

Sundaram Alternate Assets Limited

Summary of proxy votes cast during October - December 2023 across all the investee companies

F.Y.	Quarter	Total no. of resolutions	Break-up of Vote decision		
			For	Against	Abstained
2023-24	Q3 (Oct - Dec 23)	17	16	1	0

Meeting Date	Company Name	Type of meetings (AGM/EGM)	Proposal by Management or Shareholder	Proposal's description	Investee company's Management Recommendation	Vote (For/ Against/ Abstain)	Reason supporting the vote decision
1 16-Nov-2023	Maruti Suzuki India Ltd.	POSTAL BALLOT	MANAGEMENT	Approve material related party transactions with Suzuki Motor Corporation (SMC) to purchase 100% equity stake in Suzuki Motor Gujarat Private Limited (SMG) from SMC for an aggregate consideration of Rs. 128.4 bn	FOR	FOR	<p>Maruti Suzuki India Limited (MSIL) seeks approval to terminate the Contract Manufacturing Agreement (CMA) dated 17 December 2015 entered into with SMG. MSIL intends to purchase the outstanding equity shares of SMG amounting to 100% equity stake held by Suzuki Motor Corporation for a total consideration of Rs. 128.4 bn, the net book value of SMG as per 31 August 2023 audited financials. SMC is MSIL's promoter and SMG is currently a wholly owned subsidiary of SMC.</p> <p>The consideration will be fulfilled via issue of 12.3 mn equity shares of MSIL to SMC through a preferential issue. On completion of the transaction, SMG shall become a wholly owned subsidiary of MSIL. The termination of the CMA will enable the reorganization and restructuring of MSIL to meet the group's future strategy: MSIL aims to double its production capacity to 4 million by FY31, which will require a doubling of its existing 2 million capacity in the next seven years. The restructuring of MSIL is intended to streamline processes to take and implement decisions quickly. Having SMG as a major production site and being a wholly owned subsidiary of MSIL would ease compliance requirements.</p> <p>The transfer is being done at net book value. Further, the overall dilution due to issue of equity shares as consideration for the transfer (see resolution 2) is ~3.9% on the expanded capital base, which is reasonable.</p>

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2	16-Nov-2023	Maruti Suzuki India Ltd.	POSTAL BALLOT	MANAGEMENT	Approve preferential issue of upto 12.3 mn equity shares at Rs. 10,420.85 per share to Suzuki Motor Corporation (Promoter) aggregating Rs. 128.41 bn, as consideration for acquisition of Suzuki Motor Gujarat Private Limited (SMG)	FOR	FOR	MSIL proposes to terminate the Contract Manufacturing Agreement ("CMA") executed with Suzuki Motor Gujarat Private Limited dated 17 December 2015 and purchase of 100% of the equity shares of SMG owned by Suzuki Motor Corporation. This will make SMG a 100% subsidiary of MSIL and will enable MSIL greater control over SMG's operations. The consideration for such purchase of SMG's equity shares will be via issue of 12.3 mn MSIL equity shares to SMC. The preferential allotment to SMC will increase their shareholding in MSIL from 56.48% to 58.17% and lead to a dilution of ~3.9% on the expanded capital base which is reasonable. While MSIL could have made the payment in cash given the cash amounting to RS. 0.4 bn and liquid
3	19-Nov-2023	Federal Bank Ltd.	POSTAL BALLOT	MANAGEMENT	Appoint Elias George (DIN: 00204510) as Independent Director for five years from 5 September 2023	FOR	FOR	Elias George, 67, is a retired IAS Officer. He was Additional Chief Secretary to the Government of Kerala and the CEO of Kochi Metro Rail Project. After retiring as an IAS Officer, he has served in KPMG as Senior Partner and National Head of the Infrastructure, Government and Healthcare Practice with KPMG in India. His appointment meets all statutory requirements.
4	25-Nov-2023	United Spirits Ltd.	POSTAL BALLOT	MANAGEMENT	Appoint Ms. Emily Kathryn Gibson (DIN: 10294270) as Non-Executive Non-Independent Director, liable to retire by rotation from 7 September 2023	FOR	FOR	Emily Kathryn Gibson, 49, leads the Global ESG team at Diageo (Holding company of (USL). She joined Diageo in 2019 and led a team to develop and launch Society 2030: Spirit of progress, Diageo's ten-year ESG action plan. Prior to joining Diageo, she worked at InterContinental Hotel Group as Vice President of Global Corporate Responsibility, with global accountability for IHG's environmental sustainability agenda, community impact programs and disaster relief activities as well as leading on stakeholder engagement and ESG Reporting. Her appointment is in line with statutory requirements.
5	25-Nov-2023	United Spirits Ltd.	POSTAL BALLOT	MANAGEMENT	Ratify remuneration of Rs. 200,000 for Rao, Murthy and Associates as cost auditors for FY24	FOR	FOR	The total remuneration proposed to be paid to the cost auditors in FY24 is reasonable compared to the size and scale of operations.

