



MAURYAN FIRST

STEWARDSHIP CODE

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Stewardship Code

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1. Introduction

Mauryan Capital acts as the investment manager to Mauryan First; a SEBI registered Alternative Investment Fund (Category III). SEBI vide its circular No. CIR/CFD/CMDI/168/2019 dated December 24, 2019 ("SEBI Circular") has mandated Alternative Investment Funds (AIF's) to follow the Stewardship Code in relations to the investments in listed equities of companies (Investee Companies). We, at Mauryan Capital view Stewardship as a step towards improved corporate governance in the investee companies and improving the interest of investors. The principles espoused in the Stewardship Code ("Code") will govern few aspects of our fund management activities namely monitoring of investee companies, our engagement with investee companies and voting on resolutions of the investee companies and the disclosures of proxy voting.

This Code documents the guiding principles to be adopted and followed by the Equity Investment team of Mauryan Capital and this Code will be referred to as the 'Stewardship Code' for Mauryan First. The Code is prepared on the basis of principles enumerated in the said SEBI circular. The Code shall act as guidance to the Investment team for discharging the stewardship responsibility, however, this code is not intended to curtail / restrict the fund management activities of Mauryan Capital. The Investment team shall always be at liberty to decide their dealing strategies, keeping in mind the investment objectives of the scheme, though the same may conflict with the principles specified in the Code

This Stewardship Code has to be read in conjunction with the Voting Policy of Mauryan First

2. Key Principles adopted in our Code are as follows:

Principle 1: Stewardship Responsibility

Mauryan Capital stands by the principles of responsible investment manager and uses a robust framework to identify, monitor and engage with the investee companies on a



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regular basis.

Monitoring:

Mauryan Capital shall continue to monitor every investee company on its financial performance, short, mid and long term business strategy and corporate governance. It shall also continue to monitor ESG risks, minority shareholders rights protection and initiatives taken by the investee companies to manage the risk effectively along with other financial anomalies, irregularities, or controversies that the investee company may be involved in.

Engagement:

Mauryan Capital shall continue to engage with the investee companies in the following manner:

- i. Meetings with management, board or relevant personnel to identify, deliberate on and find possible solutions to the issues
- ii. Continued discussions to formalize a better process to fill existing gaps

Voting:

Mauryan Capital considers voting to be an important shareholders rights and a valuable tool in the engagement process and endeavors to vote on all board resolutions of investee companies, which are critical for protecting and enhancing the investors' interests.

The Investment team will be guided by the principles provided in the Code, however if there is conflict between discharge of the stewardship responsibilities and the Investment team's normal fund management activity, the Investment team shall always ensure that they act in the interest of the investors.

A training program shall be formulated for training of Investment team explaining the responsibility under the Code along with amendments, if any. This may be done through external agency or internal team presentations.

The Stewardship code highlights Mauryan Capital's stewardship responsibilities. The



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code will be made available online and will be reviewed every year and/or whenever any changes are to be incorporated in the Code due to any amendment in the guidelines by SEBI for Alternative Investment Funds in India on a periodic basis.

Principle 2: Managing Conflicts of Interest

From time to time, we may face conflicts of interest in relation to our stewardship responsibilities. A conflict of interest may be actual, potential or perceived and may be financial or nonfinancial. However, our approach will be to always to keep in mind interest of our investors. As a rule, in all cases of conflicts of interests, the voting decisions of Mauryan Capital will be based on the best interests of the investors.

Potential conflicts of interest

Potential conflicts of interest may arise in certain situations, such as:

- The Investee Company is a client of Investment Manager and/or its affiliates;
- In certain cases, wherein any affiliates of the Investment Manager are lender to the Investee Company;
- The Investee Company is a seller whose products or services are important to the business of Investment Manager and/or its affiliates;
- Mauryan Capital and Investee Company are part of the same group or are associates;
- The investee company is partner or holds an interest, in Mauryan Capital and/or its affiliates
- A director or a key managerial person of Mauryan Capital has a personal interest in the investee company

Mauryan Capital will make its best efforts to avoid such conflicts and ensure that any conflicts of interest are resolved in the best interests of unit holders.

