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# **Proxy Voting Policy**

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**of**

**Bandhan AMC Limited**

**Investment Manager to Bandhan Mutual Fund and  
Arudha Specialized Investment Fund**

**Document Version Control**

Date	Author	Reviewed by	Version	Change Reference
July 22, 2014	Leelavathi Naidu	Sanjay Lakra	V1/2014	Initial Set up
October 26, 2016	Leelavathi Naidu	Sanjay Lakra	V1/2016	(i) Change in designation of CIO to Head - Equity (ii) Exemption for passive Index Tracking and Arbitrage/Arbitrage Plus schemes (iii) Reference to other professional as approved for conducting review of proxy reporting
September 30, 2017	Ketav Chaphekar	Sanjay Lakra	V1/2017	No change
September 28, 2018	Ketav Chaphekar	Sanjay Lakra	V1/2018	No change
November 8, 2019	Sanjay Lakra	-	V1/2019	No change
October 30, 2020	Hitesh Surati	Sanjay Lakra	V2/2020	Referring any escalation to Investment Committee for review and guidance
May 3, 2021	Hitesh Surati	Sanjay Lakra	V3/2021	Voting for passive investment schemes
October 28, 2021	Hitesh Surati	Sanjay Lakra	V3/2021	No change
October 19, 2022	Rashmi Ranade	Sanjay Lakra	V3/2022	No change
February 17, 2023	Rashmi Ranade	Sanjay Lakra	V4/2023	Voting on all resolutions proposed by investee companies irrespective of the holding by active or passive schemes
May 11, 2023	Rashmi Ranade	Sanjay Lakra	V4/2023	No change (Annual Review)
May 10, 2024	Vratika Sardesai	Vijayalaxmi Khatri	V5/2024	(i) Policy document format alignment (ii) The term 'mandatory' added w.r.t voting on all resolutions under Voting procedures. (iii) Detailed rationale for every resolution of the investee companies shall be maintained.
October 30, 2024	Vratika Sardesai	Vijayalaxmi Khatri	V6/2024	Changes with respect of details of proxy voting advisor
July 24-25, 2025	Vratika Sardesai	Vijayalaxmi Khatri	V7/2025	(i) Change in the reference to the provisions of the SEBI Master Circular (ii) Deletion of the former name of the AMC (iii) Rewording of the paragraph under the section 'Internal Control Mechanism'
October 29-30, 2025	Vratika Sardesai	Vijayalaxmi Khatri	V8/2025	Extended the scope of the policy to investment strategies launched under Arudha SIF

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## Background and Rationale

SEBI has vide its para 6.16 of SEBI Master circular dated June 27, 2024 for mutual fund, requires all Asset Management Companies to disclose their policies & procedures for exercising their voting rights in respect of the shares held by the Schemes of the Mutual Fund.

This policy is framed in accordance with the guidelines issued by SEBI from time to time and is applicable to Bandhan AMC Limited ("**the AMC/Bandhan AMC**").

## Objective

This Policy lays down the broad guidelines to be adopted while considering matters which requires participation by the schemes of Bandhan Mutual Fund and investment strategies launched under Arudha SIF as shareholders in companies.

The AMC believes that while due diligence is exercised in the process of investment decision making; it would be the responsibility of the AMC to review performance on a continual basis including matters proposed by the management for shareholders' approval.

## Scope

The policy document shall encompass the following:

- Role in Corporate Governance and General Voting Guidelines
- Voting Procedures
- Conflict of interest
- Voting principles
- Internal Control Mechanism
- Reporting to the Board
- Disclosure of voting

## Policy Development and Review Procedures

### a. Policy Owner

The custodian of the document is Head – Equity and Head – Legal and Compliance.

### b. Periodicity of Review

This policy document will be reviewed as and when need arises or atleast annually by the Board of AMC and Trustees.

Any new circular / guideline which leads to any modification to any process / limits set out herein shall deem to form part of this policy. At the time of annual review all new enactments made during the year shall be made part of this Policy.

