



# STEWARDSHIP POLICY

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## Introduction

Stewardship is the responsibility attributed to an institutional investor to monitor, oversee, and manage the capital invested in companies in order to create long-term value for its clients /beneficiary. Stewardship code is a set of principles or guidelines aimed primarily at institutional investors, who hold shares, and thus, voting rights in investee companies to fulfill its fiduciary obligations towards clients /beneficiaries. At the investee company level, the stewardship codes promote high standards of corporate governance by requiring investors to monitor and, where necessary, engage with companies on material matters, including environmental, social, governance, strategy, performance, and risk issues and to vote their shares at company AGMs and EGMs.

Companies and investors have a symbiotic existence: companies need investors, just as much as investors need companies. Consequently, effective stewardship and effective governance go together. For a company to be able to act in the investors' best interest, it also needs to understand the investors' perspective. The stewardship code sets out a framework that encourages the investors to engage with companies they have invested in and their boards. This benefits both, the companies, and the investors.

Stewardship codes are being introduced globally. After the UK adopted a Stewardship Code in 2009, about eight other countries have similarly mandated stewardship requirements, including a few Asian countries such as Malaysia, Japan, and Taiwan. Today, approximately 19 countries have mandated stewardship codes for the investors either as 'comply or explain' or mandatory compliance formats. Under the umbrella of a stewardship code, investors have been able to achieve different agendas – from getting more independent directors on boards, to ensuring that annual reports are being published in time.

India, to a large degree, has relied on regulations to evolve its corporate governance agenda. The more recent regulations have balanced this agenda by empowering the shareholders to assert their rights – in the form of more convenient voting processes, and requisite specific approvals in the case of related party transactions. However, these measures are effective only on specific issues. To build a wholistic environment that rewards good governance practices, the institutional investors must undertake focused stewardship activities.

While the Securities and Exchange Board of India (“SEBI”) has long since mandated mutual funds to vote on shareholder resolutions, the Insurance Regulatory Authority of India (“IRDA”) on March 22, 2017 prescribed stewardship principles to be adopted and implemented by the insurers. Insurers were required to adopt a policy based on the Stewardship Principles on or prior to September 21, 2017. The Kotak Committee on Corporate Governance recommended that as the capital market regulator, SEBI must outline stewardship principles for institutional investors. As a result, in December 2019, SEBI published the circular on Stewardship Code for all categories of Alternate Investment Funds (“AIFs”) and all mutual funds.

The SEBI Circular list out the stewardship principles to be adopted by mutual funds and all

categories of AIFs (“**Stewardship Principles**”) and requires them to adopt a stewardship code based on such principles, to be applicable with effect from the financial year 1 April 2020. The Stewardship Principles are enclosed in the Annexure-I.

## **Stewardship Code for Alternate Investment Funds**

Accuracap Technologies view stewardship as both a responsibility and a privilege. Our clients have entrusted us with their assets, and we are dedicated to putting their interest first. For this it becomes important to carefully consider all relevant financial, environmental, social and governance (ESG) implications throughout the investment process, with the aim of achieving long term sustainable returns. It also means careful monitoring of our investments and constructive engagement to advance our clients long term best interests. Stewardship aims to promote the long-term success of investee companies in a manner that the ultimate providers of capital also prosper. Effective stewardship benefits investee companies, asset managers, investors and enhances the quality of capital markets.

Accuracap Technologies manages a relatively small corpus of about INR 150 crores (at the time of writing this document) split between two independent AIF schemes viz., Accuracap Alphagen Next and Accuracap Vectra. Also, the portfolios made are usually quite diverse (typically more than 50 underlying stocks.) The typical market cap of these stocks varies from a few thousand crores to more than 10 lac crores. Because of the small corpus under management, large number of stocks in the diversified portfolio as well as comparatively large market cap of most investee companies, the holding of the AIF in any company is such a miniscule percentage of its total equity base, (for example 0.001%) that it is imprudent to expect the fund in its current form and size to make any material impact to the company’s decision-making process or to influence its management. Hence the AIF uses a pragmatic and realistic approach of assessing all investee company management decisions keeping in mind the best interest of AIF’s investors but also realizing the limitations of the influence or impact it can exercise in those. Consequently, while the AIF will continue to act in the best interest of its investors when it comes to any decision making, it realizes that its ability to influence investee companies’ management is practically negligible because of the facts stated above.

Accuracap Technologies uses a unique quantitative style of fund management that entails using technology and algorithms developed by its founders over more than 10 years for research and live deployment. It has generated returns over the last decade, when used in other group offerings in form of PMS services, that have been shown to generate returns comparatively better than corresponding market Benchmarks as well as most other comparative funds in India. This style of fund management works well because of a very objective, unbiased, and data-centric stock picking. For it to continue to do well for its investors, it needs to keep subjective assessment and emotions away from decision making so as not to contaminate the data-based decision making with subjective opinion of various stakeholders and market entities. Hence while Accuracap Technologies does seek various data and information from public sources as well as sends occasional queries on need basis to

company's management to get information about companies' finances, operations and other aspects of decision making, it strategically stays away from getting influenced or biased by subjective opinions expressed by managements, various entities, and market players by avoiding getting into personal meetings or any kind of close relationships. This is a strategic decision made many years ago and one of the main reasons for the strategy to continue to do well for our investors.

