

BHARAT@2047 VISION TRUST

Stewardship Code

I. Background

Securities and Exchange Board of India (SEBI) Vide circular Number CIR/CFD/CMD1/168/2019 dated December 24, 2019 prescribed Stewardship principles to be adopted and implemented by the AIF Funds in relation to their investment in listed equities.

II. Objective and Applicability

Bharat @2047 Vision Trust is committed to upholding the highest standards of governance, accountability, and responsible investment. Our stewardship code aligns with SEBI's six core principles and global best practices, ensuring active engagement with investee companies, enhancing shareholder value, and fostering sustainable growth.

This document outlines the stewardship responsibilities we undertake to protect and promote the interests of our investors, while contributing to long-term value creation and ethical governance.

III. Stewardship Principles

1. Comprehensive Policy for Stewardship Responsibilities

At Bharat @2047 Vision Trust, stewardship is a cornerstone of our investment approach. Our policy outlines clear and structured responsibilities to:

- Monitor investee companies effectively on financial, operational, and environmental, social, and governance (ESG) aspects.
- Engage actively to influence governance practices and strategic decisions that align with long-term investor goals.
- Exercise voting rights responsibly to enhance shareholder value and foster sustainable business practices.

Expanded Components of Our Policy:

- **Monitoring and Engagement:** Our monitoring efforts focus on continuous oversight of investee companies' governance structures, operational efficiencies, and alignment with ESG standards. Engagement includes regular meetings with management, addressing key risks, and aligning company strategies with investor priorities.
- **Disclosure:** Detailed and timely disclosures are integral to our policy. These include publishing stewardship activities, key decisions, and their impacts in our annual reports, enhancing transparency.
- **Continuous Improvement:** We conduct regular workshops and training for employees to enhance their expertise in stewardship practices, ensuring our approach evolves with industry developments and regulatory updates.

We fulfil our stewardship responsibilities in the following manner:

- Focus on “dialogue with investee companies” wherever required and possible in the investment process, voting in board or shareholders meetings.
- Regular monitoring and active engagement with investee companies on various matters including performance (operational, financial, etc.), strategy, corporate governance (including board structure, remuneration, etc.), material environmental, social and governance (ESG) matters, capital structure, etc.
- Consider the corporate governance practice of investee companies, when undertaking buy and sell decisions.
- We ensure adequate training to personnel engaged in implementation of these principles.

Oversight of Stewardship Responsibilities

The Stewardship Committee, comprising of the Chief Financial Officer and the Chief Operating Officer, shall ensure implementation of stewardship principles and training to the respective team members on an ongoing basis. Minutes of the meeting of the Stewardship Committee shall be placed before the Board. The stewardship committee may decide to avail the services of external agencies and mechanism for discharging stewardship responsibilities would be updated in the policy.

II: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Managing Conflicts of Interest

The term "conflict of interest" refers to instances where personal or financial considerations may compromise or have the potential to compromise the judgment of professional activities. A conflict of interest exists where the interests or benefits of Bharat @2047 Vision Trust (including its employee, officer or director/partner) conflict with the interests or benefits of its unitholders or the investee companies.

To maintain impartiality and protect investor interests, Bharat @2047 Vision Trust employs a robust conflict management framework:

- **Identification of Conflicts:**
 - Relationships with group entities or significant investments that may create conflicting interests.
 - Personal interests of directors, employees, or key personnel that could influence decision-making.
 - Business relationships that might affect objectivity in voting or monitoring practices.
- **Enhanced Management Measures:**
 - Comprehensive recusal mechanisms to ensure conflicted individuals are excluded from sensitive decision-making processes.
 - A dedicated Conflict Resolution Committee that conducts regular reviews of identified conflicts and implements mitigation strategies.

- Policies prohibiting employees from accepting undue gifts, benefits, or other inducements that may compromise objectivity.
 - **Comprehensive Disclosure Practices:**
 - All identified conflicts and their resolutions are documented and disclosed transparently in stewardship reports. These disclosures ensure accountability and instill confidence among stakeholders regarding our governance practices.
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III: Institutional investors should monitor their investee companies

Monitoring of Investee Companies

Fund Manager will be responsible for monitoring all the investee companies Bharat @2047 Vision Trust invests in. The monitoring will be based on publicly available information, management meetings, post results and investor calls, sell side research and industry information. Monitoring will include but need not be restricted to strategy and business outlook, financial performance, management evaluation and corporate governance issues, capital structure and key risk areas. Monitoring in areas like succession planning, remuneration, environmental issues will be on a best effort basis.

Bharat @2047 Vision Trust maintains a rigorous framework to monitor investee companies, ensuring alignment with shareholder interests and long-term sustainability goals.

Expanded Areas of Monitoring:

- **Financial Performance:** Comprehensive analysis of revenue growth, profitability trends, and return on investment, focusing on value creation for shareholders.
- **Corporate Governance:** Detailed assessments of board diversity, executive accountability, adherence to ethical guidelines, and scrutiny of related-party transactions.
- **ESG Factors:** Monitoring policies and practices addressing climate change, resource utilization, employee welfare, and societal impact.
- **Leadership and Strategy:** Evaluating the effectiveness of strategic initiatives, leadership transparency, and organizational adaptability to emerging challenges.

Advanced Data Sources and Compliance Measures:

- **Diverse Information Channels:** Leveraging independent market research, direct engagement, and technology-enabled monitoring tools to maintain an accurate understanding of investee companies.
- **Frequent Updates:** Regular updates based on financial filings, shareholder meetings, and independent audits, ensuring decisions are made on current and relevant data.
- **Strict Insider Trading Compliance:** Ensuring strict adherence to regulatory norms to prevent misuse of confidential information, supported by periodic compliance audits and real-time monitoring system.