## Role in Corporate Governance of Listed Companies and General Voting Guidelines

Bandhan AMC Limited ("**the AMC**") believes that while due diligence is exercised in the process of investment decision making; it would be the responsibility of the AMC to review performance on a continual basis including matters proposed by the management for Shareholders approval. The AMC shall review the impact of such

matters placed for shareholder's consideration and take decision on exercising its rights. In general, the AMC does not have an intention to participate directly or indirectly in the management of the companies. But it will participate as a shareholder by exercising its voting rights in accordance with the best interests of its fund's unit holders.

The AMC shall review all proposal put up for voting even though it may be in the nature of routine matter and cast its vote in the best interest of its unitholders. Each proposal shall be considered based on relevant facts and circumstances.

The AMC may use services of Third Party professional agencies to provide inputs on voting recommendation and carry out in-depth analysis. The scope of the above proxy advisory services is limited to only assisting the AMC with research and recommendations pertaining to the proposed resolutions of the investee companies. However, the final decision to vote on a matter will be of the AMC. Further, the AMC is utilizing the services of its Custodian for voting administration matters i.e. attending the meeting and preparation of reports.

The AMC would be free to appoint/discontinue any service providers as felt appropriate from time to time.

## **1. Voting Procedures**

Following process shall be followed by the AMC for casting votes:

- Votes shall be mandatorily cast for all resolutions, received from the investee companies whose equity shares are held by Mutual Fund Schemes including the passive investment schemes and investment strategies launched by Arudha SIF. The detailed rationale for the vote cast shall be recorded for each resolution of the investee companies.
- The vote shall be cast at Mutual Fund Level.
- In case Fund Manager/(s) of any specific scheme has strong view against the views of Fund Manager/(s) of the other schemes, the voting at scheme level shall be allowed subject to recording of detailed rationale for the same.
- Custodian of mutual fund scheme and investment strategies launched by Arudha SIF shall forward the meeting/proxy notices received to the Investment Team, as soon as it is in receipt of the same;
- Investment Team shall on receipt of such notices and with assistance of Third Party Service Provider, review the proposal and revert to the custodian on its decision for voting along with justification;
- Investment team shall ensure that such decision on voting is intimated to the Custodian before the scheduled meeting/last date of postal ballot;
- Custodian shall depute its personnel to attend the Meeting and/or cast its voting online;
- On execution of voting, Custodian shall send an intimation of votes casted to the Investment Team on a weekly basis;
- It shall be ensured that appropriate email ids of the operations team are tagged to the demat account of Mutual Fund schemes;

There may be situations where the AMC may not exercise proxy vote, on account of various reasons, including but not limited to: -

- Non receipt of intimation from Custodian;
- Late receipt of meeting notice from service provider;
- Not holding shares on the day of voting

## **2. Conflict of interest**

Bandhan AMC may from time to time invest in securities issued by Group Companies / Associate Companies. In line with the Investment policy, such investments will be carried out only if:

- Such investment is in accordance with the investment objective and strategy of the Scheme;
- On pure commercial consideration after having evaluated the same on merits;
- Transactions are on arm's length basis with no consideration of any existing/consequent investments by the Group/associate companies.

Further, while deciding on a stance for proposal preferred by any such issuer being either a Group Company, Associate Company and/or company which has subscribed to the units of the schemes of Bandhan Mutual Fund, it shall be ensured that no special consideration has been accorded vis-a-vis such proposals/issuers and the decision on voting shall be arrived in line and at par with the other issuers as per the process and policy laid down herein.

### **3. Voting principles**

The AMC has laid down general guidelines for evaluation of certain proposals. Such list is not exhaustive 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.

In most of the scenarios, the AMC will follow the process laid down under Voting principles. However, the AMC reserves its right to exercise its own discretion from time to time taking into account various factors and in the best interest of the fund as a shareholder.

Details of such voting principle is stated in **Annexure A** to this policy.

### **4. Internal Control Mechanism**

The Proxy Voting Policy will be reviewed periodically by the Investment Committee along with the number of cases where the voting is required to be done. The Committee shall also look into escalation cases, if any, and may provide guidance with respect to voting.

### **5. Reporting to the Board**

On an annual basis a report on voting received during the financial year and actual voting exercised, along with the justification shall be placed before the Board of AMC & Trustee Company.

Such report shall be audited by the Auditor of the Mutual Fund / such other professional as approved by SEBI from time to time and a certification issued confirming the audit of the Proxy Report and their observations, if any, shall be duly placed along with the report.