To avoid conflict of interest, following procedures have been put in place

- The voting decision will be guided by the approved voting policy, which is



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published on our website.

- Investment team will be responsible for voting on resolutions and will be guided by the voting policy for all resolutions.
- The situation wherein the conflict of interest is not covered by the voting policy, decision on such instances will be taken on case-to-case basis.

Principle 3: Monitoring of Investee Companies

- The Investment Team of Mauryan Capital will be responsible for monitoring the investee companies (such as business strategy, financial performance, leadership, corporate governance issues, capital structure, ESG risks, disclosures etc.) and for engaging with the managements of the investee companies. However, level and degree of monitoring / engagement may vary depending upon the materiality of investments.
- The investment team, may identify situations where active engagement with the investee companies may not be necessitated especially if investment is insignificant.
- In case of the investee companies where larger investments are made, may involve higher levels of monitoring. The investment team engages with the senior management/ investor relation or any other management personnel/promoters of the investee companies as part of research process.
- In case, any material risk is identified during the course of monitoring, the future course of action will be governed by the Principle 4 laid in this code.
- The Investment team as part of its monitoring process may use publicly available information i.e., corporate disclosures on the exchanges viz. quarterly results, annual reports, corporate announcements etc. It may also engage with the management of the investee companies on periodic basis. Further, it can also review the sell side research and industry information, etc.
- We do not pursue or seek for Unpublished Price Sensitive Information (UPSI), however, if we are in receipt of UPSI, we shall follow our internal process to ensure insider trading regulations are complied with in such cases.

Principle 4: Active intervention in the Investee companies



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Concerns may arise with respect to the investee companies from time to time mainly on account of insufficient disclosures, non-compliance to regulations, performance parameters, governance issues, corporate plans/ strategy, Corporate Social Responsibility (CSR) and environment & society related matters.

In certain cases, especially if the investment is beyond the meaningful threshold, the Investment team may deem it necessary to escalate the engagement/intervention on particular issue. The tactical aspects of the intervention will be determined on a case-to-case basis by the Investment team.

Step 1: Interaction

In case of instances identified for intervention, engagement with the management team/specific team to resolve any concerns including steps to be taken to mitigate such concerns.

Step 2: Reiteration

In the event of management of the investee company fails to undertake constructive steps to resolve the concerns raised within a reasonable timeframe, reasonable steps shall be initiated to reengage with the management to resolve its concerns.

Step 3: Collaboration

Mauryan Capital shall also consider collaboration with other institutional investors, industry associations or forums, regulators, and any other entities it deems necessary for a collective engagement or joint representation with the investee company. In taking collaborative action, we would be cognizant of legal and regulatory requirements.

Step 4: Escalation

In case there is no progress despite the above three steps, investment team may engage with the Board of the investee company and elaborate on the concerns. Further, the investment team may take appropriate steps to resolve the concerns including exiting its investments.

Step 5: Voting

Mauryan Capital will vote against or abstain from voting in case the governance practices of the investee company are improper.



Principle 5: Voting and disclosure of voting activity

The Investment team shall follow the guidelines for voting on the resolutions of the investee company as specified in the Voting Policy.

Principle 6: Reporting and Disclosures

Mauryan Capital will disclose on website the implementation of the principles enlisted in the Code.

Mauryan Capital will report on each principle annually. This Code, as amended from time to time, will be disclosed on the website of Mauryan Capital along with other public disclosures. Any change or modification to the Code will also be disclosed at the time of updating the code on the website.

The Company in addition to the disclosure on its website as specified above shall also circulate to unitholders a status report for every financial year, as part of annual intimation to the investors. The report shall inter alia include details indicating the compliance/ any variances with the principles laid down in the code.