

# Deloitte Haskins & Sells LLP

**Chartered Accountants**  
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RLN/004

To,  
The Board of Directors,  
Mahindra Asset Management Company Private Limited, ("The AMC")  
4<sup>th</sup> Floor, A Wing, Mahindra Tower,  
Dr. G. M. Bhosle Marg,  
P.K. Kurne Chowk, Mumbai -400018

To,  
The Board of Directors,  
Mahindra Trustee Company Private Limited, ("The Trustees")  
4<sup>th</sup> Floor, A Wing, Mahindra Tower,  
Dr. G. M. Bhosle Marg,  
P.K. Kurne Chowk, Mumbai -400018

1. This certificate is issued in accordance with the terms of our engagement letter dated 24 October 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm's Registration No. 117366W/W-100018), have been appointed as the scrutinizer by The Mahindra Asset Management Company Private Limited (the "AMC"), to certify the Voting Reports disclosed by Mahindra Mutual Fund (the "Fund") on their website, in terms of the Securities & Exchange Board of India ("SEBI") Circular No. SEBI/IMD/CIR No. 18/198647/2010 dated 15 March 2010 (the "2010 Circular") and Circular No. CIR/IMD/DF/05/2014 dated 24 March 2014 (the "2014 Circular"), as amended from time to time.

## Management's Responsibility

3. The Mahindra Asset Management Company Private Limited (the "AMC") is responsible for the preparation of the Voting Reports in accordance with the provisions of the 2010 Circular and the 2014 Circular, as amended from time to time, maintaining the necessary records and for ensuring compliance with the SEBI (Mutual Fund) Regulations, 1996, as amended from time to time, and other guidelines issued by SEBI for asset management companies.

## Our Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the accuracy of the particulars contained in the Voting Reports with reference to the relevant records and documents maintained by the AMC and produced before us for verification and, the information, explanations and representations given to us in respect of the resolutions covered by item 4 (iii) of the 2010 Circular.



Our procedures have been planned to obtain all information and explanations that we considered necessary to support our conclusion. Our work included examining the contents of the Voting Reports, and verifying on a test check basis, that the procedures applied by the Fund in the preparation of Voting Reports of the Fund as listed in Attachment 1, were in accordance with the 2014 Circular.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

5. We have not reviewed (a) whether the Voting Reports cover all relevant investee Companies and (b) the rationale of the voting decision taken by the Management of the Mutual Fund.
6. We performed our work in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The criteria against which the information contained in the Voting Reports were evaluated are:
  - (a) Quarterly Voting Reports disclosed on the website of the Fund for the quarters ended 30 September 2016, 31 December 2016 and 31 March 2017;
  - (b) Intimation received from Deutsche Bank AG the custodian to the fund, regarding meetings convened by the Investee Companies;
  - (c) Voting data and supporting documents maintained by the Mutual Fund with respect to the Voting Report disclosed;
  - (d) Written representation from management in this regard.

### **Conclusion**

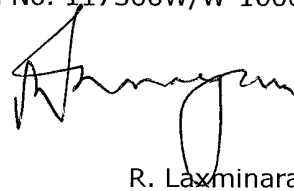
9. On the basis of our verification as mentioned in para 4 above, and according to the information, explanations and representations provided to us by the AMC, nothing has come to our attention that causes us to believe that, the details mentioned in the Voting Reports are not in agreement with the relevant records and documents maintained by the AMC for the quarters ended on 30 September 2016, 31 December 2016 and 31 March 2017.



**Restriction on use**

10. This certificate has been issued at the request of the managements of the AMC and The Trustees to comply with the requirements of the 2010 and 2014 Circulars with regard to disclosures in the annual report and the website of the Mutual Fund and may not be suitable for any other purpose and should not be distributed to any other party without our prior written consent.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