Fund Managers/Decision makers shall submit a declaration on 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.

In line with the requirement of SEBI, the Board of AMC and Trustees shall be required to review and ensure that the 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 to the same, along with any adverse comments made by auditors, shall have to be reported to SEBI in the half yearly trustee reports.

## **6. Disclosure of Voting**

The following disclosures shall be made by the AMC:

- Report on voting disclosure shall be made in the SEBI prescribed format on the Mutual Fund website, within 10 working days from the end of calendar quarter for voting exercised on behalf of schemes of Bandhan Mutual Fund;
- Proxy disclosure along with web link of such disclosure shall also be made in the Annual Report of the Schemes of Bandhan Mutual Fund;
- Disclosure on Auditors certification to the Trustees on the proxy voting disclosure shall be made in the relevant portion of the Annual Report and the website of Bandhan Mutual Fund;
- Disclosure on proxy voting exercised on behalf of investments under Alternative Investment Funds, will be disclosed in stewardship annual report to investors.

## **Record Keeping**

Records, if any shall be preserved in accordance with SEBI (Mutual Funds) Regulations and other applicable Regulations, issued from time to time (currently 8 years).

**Annexure A**

<b>Proposal</b>	<b>Principles take into account before voting</b>
<b>Corporate Governance Matters (merger and corporate restructuring and anti-takeover proposal)</b>	Vote on case to case basis taking into account following information: <ul style="list-style-type: none"> <li>▪ Valuation;</li> <li>▪ Mode of consideration;</li> <li>▪ Underlying rationale;</li> <li>▪ Impact of financial &amp; leverage ratio;</li> <li>▪ Inequitable benefit to promoters;</li> <li>▪ Accounting treatment;</li> <li>▪ Legal &amp; Tax Implications;</li> <li>▪ Impact on Minority Shareholders;</li> <li>▪ Disclosure Levels;</li> <li>▪ Post-Merger shareholding pattern</li> </ul>
<b>Changes in Capital Structure (including increase and decrease and preferred stock issuances)</b>	Vote on case to case basis taking into account following information: <p><b>Public and rights issuance of Equity Shares and Depository Receipts (ADR/GDR)</b></p> <ul style="list-style-type: none"> <li>▪ Reasons for fund raising;</li> <li>▪ Amount proposed to be raised;</li> <li>▪ Underwriting details;</li> <li>▪ Dilution of stake for existing shareholders;</li> <li>▪ Shareholding pattern before and after the issue.</li> </ul> <p><b>Preferential Issue of shares</b></p> <ul style="list-style-type: none"> <li>▪ List of Allottee – promoter / non-promoter;</li> <li>▪ Type of Investor – financial / strategic;</li> <li>▪ Extent of dilution &amp; urgency of funds;</li> <li>▪ Urgency of Funds;</li> <li>▪ Debt restructuring under the Corporate Debt Restructuring scheme of RBI;</li> <li>▪ Past cases of fund raising;</li> <li>▪ Debt Level;</li> <li>▪ Marketable securities;</li> <li>▪ Returns on Capital Employed.</li> </ul> <p><b>Issuance of Convertible securities</b></p> <ul style="list-style-type: none"> <li>▪ Financial performance of the Company;</li> <li>▪ Operating Cash Flows;</li> <li>▪ Leverage Ratios and credit rating;</li> <li>▪ Effective Interest rates;</li> <li>▪ Debt Servicing capacity;</li> <li>▪ Past repayment history;</li> <li>▪ Amount of cash balance and marketable securities;</li> <li>▪ Post conversion dilution.</li> </ul>
<b>Management Compensation (including Employee Stock Option Plans and compensation issues)</b>	Vote on case to case basis taking into account following information: <p><b>Managerial remuneration</b></p> <ul style="list-style-type: none"> <li>▪ Disclosure levels;</li> <li>▪ Proposal salary structure with linkages to net profits;</li> <li>▪ Peer comparison;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Whether Remuneration is commensurate to the financial health and performance of the company.</li> </ul> <p><b>Employee Stock Option Scheme</b></p> <ul style="list-style-type: none"> <li>▪ Number of options granted in past ESOP Schemes;</li> <li>▪ Number of options currently held by Senior executives;</li> <li>▪ Extent of Dilution for minority shareholders due to previous schemes;</li> <li>▪ Cap on dilution and impact on shareholders.</li> </ul>