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6	27-Nov-2023	AU Small Finance Bank Ltd.	EGM	MANAGEMENT	Approve scheme of amalgamation of Fincare Small Finance Bank Limited into and with the bank	FOR	FOR	<p>With an exchange ratio of 579 AU Bank shares for every 2000 shares of Fincare SFB, AU Bank will issue ~ 73.4 mn shares for the merger which will lead to the dilution of 9.9% on the post issue capital. As banks are now regulatorily mandated to build a 10% SMF portfolio, the merged bank's requirement for SMF will only increase with an expected balance sheet growth of 25-30%. The merger gives AU SFB access to a ready SMF portfolio with the microfinance book estimated at ~7.5% in the merged entity. Additionally, the merger will give AU Bank access to a deposit franchise and ~150 branches in complementing geographies. The merger will also allow the bank to grow inorganically with a complementary product profile and a wider geographical presence.</p> <p>The market price of AU SFB shares at the time of the merger announcement was Rs 732.43 per share. With a proposed issue of approximately 73.4 mn shares for the merger, the value attributed to Fincare SFB is Rs 53.8 bn. Currently, the net worth of Fincare SFB, after an infusion of Rs 7.0 billion, stands at Rs 22.8 bn. The implied price to book value of 2.5x is in line with the industry's standards.</p>
7	27-Nov-2023	Tasty Bite Eatables Limited	POSTAL BALLOT	MANAGEMENT	Appoint Dilen Gandhi (DIN: 10298654) as Managing Director for five years from 1 September 2023 and fix his remuneration	FOR	FOR	<p>Dilen Gandhi, 44, has over nineteen years of experience in brand building across global and Indian FMCG companies such as Reckitt, P&G and PepsiCo. Prior to joining the company, he was the Regional Marketing Director - Health and Nutrition at Reckitt. Dilen Gandhi's estimated annual remuneration is Rs. 48.14 mn which is in line with peers and commensurate with the size and complexity of the business. He is a professional and his skills carry a market value. The company must disclose performance metrics that will determine his variable pay.</p>

