



Proxy Voting Policy

Version History

VERSION	DATE	NAME	CHANGES MADE
1.0	Refer Policy Approval Document		
1.1	June 28, 2011	EIC Members	
1.2	April 18, 2018	IC Members	Amended Voting Procedure and updated disclosure.

Approvals

TITLE	DATE OF APPROVAL	VERSION NO.
Refer Policy Approval Document		1.0
Board of AMC and Trustees	June 28,2011	1.1
IMC/Board of AMC/ Trustees	April 27, 2018	1.2

Taurus Mutual Fund

Proxy Voting Policy

Background

Securities & Exchange Board of India (SEBI), vide circular number SEBI/IMD/Cir No. 18/198647/2010 dated March 15, 2010 stipulated that mutual funds should play an active role in ensuring better corporate governance of listed Companies. SEBI has also mandated that, Asset Management Companies shall disclose their policy and procedure, for exercising the voting rights in respect of shares held on behalf of the mutual funds on their website as well as in the annual report of the schemes.

Pursuant to the abovementioned Circular, Taurus Asset Management Limited, (“Taurus AMC”) has formulated the Proxy Voting Policy and Procedure (‘the Policy’) for the schemes of Taurus Mutual Fund.

Introduction

Taurus AMC is the asset management company for Taurus Mutual Fund (“The Fund”). In this role, Taurus AMC has an obligation to act in the best interests of the Fund and protect the interests of its unit holders. This responsibility includes exercising the voting rights of the Fund in accordance with the best interests of the Fund and its unit holders.

This Policy contains the principles that form the basis of all votes. Taurus AMC believes that these principles are essential to ensure the long term performance of assets managed by Taurus AMC. Taurus AMC will manage voting rights with the same level of care and skill as it manages the Fund. In general, Taurus AMC does not have the intention to participate directly or indirectly in the management of the companies but it will use its influence as a shareholder amongst others by exercising its voting rights in accordance with the best interests of its unit holders.

What Does Voting Right Mean?

Voting Right means, the right of a stockholder to vote on matters of corporate policy. Voting often involves decision on issuing securities, initiating corporate actions and making substantial changes in the corporation's operations such as the election of the company's directors, merger / amalgamation, appointment of auditors, etc.

The mutual fund schemes having equity component holds shares of companies. The schemes are entitled to exercise the voting rights on those shares. The shareholders do not necessarily need to be physically present at the site of company's annual meeting / extraordinary general meeting in order to exercise their right to vote. It is common for shareholders to communicate their vote by proxy or by ballot.

Voting Guidelines

A decision to invest in an issuer is based in part on a fund manager's analysis of the performance of management and the corporate governance of the issuer. Since a decision to invest is generally an endorsement of the management of the issuer, Taurus AMC will generally vote with management on routine matters. However, since a fund manager must be focused on shareholder value on an ongoing basis, it is the responsibility of the fund manager to be aware of the potential implication of any issue on which security holders are asked to vote.

The Guidelines indicate the principles of corporate governance which the Fund will generally support through the exercise of votes. While Taurus AMC will generally vote strictly in accordance with the Funds' Voting Guidelines, there may be circumstances where it believes it is in the best interests of a Fund to vote differently than the manner contemplated by the Guidelines. The ultimate decision as to the manner in which the Funds' proxies will be voted rests with Taurus AMC.

Issuers' proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans and to amend the capitalization of the company.

The company shall exercise the votes in the direction of improving the economic value of the portfolio and protecting the rights of the unit holders. These guidelines summarises the corporate governance principles, which Taurus AMC will generally support through the exercise of votes on these issues.

•**Board of directors**

Taurus AMC supports resolutions that promote the effectiveness of boards in acting in the best interests of shareholders. For every such matter, the main consideration should be whether the proposed action increases the effectiveness and independence of the Board of Directors.

•**Corporate Governance matters**

Taurus AMC supports a resolution that changes the state of incorporation, merger and other restructuring which are in the interest of the unit holders. However, Taurus AMC could vote against resolutions pertaining to takeover by an acquirer, etc which are against the interest of the unit holders.

•**Auditors and auditor compensation**

Taurus AMC will review these proposals carefully as they have a bearing on the quality and reliability of financial statements. Generally, Taurus AMC will support the Management proposals unless it has a view that is divergent from the position of the company.

•**Management compensation**

The goal of Taurus AMC is to support compensation arrangements that are tied to long – term corporate performance and shareholder value. These arrangements should induce management to purchase and hold equity in the company to better align management's interest with those of shareholders. Stock option plans that are overly generous or excessively dilutive to other shareholders may not be supported.