Principle 4: Institutional investors should have clear policy on intervention in their investee companies. Institutional investors should also have a clear policy for collaboration with other institutional investors where required, to preserve the interest of the ultimate investors, which should be disclosed.

Concerns may arise with respect to the investee companies from time to time mainly on account of insufficient disclosures, non-compliance to regulations, performance parameters, governance issues, corporate plans / strategy, corporate social responsibility, environment and social matters.

Interventions occur when material concerns such as governance deficiencies or ESG risks are identified. Bharat @2047 Vision Trust employs a structured escalation process:

- **Direct Engagement:** Regular, constructive dialogues with company management to address and resolve identified issues. These engagements aim to align company actions with investor expectations.
- **Escalation to the Board:** Formal communication to the board of directors when initial engagement efforts do not yield results. This step involves providing detailed analyses and recommendations.
- **Collaborative Actions:** Collaborating with other institutional investors to amplify influence and ensure a unified approach to resolving issues.
- **Voting Actions:** Exercising voting rights to support or oppose resolutions based on their alignment with shareholder interests and governance principles.
- **Public Disclosure:** Publicizing unresolved issues to create external accountability and prompt corrective measures.
- **Regulatory and Legal Actions:** Escalating to regulatory authorities or pursuing legal recourse in cases of persistent non-compliance or significant concerns.

Post-Escalation Reviews:

- The Investment Committee evaluates outcomes of escalations to determine further steps, including potential divestment or strategic re-engagement plans.
- Detailed case studies of escalations are documented for internal learning and refinement of intervention strategies.

IV: Institutional investors should have clear policy on voting and disclosure of voting activity.

To protect and enhance wealth of our unitholders and to improve governance of the investee companies, we take our own voting decisions in the investee companies after in-depth analysis. We consider the exercise of proxy voting rights as one form of "dialogue with investee companies" to fulfil our stewardship responsibilities.

We make decisions regarding exercising proxy voting rights in accordance with our Board approved Proxy Voting Policy, following consultation with the proxy voting committee.

We have formulated the following policies regarding voting and disclosure of voting activity in fulfilling our stewardship responsibilities:

- We will exercise our voting rights and vote on all shareholder resolutions of investee companies, as may be deemed necessary in the interest of unitholders.
- We will vote against resolutions which are not in the interest of unitholders and / or not consistent with our voting policy.
- While voting we will also consider several factors, including recommendations made by our empaneled proxy advisor.
- All voting decisions will be made in accordance with our Board approved Proxy Voting Policy, which is available on our website.

- We will disclose on a quarterly basis all voting decisions for every proposed resolution in investee companies, i.e., For, Against or Abstain with rationale for voting decision on the website of Alpha Alternatives.

V: Institutional investors should report periodically on their stewardship activities.

Periodic Reporting on Stewardship Activities

We are committed to providing transparency on our stewardship and voting activities. We will report our stewardship activities annually via our website, as per the stewardship code prescribed by SEBI vide circular number CIR/CFD/CMD1/168/2019 dated December 24, 2019.

Voting and Disclosure of Voting entity

Voting is a critical aspect of stewardship, enabling Bharat @2047 Vision Trust to influence corporate governance and strategic decisions effectively.

Expanded Voting Practices:

- **Detailed Voting Guidelines:** Decisions are underpinned by comprehensive evaluations of proposals, focusing on governance norms, shareholder rights, and ESG commitments. Guidelines are updated annually to reflect emerging trends and priorities.
- **Proxy Voting Mechanisms:** Proxy voting tools are utilized to ensure consistent participation in shareholder meetings, even when physical presence is not feasible.
- **Voting Decisions:** Decisions are categorized into routine, strategic, and material resolutions to ensure proper prioritization and focus during shareholder meetings.

Transparency and Reporting:

- **Quarterly Reports:** Summaries of voting activities, including rationale for decisions and alignment with investor objectives, are published on the official website.
- **Annual Voting Report:** Detailed analyses of all voting actions, their outcomes, and their impacts on corporate strategies and governance structures.
- **Case Studies:** Inclusion of case studies demonstrating the effectiveness of voting actions in influencing positive change within investee companies.

VI. Periodic Reporting and Transparency

Transparency and accountability are integral to our stewardship framework. We regularly report on stewardship activities to keep investors informed.

Enhanced Reporting Framework:

- **Annual Stewardship Report:**
 - Comprehensive accounts of monitoring activities, engagement outcomes, and significant escalations.
 - Detailed analysis of voting patterns, key resolutions, and their contributions to governance improvements.
 - Summaries of collaborative actions and their collective impact on achieving investor goals.

- **Quarterly Updates:** Targeted summaries offering insights into ongoing engagements, progress on strategic objectives, and updates on ESG initiatives.
- **Public Accessibility:** Full access to updated stewardship codes, policies, and annual reports is maintained on our website, ensuring investors remain informed of all material activities.
- **Independent Third-Party Reviews:** Periodic audits by external experts to ensure the accuracy, transparency, and reliability of our stewardship practices.

Our Commitment to Investors

At Bharat @2047 Vision Trust, we recognize that responsible stewardship is pivotal to sustainable growth and shareholder value creation. By adhering to SEBI's principles and fostering a culture of transparency and accountability, we ensure that our investment practices align with the best interests of our stakeholders.

We remain committed to driving long-term value, supporting ethical governance, and contributing to a resilient and sustainable financial ecosystem. Together, we envision a future where responsible investments pave the way for innovation, equity, and growth.

For more information and stewardship reports, visit: www.bharat2047.in.