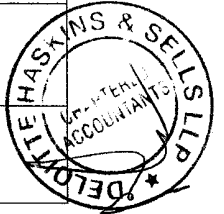


R. Laxminarayan  
Partner  
(Membership No. 33023)

Place : Mumbai  
June 13 , 2017

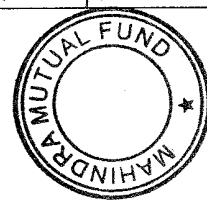


Quarter	Meeting Date	Company Name	Type of meetings (AGM/EGM)	Proposal by Management or Shareholder	Proposal's Description	Investor company's Recommendation	Vote For/Against/ Abstain	Reason supporting the vote decision
Oct-Dec 2016	22-Dec-2016	TATA MOTORS LTD.	EGM	Shareholder	Remove Cyrus Mistry as Director	For	Abstain	Not enough facts available for a decision.
Oct-Dec 2016	22-Dec-2016	TATA MOTORS LTD.	EGM	Shareholder	Remove Nishi Wadia as Director	For	Abstain	Not enough facts available for a decision.
Jan-Mar 2017	06-Jan-2017	HINDUSTAN PETROLEUM CORPN. LTD.	Postal Ballot	Management	Issuance of redeemable non-convertible debentures on a private placement basis aggregating up to Rs.60 bn	For	For	The proceeds will be utilized for ongoing capital expenditure and other general corporate purposes. The proposed issuance will be within the company's overall borrowing limit of Rs. 300 bn over and above the networth of the company.
Jan-Mar 2017	09-Jan-2017	CARBORUNDUM UNIVERSAL LTD.	Postal Ballot	Management	Amend the Articles of Association (AoA) in conformity with Companies Act 2013	For	For	The company proposes to adopt a new set of Articles of Association (AoA) to substitute references to the provisions of the Companies Act, 1956 with the provisions of Companies Act, 2013. The new Articles of Association are available for inspection at the registered office as well as the company website. To avail a physical copy of proposed AoA, members can send in their request to investorservices@cumi.Murugappa.Com.
Jan-Mar 2017	09-Jan-2017	CARBORUNDUM UNIVERSAL LTD.	Postal Ballot	Management	Approve Carborundum Universal Limited Employees Stock Option Plan 2016 (ESOP 2016) and grant options to employees of the company	For	For	The 3.8 mn stock options (face value Re. 1. 0) will vest over a period of not less than one year and not later than four years from the date of grant. It will result in a dilution of around 1. 9% for existing shareholders. Given that the options will be granted at an exercise price equal to the market price, the cost implications from the scheme will be minimal.
Jan-Mar 2017	09-Jan-2017	CARBORUNDUM UNIVERSAL LTD.	Postal Ballot	Management	Grant Stock Options under Carborundum Universal Limited Employees Stock Option Plan 2016 (ESOP 2016) to employees of subsidiary companies	For	For	The company proposes to extend the ESOS 2016 to the employees of the subsidiary companies (unlisted entities). This will also motivate the employees of the subsidiaries to contribute towards the achievement of the long-term goals of the organization.
Jan-Mar 2017	10-Jan-2017	SADBHAV ENGINEERING LTD.	Postal Ballot	Management	To approve related party transactions aggregating Rs. 8.55 bn with Sadbhav Bangalore Highway Pvt. Ltd., a step-down subsidiary	For	For	Sadbhav Engineering Limited is likely to undertake the EPC construction work for the recently awarded 174. 03 kms of road construction by the NHAI on NH209; the project is housed under Sadbhav Bangalore Highway Pvt. Ltd. (SBHPL). The proposed transactions are in the ordinary course of business and will be executed on an arms-length basis.
Jan-Mar 2017	16-Jan-2017	ASHOK LEYLAND LTD.	Postal Ballot	Management	Amendment in Objects Clause and Liability Clause of the Memorandum of Association (MoA) of the company	For	For	The Board of Ashok Leyland Limited had approved the draft scheme of amalgamation of Hinduja Foundries Limited (HFL) with itself at the meeting held on 14 September 2016. Upon the scheme of amalgamation becoming effective, in order to carry on the business of HFL by the company, the main objects of HFL is proposed to be incorporated in the main objects clause of the MoA of the company. The existing MoA of the company are based on the Companies Act, 1913. The Companies Act, 2013, which is now largely in force, require stating the Objects clause of the MoA in a different manner.
Jan-Mar 2017	16-Jan-2017	ASHOK LEYLAND LTD.	Postal Ballot	Management	Approve increase in the number of stock options under Ashok Leyland Employees Stock Option Plan 2016 (AL ESOP 2016) from 4.27 mn to 14.23 mn	For	For	Ashok Leyland Limited had launched AL ESOSP 2016 at the AGM held on 21 July 2016. The company proposes to increase the total number of stock options under AL ESOP 2016 from the present limit of 4. 27 mn to 14. 23 mn stock options (0. 5% of the paid-up equity share capital as on 30 September 2016). The company has so far granted 2. 85 mn stock options out of the 4. 27 mn stock options under AL ESOP 2016. The company has not specified an exercise price. Assuming all the options are granted at face value, the cost per year (for entire 14. 23 mn stock options) will aggregate to Rs. 21.5. 2 mn (assuming a vesting period of five years). This represents 2% of the consolidated FY16 PAT. Given the size of the scheme and intrinsic mode of accounting adopted by the company, the dilution and cost implications for the scheme is expected to be marginal.
Jan-Mar 2017	23-Jan-2017	ASHOK LEYLAND LTD.	CCM	Management	Approve amalgamation of Hinduja Foundries Limited (Hinduja Foundries) with Ashok Leyland Limited (Ashok Leyland)	For	For	Hinduja Foundries is engaged in the business of grey iron castings and supply of automotive components and is a major supplier of casting and related products for Ashok Leyland (33% in FY14). Hinduja group holds 53. 25% voting rights in Hinduja Foundries out of which Ashok Leyland holds 7. 57% (excluding the shares issued to the overseas depository for underlying GDRs). The entire preference shares capital of Hinduja Foundries is held by Ashok Leyland. Ashok Leyland will issue 80. 7 mn of its equity shares to shareholders of Hinduja Foundries (40 shares of Ashok Leyland for 100 shares of Hinduja Foundries) resulting in a 2. 8% dilution. Upon the scheme becoming effective, Ashok Leyland's shareholding in Hinduja Foundries will be extinguished and Hinduja Foundries will stand dissolved. Based on the swap ratio, Hinduja Foundries is valued at Rs. 7. 0 bn on the day of the announcement of the amalgamation (14 September 2016) which is at a 38. 5% discount to the market capitalization. However, if we consider the six month and one year average price (prior to the date of announcement of amalgamation), the discount comes down to 16. 8% and 6. 5% respectively. Hinduja Foundries products are critical to Ashok Leyland and the exchange ratio appears reasonable.