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8	01-Dec-2023	Axis Bank Ltd.	POSTAL BALLOT	MANAGEMENT	Appoint Munish Sharda (DIN: 06796060) as Director and Whole Time Director designated as Executive Director for three years from 1 November 2023 or from the date of his appointment as approved by the RBI, whichever is later, liable to retire by rotation	FOR	FOR	<p>Munish Sharda, 52, has been the Group Executive and Head of Bharat Banking for Axis Bank since September 2021. Prior to joining Axis Bank, he was the Managing Director and CEO of Future Generali India Life Insurance Company Limited for over seven years. Munish Sharda started his financial services career with Citibank India where he worked across geographies, products and businesses over a decade.</p> <p>Munish Sharda's proposed fixed annual remuneration is Rs 42.0 mn. Based on RBI guidelines and Axis Bank's remuneration policy, we estimate total variable pay at 1x-3x of fixed pay – taking overall annual remuneration to range between Rs. 84.0 mn – 168.0 mn. However, we expect Axis Bank to be judicious in its payouts as in the past and pay him remuneration in the same range as paid to other Executive Directors on the board. The estimated remuneration is commensurate to the size and complexity of the business and is comparable to industry peers. Axis Bank has not provided any guidance as regards the variable component of the proposed remuneration. It is to be decided by the NRC and then approved by the board and RBI. We expect the bank to disclose all components of the proposed remuneration, both fixed and variable and the performance metrics that determine variable pay.</p>
9	01-Dec-2023	Axis Bank Ltd.	POSTAL BALLOT	MANAGEMENT	Approve amendment in Articles of Association (AoA) to allow reduction in board size to 15 Directors from 18 Directors	FOR	FOR	<p>The Bank seeks approval for altering Article 89(1) in the existing articles pertaining to the number of Directors on the board. Through a Postal Ballot in January 2023, the bank had amended Article 89(1) to increase the maximum board size to 18 members from 15 members. The same was approved by shareholders but not by the Reserve Bank of India (RBI). Currently, there are 14 directors (subject to Munish Sharda's appointment by shareholders: see resolution #1) on Axis Bank's board.</p> <p>The bank now seeks approval to alter the maximum number of directors on the board to 15 from 18 with a minimum of three directors. The median board size for NIFTY500 companies was 9 board members on 31 December 2022. Several other NIFTY50 companies have board sizes of less than 14. Further, the average board size for other listed banks excluding Axis Bank is 11.8. The proposed reduction of directors to a maximum of 15 directors is in line with regulations and as per the directions given by the RBI to the Bank.</p>

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10	07-Dec-2023	Home First Finance Company India Ltd.	POSTAL BALLOT	MANAGEMENT	Approve alteration to Objects Clause in the Memorandum of Association (MoA)	FOR	FOR	The company is proposing to register itself as a Corporate Agent with Insurance Regulatory Development Authority of India (IRDAI) for soliciting life, general and health insurance business under the IRDAI (Registration of Corporate Agents) Regulations, 2015. To align with the IRDAI requirement, the company proposes to delete the existing sub-clause 4 of Clause III(C) from other objects clause and insert a new sub-clause 3 of Clause III(A) in the main objects clause of the MOA. We believe it is the prerogative of the board and the management to decide on business and geographical diversification. However, the proposed diversification may pose execution and other business risks. Notwithstanding, we support the alteration.
11	13-Dec-2023	Hatsun Agro Products Ltd.	POSTAL BALLOT	MANAGEMENT	Approve remuneration payable to D Sathyanarayan (DIN: 08489439) from 1 April 2024 to 31 March 2025, which will be more than 50% of remuneration paid to all non-executive directors	FOR	FOR	D Sathyanarayan, 64, was appointed as Non-Executive Non-Independent Director in June 2019. He has more than three decades of experience in handling factory operations, food safety, quality control aspects and setting up of new plants. In the AGM held in August 2019, shareholders had approved remuneration of Rs. 50,000 per month from 21 June 2019 to 31 March 2020 and since then the company has sought an annual approval to continue paying him a similar monthly remuneration. The company proposes to pay him Rs. 50,000 per month in addition to the conveyance services, boarding and lodging, personal accident coverage and sitting fees. His proposed remuneration of Rs. 0.6 mn (excluding sitting fees, accident insurance and lodging and traveling expenses) for FY25 is reasonable.
12	13-Dec-2023	Hatsun Agro Products Ltd.	POSTAL BALLOT	MANAGEMENT	Reappoint S. Subramanian (DIN: 08341478) as Independent Director for five years from 24 January 2024	AGAINST	AGAINST	S. Subramanian, 64, is the former Chief Financial Officer of Hatsun Agro Products Limited and retired from his position on 10 February 2015. He was associated with the company from June 1997 and has been on the board since 24 February 2019. While he has completed a cooling-off period of three years, his former supervisors (Promoter Directors) continue on the board. We do not consider former executives of companies as Independent, in case where the supervisors of the executives are still part of management/on the board, unless they have served a complete cooling off period of five years. Therefore, we do not support the resolution given that five years have not lapsed since S. Subramanian's disassociation with the group. The company must appoint him as a Non-Executive Non-Independent director.

