



MAURYAN CAPITAL

Voting Policy

# **MAURYAN FIRST**

## **VOTING POLICY**

Original Approval Date: June 29, 2020



## Voting Policy

### *Background*

We, Mauryan Capital Management Private Limited, act as an investment manager ("**Investment Manager**") to Mauryan First, a SEBI registered Alternative Investment Fund (Category III) ("**Fund**"). As an Investment Manager, we have a fiduciary responsibility to act in the best interest of the unit holders of the Fund. This responsibility includes exercising voting rights attached to the securities of the companies in which the Fund invests ("**Investee Company**") at the general meetings of the Investee Companies. To achieve these objectives, we have framed the general voting policy and procedures for exercising the voting rights ("**Voting Policy**").

### *Philosophy of Voting Policy*

The fund manager shall review all voting proposals routine as well as non-routine items and vote in the manner designed to maximize the value of the unit holders. Accordingly, as the decision to invest is generally an endorsement of sound management practices of the Investee Companies, the Investment Manager may generally attend and/or vote with the management of the Investee Company on routine matters. However, when the Investment Manager believes that the interest of the shareholders of an Investee Company will be prejudiced by any proposal, then the Investment Manager will attend and/or vote against such proposal.

Although the Investment Manager will generally vote in accordance with the Voting Policy, but may act differently if the relevant facts and circumstances so warrant. Hence, the Investment Manager may deviate from the Voting Policy guidelines when it determines that the deviation is necessary to protect the interests of the unit holders.

Exceptionally, for such matters, the Investment Manager may also decide to abstain from voting where it has insufficient information or there is a conflict of interest or the Investment Manager does not have a clear stance on the proposal. However, the Investment Manager 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.

In cases where investments are in group companies of the Investment Manager or where the Investee Companies have substantial investments in the Fund, the Investment Manager shall specifically review all voting proposals routine as well as non-routine and take decisions with respect to voting on such proposals in the best interest of the unit holders..

### *Mechanism of Voting*

With the introduction of voting through electronic means, the Investment Manager cast its votes on the voting platforms offered by NSDL/CDSL and other service providers. At times, even after voting through the electronic means, the fund managers attend the general meetings of the investee Companies as it provides an opportunity to pose questions to the directors of the investee companies. Where, e-voting is not mandated or in cases of e-, voting is not possible, Investment Manager endeavors to vote through proxy.

### *Voting Guidelines*

Corporate governance issues are diverse and continually evolving. Whilst it is difficult to provide an exhaustive list of such issues as all kinds of proposals cannot be stated herein, however, these guidelines reflect guiding principles that will be taken into account before taking any voting decision.



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Corporate Governance Matters. Investment Manager supports resolutions like change in state of incorporation, merger and other corporate restructuring, which are in the interest of the unit holders of the Fund. Investment Manager will analyze various economic and strategic factors such as valuation, underlying rationale, Impact on minority shareholders, legal and tax implication etc. in making the final decision on a merger, acquisition or any other corporate restructuring proposals. However, Investment Manager will vote against resolutions pertaining to takeover by an acquirer, etc., which are against the interest of the unit holders. Investment Manager will consider, on a case-to-case basis, proposals to rotate auditors, and will vote against the ratification of auditors when there is convincing evidence of accounting irregularities or negligence.

Changes to Capital Structure. Changes in capitalization will generally be supported where a reasonable need for the change is demonstrated. Investment Manager will review on a case-to-case basis, proposals by companies to issue shares, convertible securities, raise debt etc. after taking into account reasoning, dilution, amount, and urgency of funds, cash flows and other financial and strategic aspects. The investment manager shall support such changes, which are in the interest of the unit holders; however, changes resulting in excessive dilution of existing shareholder value will not be supported.

Stock option plans and other proposals pertaining to management compensation. The Investment Manager would support such remuneration proposals, which are tied to achieving long-term performance and enhancing shareholder value. Stock option plans that are excessively generous or dilute other shareholders' value will not be supported.

Social and corporate responsibility. In light of the increasing need for fair disclosures, a growing need for social and corporate responsibility, the Investment Manager's responsibility increases. Investment Manager shall vote in favor of such matters which are believed to have significant socio-economic benefits.

Board of Directors. The Investment Manager believes in philosophy of having an independent board of directors as the same ensures compliance of good corporate governance norms and protects the minority shareholders. Investment Manager would support an independent board of directors, and the key committees such as audit, IPO and remuneration committees etc. to be comprised of independent member

### *Use of Services of voting advisor*

The Investment Manager may use their discretion to avail the services of the Proxy advisor(s) to aid in arriving at decision for voting. The Investment manager shall not be bound with the Proxy advisors' recommendations and they are permitted to use their discretion whether to rely and/or act on the suggestions/ recommendations given by such Proxy advisor(s).

### *Disclosure of voting*

Mauryan Capital will disclose all the voting done on annual basis to the investors. The disclosure will inter alia include (1) Name of the company, (2) details of resolution (3) actual voting done by Mauryan Capital and (4) brief rationale of the voting decision taken.



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### *Review and control*

The voting guidelines and the actual exercise of proxy voting will be reviewed periodically by the management of the Investment Manager either through a committee or otherwise. The management will review the proxy voting required as per the voting policy and actual exercise of proxy votes. Further, Management will also review the process of exercise of proxy votes and governance.

### *Disclosure of Voting Policy*

This Voting Policy is accessible on our website [[www.mauryancapital.com](http://www.mauryancapital.com)]