Quarter	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
Jan-Mar 2017	23-Jan-2017	ASHOK LEYLAND LTD.	Postal Ballot	Management	Approve amalgamation of Hinduja Foundries Limited (Hinduja Foundries) with Ashok Leyland Limited (Ashok Leyland)	For	For	Hinduja Foundries is engaged in the business of grey iron castings and supply of automotive components and is a major supplier of casting and related products for Ashok Leyland (33% in FY14). Hinduja group holds 53.25% voting rights in Hinduja Foundries out of which Ashok Leyland holds 7.57% (excluding the shares issued to the overseas depository for underlying GDRs). The entire preference share capital of Hinduja Foundries is held by Ashok Leyland. Ashok Leyland will issue 80.7 mn of its equity shares to shareholders of Hinduja Foundries (40 shares of Ashok Leyland for 100 shares of Hinduja Foundries) resulting in a 2.8% dilution. Upon the scheme becoming effective, Ashok Leyland's shareholding in Hinduja Foundries will be extinguished and Hinduja Foundries will stand dissolved. Based on the swap ratio, Hinduja Foundries is valued at Rs. 7.0 bn on the day of the announcement of the amalgamation. (14 September 2016) which is at a 38.5% discount to the market capitalization. However, if we consider the six month and one year average price (prior to the date of announcement of amalgamation), the discount comes down to 16.8% and 6.5% respectively. Hinduja Foundries' products are critical to Ashok Leyland and the exchange ratio appears reasonable.
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Reclassification of Authorized Share Capital	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Alter Memorandum of Association upon reclassification of the Authorized Share Capital	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Issue 0.7 mn Non-Convertible Redeemable Cumulative Preference Shares at Rs.3,000 per share (premium of Rs.2,000 per share) on private placement basis	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Issue 0.5 mn Non-Convertible Redeemable Cumulative Preference Shares at Rs.3,000 per share (premium of Rs.2,000 per share) on private placement basis	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Issue 0.4 mn Non-Convertible Redeemable Cumulative Preference Shares at Rs.3,000 per share (premium of Rs.2,000 per share) on private placement basis	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Issue 0.35 mn Non-Convertible Redeemable Cumulative Preference Shares at Rs.3,000 per share (premium of Rs.2,000 per share) on private placement basis	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Issue 0.3 mn Non-Convertible Redeemable Cumulative Preference Shares at Rs.3,000 per share (premium of Rs.2,000 per share) on private placement basis	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	20-Feb-2017	DEWAN HOUSING FINANCE CORPN. LTD.	Postal Ballot	Management	Issue 0.25 mn Non-Convertible Redeemable Cumulative Preference Shares at Rs.3,000 per share (premium of Rs.2,000 per share) on private placement basis	For	Abstain	The position in the investee company was taken only for the purpose of arbitrage opportunity and not as a result of any fundamental opinion
Jan-Mar 2017	04-Mar-2017	GAIL (INDIA) LTD.	Postal Ballot	Management	Issue one equity share as bonus for three equity shares of face value Rs.10 each	For	For	Since the reserves and surplus of the company is ~23 times of its paid up share capital, the company is required to consider issue of bonus shares in order to comply with the DIPAM guidelines. Post issuance, the equity share capital of the company will increase to Rs. 16.9 bn comprising 1.69 bn equity shares of Rs. 10 each. Issuance will result in capitalization of Rs. 4.2 bn from the reserves of the company. Bonus issuance will increase the liquidity of the equity shares with higher floating stock and make the equity shares more affordable.
Jan-Mar 2017	17-Mar-2017	J K CEMENT LTD.	Postal Ballot	Management	Ratify consultancy fees payable to Paul Hugentobler as Non-Executive Director	For	For	Paul Hugentobler is a Non-Executive Non-Independent Director of JK Cement Limited. The company proposes to ratify the existing consultancy agreement signed with him for the period 1 October 2014 to 30 September 2017. The consultancy fee of USD 150,000 or ~Rs. 10.2 mn per annum is commensurate with the size and complexity of the business.