•**Changes in capitalisation**

Taurus AMC recognises the need for management of an issuer to have flexibility in the issue or buyback of shares to meet changing financial conditions. Changes in capitalisation will generally be supported where a reasonable need for the change is demonstrated; however changes resulting in excessive dilution of existing shareholder value may not be supported.

•Social and corporate responsibility issues

Taurus AMC recognizes the need of role of government, demands for greater disclosures, increased investor education, environmental benefits to the community and the general public.

Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case – by – case basis with focus on the potential impact of the vote on shareholder value. Taurus AMC reserves the right to vote against any resolution that goes against the interests of its unit holders.

The above voting guidelines will apply to all companies whose shares are held by any of the schemes of Taurus Mutual Fund. These companies will include group companies of the AMC as well as those companies that have invested in the schemes of Taurus Mutual Fund. These factors should not have any impact on the manner in which it is decided as to how to vote in the respective company.

Voting Procedure

All the decisions regarding proxy voting as per the principles set out in this policy would be taken by the Equity Fund Manager(s) in consultation with Head of Investments (*Proxy Voting Committee / Committee*). In case, Committee is unable to form an opinion on the voting decision, the matter will then be referred to the Chief Executive Officer to arrive at final voting decision.

The following procedures would be adhered for exercising Proxy Voting Committee:

1. The Custodian of the schemes of Taurus Mutual Fund will track the forthcoming Annual General Meetings and Extraordinary General Meetings of those companies whose shares are held by any of the schemes which are eligible to vote on the resolutions at the respective meetings.
2. The Committee may obtain recommendations/ feedback/ opinion/ views from Research Analysts or such other persons as may be felt necessary. The AMC may decide to subscribe to services offered by an unaffiliated third party research firm, to receive analyses and recommendations on the shareholder meetings of companies/ corporations. These analyses will be reviewed and studied before taking a final voting decision.
3. The Committee would then decide whether to vote for / against / abstain on each of the resolutions. The Committee will have the final authority to decide upon exercise of votes.
4. The voting rationale and the exercise of voting decisions shall be recorded appropriately. The Investment Committee shall also periodically review the internal mechanism for the control process for implementation of its decisions.
5. The Committee will generally “Abstain” from voting in the following situations:
 - i) The notices were received late from the investee company or any service provider.
 - ii) The information available in the notices is not sufficient to take any decision to vote for or against a resolution.
 - iii) The schemes of Taurus Mutual Fund held the securities on a record date but these have been sold prior to the date of exercise of voting rights.

iv) Taurus AMC may also refrain from voting on the issues presented in the resolutions which are unlikely to have a material impact on shareholder value and its unit-holders.

The voting rationale and the exercise of voting decisions would be placed at the meetings of the Investment Monitoring Committee, Board of Trustees and Taurus Asset Management Company Limited in a prescribed format on a monthly basis.

Conflict of Interest

In a situation where there may be a potential conflict of interest when it votes on an entity with which Taurus AMC may have some relationship, the Committee will specifically review all such proposals and will take voting decisions in the best interest of unit holders.

The Committee shall at all times have the discretion to decide to exercise a voting right or abstain from it. The Committee may also take an external opinion or refer the matter to the Board of AMC and Trustees.

Disclosure of Proxy Voting

In terms of SEBI Circular SEBI/IMD/Cir No. 18/198647/2010 dated March 15, 2010 and SEBI Circular no. SEBI/IMD/DF/05/2014 dated March 24, 2014, Taurus AMC shall disclose the voting data (annually / quarterly) in such format as may be prescribed by SEBI from time to time with respect to the actual exercise of the votes in the general meetings of the investee company in the following manner:

- a. The specific rationale supporting the voting decision (for, against or abstain) with respect to each vote shall be recorded and disclosed.
- b. A summary of votes cast across all investee companies and its break – up in terms of total number of votes cast in favour, against or abstained from.
- c. The disclosures shall be made (in spreadsheet format) on a quarterly basis, within 10 working days from the end of the quarter. The annual voting details shall be disclosed in the full annual report of the schemes.
- d. Taurus AMC shall also obtain certification on the voting reports disclosed by them on an annual basis from a “scrutinizer” in terms of Rule 20 (3) (ix) of Companies (Management and Administration) Rules, 2014. Such certification shall be submitted to Trustees and also disclosed in the relevant portion of the Taurus AMCs’ annual report and website.
- e. Board of AMC and Trustees are required to review and ensure that AMC have voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate. The confirmation to the same, along with any adverse comments made by the scrutinizer in annual certification, shall have to be reported to SEBI in the half yearly trustee reports.

Review

The Compliance shall carry out periodic reviews based on the industry practices and/or developments in applicable laws and regulations which shall be approved by the CEO. The changes and modification will then approved by Board of AMC and Trustees.