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13	21-Dec-2023	Navin Fluorine Intl. Ltd.	POSTAL BALLOT	MANAGEMENT	Appoint Sudhir R. Deo (DIN: 01122338) as Non-Executive Non-Independent Director from 28 September 2023, liable to retire by rotation	FOR	FOR	Sudhir R. Deo, 68, is the former Managing Director (MD) of NOCIL Limited. His term as MD of NOCIL Limited ended on 31 July 2023. He has expertise in Polymers, Petrochemicals and Specialty Chemicals Business. He has headed mandates in areas like Manufacturing, Technology, Research, Strategy, Marketing and Supply Chain. He also has expertise in the field of ESG and Sustainability. He has been associated with the Arvind Mafatlal Group for about 44 years. He has an M. Tech. in Chemical Engineering from IIT Kanpur. He has attended all board meetings since his induction onto the board. He retires by rotation. His appointment is in line with statutory requirements.
14	22-Dec-2023	Asian Paints Ltd.	POSTAL BALLOT	MANAGEMENT	Appoint Soumitra Bhattacharya (DIN: 02783243) as Independent Director for five years from 26 October 2023	FOR	FOR	Soumitra Bhattacharya, 63, is Non-Executive Chairperson of Bosch Limited. He was Managing Director of Bosch Ltd and Regional President for the Bosch Group in India before retiring on 30 June 2023. He has also served as the General Manager for Robert Bosch GmbH's Feuerbach Plant. Prior to Bosch Limited, from 1984 to 1995, he worked for TATA Steel (IPITATA), INDAL (Indian Aluminium Company Limited) and was one of the founders of Tanishq of Titan Company Limited. He is the Chief Executive Officer and Director of IFQM (Indian Foundation for Quality Management). He is a Chartered Accountant by profession. His appointment is in line with statutory requirements.
15	23-Dec-2023	Rainbow Childrens Medicare Ltd.	POSTAL BALLOT	MANAGEMENT	Reappoint Aluri Srinivasa Rao (DIN: 00147058) as Independent Director for five years from 15 March 2024	FOR	FOR	Aluri Srinivasa Rao, 58, is the Co-Founder & Chairman of QuNu Labs Pvt. Ltd and Former Managing Director – Private Equity of Morgan Stanley Investment Management. He has more than three decades of experience in private equity and business leadership. He has been on the board of the company since 15 March 2019. He has attended eight out of nine board meetings held in FY23 (89%). His reappointment for a second term of five years is in line with statutory requirements.
16	28-Dec-2023	Titan Company Ltd.	POSTAL BALLOT	MANAGEMENT	Appoint Arun Roy (DIN: 01726117), as Non-Executive Non-Independent Director (nominee of TIDCO), liable to retire by rotation, from 17 October 2023	FOR	FOR	Arun Roy, 44, an IAS Officer, is Secretary to Government of Tamil Nadu, Industries Investment Promotion and Commerce Department and also holds additional charge of the post of Managing Director, TIDEL Park Limited. He has held several other positions in various departments in the Government of Tamil Nadu and Government of India and represents Tamilnadu Industrial Development Corporation Ltd on the board, which held 27.88% equity stake in Titan Company Limited on 30 September 2023. His appointment meets statutory requirements.

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17	28-Dec-2023	Titan Company Ltd.	POSTAL BALLOT	MANAGEMENT	Appoint Sandeep Nanduri (DIN: 07511216), as Non-Executive Non-Independent Director (nominee of TIDCO), liable to retire by rotation, from 3 November 2023	FOR	FOR	Sandeep Nanduri, 41, an IAS Officer is Managing Director of TIDCO. He has held several other positions in various departments in the Government of Tamil Nadu and Government of India and represents Tamilnadu Industrial Development Corporation Ltd on the board, which held 27.88% equity stake in Titan Company Limited on 30 September 2023. His appointment meets statutory requirements.