deepali@taurusgrp.com
06.	Grievances	grievance@taurusgrp.com	
07.	Information	info@taurusgrp.com	