Quarter	Meeting Date	Company Name	Type of meetings (AGM/ECM)	Proposal by Management or Shareholder	Proposal's Description	Investee company's Management Recommendation	Vote For/Against/ Abstain	Reason supporting the vote decision
Jan-Mar 2017	22-Mar-2017	SOMANY CERAMICS LTD.	Postal Ballot	Management	Increase borrowing limit from Rs. 5.0 bn to Rs.10.0 bn	For	For	The company is currently undertaking an expansion of its sanitaryware division, which will triple the company's existing production capacity in the segment. The company also plans to set-up a greenfield project to manufacture vitrified tiles in Andhra Pradesh and is also looking at expansion opportunities in the faucets and bath fitting division through acquisitions or otherwise. The company's debt programs are rated CRISIL A+/Positive/CRISIL A1+. The company's outstanding debt, was Rs. 2.6 bn, while the networth stood at Rs. 4.3 bn on a consolidated basis, as on 31 March 2016. We expect the company to remain judicious in raising debt.
Jan-Mar 2017	22-Mar-2017	SOMANY CERAMICS LTD.	Postal Ballot	Management	Create charges/mortgages/encumbrances on assets of the company upto Rs. 10.0 bn	For	For	Secured loans typically have easier repayment terms, less restrictive covenants, and marginally lower interest rates.
Jan-Mar 2017	22-Mar-2017	SOMANY CERAMICS LTD.	Postal Ballot	Management	Approve the company to make investments, give loans and guarantees to other bodies corporate upto Rs. 10.0 bn	For	For	The company's inter-corporate balances as on 31 March 2016 stand at Rs. 1.6 bn while the threshold under section 186 is Rs. 2.5 bn. For undertaking inorganic growth opportunities, the company has to acquire the share capital of target entities. Also, for expansion of its existing operations, the company needs to infuse additional equity, extend loans, advances and corporate guarantees to existing subsidiaries and associates. Seen in conjunction with Resolution #1 on increase in borrowing limits, the company is likely to pursue a debt funded acquisition strategy for expansion. Notwithstanding, the company should have provided some more clarity regarding the use of the increased limit.
Jan-Mar 2017	22-Mar-2017	SOMANY CERAMICS LTD.	Postal Ballot	Management	Approve related party transactions with subsidiaries and associates aggregating upto Rs. 10.1 bn every year from FY18	For	For	The company seeks shareholder's approval to purchase goods of upto Rs. 10.1 bn, every year from FY18 onwards, from subsidiaries and associates, which are the extended manufacturing facilities of the company. The aggregate goods purchased from these entities in FY16 is Rs. 6.5 bn. The transactions are integral to the operations of the company and will be conducted on an arm's length basis.
Jan-Mar 2017	22-Mar-2017	SOMANY CERAMICS LTD.	Postal Ballot	Management	To issue Redeemable Non-Convertible Debentures(NCDs) on a private placement basis upto Rs. 1.0 bn	For	For	The company proposes to utilize the proceeds for existing expansion projects, funding future capex and for working capital requirements.
Jan-Mar 2017	31-Mar-2017	INFOSYS LTD.	Postal Ballot	Management	Approve revision in remuneration of U. B. Pravin Rao, Chief Operating Officer from 1 November 2016	For	For	U B Pravin Rao's (DIN: 06782450) proposed remuneration will be a maximum of Rs. 142.6 mn, of which about 2/3rd is variable and linked to accomplishment of targets. Further the variable pay has an equal component of cash pay and equity-linked pay (stock options and restricted stock units), which centrally aligns his remuneration with the interest of shareholders. The revised terms also include severance pay, aggregating 9 months of total fixed pay - around Rs. 34.7 mn - which is reasonable given his 30-year tenure with the company.
Jan-Mar 2017	31-Mar-2017	INFOSYS LTD.	Postal Ballot	Management	Appointment of D. N. Prahlad, as Independent Director for five years till 13 October 2021	For	For	D N Prahlad's appointment is in line with statutory requirements. While there is some public debate around his connection with Narayan Murthy, we believe that discussion has limited relevance, given that Infosys' promoters do no exert control over the company.
Jan-Mar 2017	31-Mar-2017	INFOSYS LTD.	Postal Ballot	Management	Adopt new Articles of Association in conformity with Companies Act 2013	For	For	With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, the Company has proposed to replace the entire existing AoA by a set of new Articles. The draft of the proposed AoA is available on the company's website with a list of all proposed changes.