<b>Social and Corporate responsibility issues</b>	<p>The AMC recognizes the long term merits of contributing 2% of average preceding three year profits towards social causes. The AMC will however vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ Whether adoption of the proposal is likely to enhance or protect shareholder value over a long term;</li> <li>▪ Whether the company has material fines or violations in such matter and if so, if appropriate actions have already been taken to remedy going forward;</li> <li>▪ Whether the institution through which CSR activities are conducted is a related party or a third party agency;</li> <li>▪ The level and quality of disclosure of such activities, whether regular audits are conducted on the implementation of the envisaged CSR projects, quantum of funds spent for project etc.;</li> <li>▪ The financial performance of the company in the current year;</li> <li>▪ Rationale for spending over 2% of average profits if applicable;</li> <li>▪ Whether the envisioned CSR activity/ project is strategically aligned with company's core business operations.</li> </ul>
<b>Appointment &amp; Removal of Directors</b>	<p>Vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ Eligibility Criteria of Independence (for independent director);</li> <li>▪ Existing Directorships;</li> <li>▪ Aggregate tenure on the Board;</li> <li>▪ Attendance Record;</li> <li>▪ Qualification and work experience of director.</li> </ul> <p>In case of removal of Directors, the AMC shall vote on case to case basis disclosures made by the Investee Company.</p>
<b>Appointment &amp; Removal of Auditors</b>	<p>In case of appointment of Auditors, the AMC shall vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ Rotation of Auditors and audit partners;</li> <li>▪ Proportion of Non audit and advisory related fees;</li> <li>▪ Market Standing.</li> </ul> <p>In case of removal of Auditors, the AMC shall vote on case to case basis disclosures made by the Investee Company.</p>
<b>Inter-Corporate Transactions</b>	<p>Vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ Disclosure levels;</li> <li>▪ Financial health of the Parties;</li> <li>▪ Source of funds for the transactions;</li> <li>▪ Urgency and need of such transactions;</li> <li>▪ Management &amp; operational control over the subsidiary/company;</li> <li>▪ Pricing &amp; economic benefit to the Parties.</li> </ul>
<b>Sale/disposal of the Company</b>	<p>Vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ Rationale for the sale;</li> <li>▪ Expected impact on sales/profits;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Use of sales proceeds;</li> <li>▪ Book value of aggregate assets to be disposed;</li> <li>▪ Market value of aggregate assets to be disposed;</li> <li>▪ Impact on minority shareholders vis-à-vis controlling shareholders.</li> </ul>
<b>Borrowing, create charge and pledge on assets</b>	<p>Vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ Rationale and need for borrowing;</li> <li>▪ Financial performance of the Company;</li> <li>▪ Operating cash flows;</li> <li>▪ Leverage ratios;</li> <li>▪ Effective Interest rates;</li> <li>▪ Debt Servicing Capacity;</li> <li>▪ Past repayment history;</li> <li>▪ Credit rating</li> </ul>
<b>Change in memorandum &amp; Articles of Association, including commencement or carrying out any new activity.</b>	<p>Given the diversity of resolutions that can be proposed under this topic, the AMC will vote on case to case basis on such proposals. the AMC may vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ The quality and level of disclosure of the objects inserted or removed;</li> <li>▪ The impact on minority shareholder;</li> <li>▪ The rationale for the proposed amendments in the articles of association or memorandum.</li> <li>▪</li> </ul>
<b>Related Party Transactions</b>	<p>Vote on case to case basis taking into account following information:</p> <ul style="list-style-type: none"> <li>▪ Disclosure levels;</li> <li>▪ Rationale for the transactions;</li> <li>▪ Whether an independent opinion has been obtained on the valuation/pricing aspects;</li> <li>▪ Impact on Minority Shareholders;</li> <li>▪ Inequitable benefit to promoters.</li> </ul>
<b>Other usual Matter</b>	<ul style="list-style-type: none"> <li>▪ Adoption of Accounts</li> <li>▪ Payment of dividend</li> <li>▪ Declaration of bonus etc.</li> </ul> <p>With respect to above matters which are usual in nature, the AMC shall vote on case to case basis.</p>