

# **GROWW ASSET MANAGEMENT LIMITED**

## **VOTING POLICY**

Approver	Board of AMC & Trustees
Effective date	25 <sup>th</sup> April 2024
Next Review date	25 <sup>th</sup> April 2025
Version	1.0

## **Background**

Securities & Exchange Board of India (SEBI) , vide circular numbers SEBI/IMD/CIRNo18/198647/2010 dated March 15 , 2010 , CIR /IMD/DF/05/2014 dated March 24 , 2014 , SEBI /HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 , CIR/CFD/CMD1/168/2019 dated December 24 , 2019 and SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05 , 2021 prescribed the guidelines for votes cast by mutual funds. SEBI has mandated that mutual funds should actively and diligently exercise their voting rights in a transparent manner in the best interest of the unitholders.

**In terms of** above circulars and other relevant guidelines issued by SEBI from time to time, Groww Asset Management Limited (“AMC”) , the Investment Manager of Groww Mutual fund (GMF) has formulated the general voting policy and procedure for exercising the voting rights for the schemes of GMF.

## **General Voting Policy and Procedure**

Groww Asset Management Company Limited (AMC) is the Investment Manager for Groww Mutual Fund (GMF). Proxy Voting is the paramount, fiduciary duty of the AMC on behalf of the unit holders. The AMC recognizes that this duty requires it, to vote on behalf of the unit holders in a timely manner and make voting decisions in advancing the economic interests of the unit holders and protecting their rights as beneficial owners of the companies in whose securities the AMC invests through the scheme of GMF that it manages.

1. The AMC shall compulsorily cast votes for all the schemes of mutual fund including passive schemes like Index funds, Exchange traded funds etc in respect of the solutions which includes the following -
  - Corporate governance issues
  - Changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions.
  - Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
  - Stock option plans and other management compensation issues;
  - Social and Corporate Responsibility
  - Appointment and Removal of Directors
  - Any other issue that may affect the interest of the shareholders and by extension those of investors in the mutual funds schemes.
2. Related party transactions of the Investee companies (excluding own Group companies). For this purpose, “Related Party Transactions “ shall have same meaning as assigned to them in clause (ZC) of sub Regulation (1) of Regulation (2) of the SEBI (Listing Obligations and Disclosure Requirements) regulations , 2015.
3. Compulsory casting of votes may be exempted in case of GMF having no economic interest on the day of Voting.
4. The vote shall be cast at Mutual fund level. However, in case the Fund Manager of any specific scheme has a strong view against the views of Fund Manager of the other schemes, the voting at scheme level shall be allowed subject to recording of detailed rationale for the same.

5. Fund Manager / Decision Makers shall submit a declaration on a quarterly basis to the Trustees that the votes cast by them have not been influenced by any factor other than the best interest of the unit holders. Further, Trustees in their Half Yearly Trustee Report to SEBI, shall confirm the same.

#### **Proxy Advisory Services**

The AMC is currently seeking the service of Stakeholders empowerment services (SES). However, the AMC would be free to appoint any other service providers as felt appropriate from time to time.

Scope of the above proxy advisory services is limited to only assisting the AMC with research and recommendation pertaining to the proposed resolutions of the Investee companies.

Fund Manager will consider the recommendations of the above proxy advisory service provider as supplementary information which will help them to decide on the various resolutions of the Investee companies. Final decision to vote (For/ Against) will be taken by AMC through Fund Manager, in the best interest of the unitholders.

#### **Disclosure of Proxy Voting and other matters associated with such disclosure**

In terms of SEBI circular numbers SEBI/IMD/CIR No18/198647/2010 dated March 15 , 2010 , CIR/IMD/DF/05/2014 dated March 24 , 2014 and SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04 , 2021 , the AMC shall make disclosure of votes cast on its website (in machine readable spreadsheet format) on a quarterly basis , within 10 working days from the end of the quarter and on an annual basis within 10 working days from the end of financial year , as per the format prescribed by the SEBI from time to time. A detailed report in this regard along with summary thereof shall also be disclosed on the website of the AMC. Further, AMCs shall provide the web link in its annual reports regarding the disclosure of voting details.

Further, in terms of SEBI Circular number SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10 2016, AMC shall obtain annual certification on the voting reports being disclosed by the AMC for the GMF Schemes . Such certification shall be obtained from a scrutinizer. The same shall be submitted to the Trustees and also disclosed in the relevant portion of the Mutual fund's annual report & Website.

Board of Groww Trustee Limited and Groww Asset Management Limited shall review and ensure that AMC has voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate. The confirmation of the same, along with any adverse comments made by the scrutinizer , shall be reported to SEBI in the half yearly trustees reports.

#### **Conflicts of Proxy Voting**

AMC recognizes that there may be a potential conflict of interest when it votes on an entity which is a group company of Groww AMC or where the Investee Companies have substantial investments in the Schemes of the Fund. AMC 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, without taking into consideration the interest of any particular lobby/ business group/ promoter etc of such company.

**Policy Review**

Any change / updates to the policy will be approved by Board of Groww Trustee Limited and Groww Asset Management Limited at least once every year or earlier if required to ensure that the policy continues to reflect the evolving market scenario.