Accuracap Alphagen Next and Accuracap Vectra ("AIF") have adopted this Stewardship Code pursuant to the approval of the Board of the AIF and is effective from 1<sup>st</sup> July 2020.

## 1. Key Stewardship Responsibilities

### 1.1. Primary Stewardship Responsibilities: The AIF shall:

- a) in the investment process, in addition to financial and operational performance metrics, take into consideration the investee companies' policies and practices on environmental, social, and corporate governance matters to the extent it aligns with the data-centric decision making of our underlying strategy while staying away from making adhoc or subjective 'opinion-based' decisions.
- b) enhance shareholder/investor value predominantly through data-centric assessment of a company's health and management's performance with selective fact-seeking rather than seeking their opinions.
- c) when voting or engaging with investee companies, will keep the best interests of its shareholders/investors whilst fully realizing that due to very small stakes, we have limited influence if any on their corporate decision making, as explained above.
- d) be accountable to shareholders/investors within the parameters of professional confidentiality and regulatory regime; and
- e) maintain transparency in reporting its voting decisions and other forms of engagement with investee companies.
- f) disclose its stewardship policy and activities to its shareholders/investors on a periodic basis

### 1.2. Discharge of Stewardship Responsibilities: The AIF shall discharge its stewardship responsibilities through:

- a) Our emphasis on "publicly available data as primary source and fact-based interaction with the investee company as and when needed while not seeking any subjective opinions" is at the center of our investment process.
- b) Using resources, rights and influence available to regularly monitor and active engagement with investee company; and express opinion as a responsible investor.

- c) voting on board or shareholders' resolutions, with a view to enhance value creation for the shareholders/investors and the investee companies.

**1.3. Responsibility for oversight of the stewardship activities:**

The investment committee of the AIF (“**Committee**”) shall ensure that there is an effective oversight of the AIF’s stewardship activities. The AIF will conduct training on yearly basis, for the personnel involved in implementing the Stewardship Principles, by holding internal or attending external sessions/workshops on Stewardship Principles and reviewing the global / national best practices.

CEO shall be designated as the “Stewardship Officer”. The stewardship officer shall be responsible for compliance with this stewardship code and shall be under the supervision of the Committee.

- 1.4. Disclosure of Stewardship Code:** This Stewardship Code and amendment thereto, shall be disclosed on the website of the AIF. Any amendment or modification to this Stewardship Code shall be disclosed on the website.

- 1.5. Periodic review of Stewardship Code:** The Stewardship Code shall be reviewed annually (or earlier if there are any material developments) and updated, which should be endorsed by Chief Executive Officer (CEO).

## 2. Managing Conflict of Interest

- 2.1.** 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 the AIF (including its employee, officer, or director) conflict with the interests or benefits of its shareholder/investor or the investee company.
- 2.2. Avoid conflict of interest:** The employees, officers and directors of the AIF shall undertake reasonable steps to avoid actual or potential conflict of interest situations. In the event of any doubt as to whether a particular transaction would create (or have the potential to create) a conflict of interest, employees, officers, and directors shall consult with the CEO.
- 2.3. Identifying conflict of interest:** While dealing with investee companies, the AIF may be faced with a conflict of interest, *inter alia*, in the following instances, where:
- a) the AIF and the investee company are associates or are part of same group; or
  - b) the investee company is also a client of the AIF or its group companies or affiliates.
  - c) the AIF is a lender to the investee company.
  - d) the investee company is partner or holds an interest, in the overall business or is a distributor for the AIF’s group.
  - e) any of the group companies or affiliates of the AIF is a vendor or partner of the investee company.
  - f) a nominee of the AIF has been appointed as a director or a key managerial person of the investee company or cross-directorships.
  - g) a director or a key managerial person of the AIF has a personal interest in the investee company.
  - h) the AIF (including its employee, officer, or director) is likely to make a financial gain, or avoid a loss, at the expense of a shareholder/investor or the investee company.
- 2.4. Manner of managing conflict of interest:** The mechanism to eliminate the influence of conflict of interest in the above situations include following:
- a) The board of directors or the stewardship committee of the AIF shall frame personal securities trading policy for employees/ designated partners.
  - b) The Stewardship committee formed can be entrusted as ‘Conflict of Interest Committee’ to which all conflict of interest or suspected conflict of interest matters shall be referred to. The Conflict Committee shall maintain records of the minutes on such decisions.
  - c) Rationale for voting on each shareholder resolution shall be recorded in the internal records of the AIF. AIF India will manage conflicts of interest by requiring access employees/persons, stewardship committee members and other personnel involved in implementing this policy to:

- Avoid conflicts of interest where possible
- Identify and disclose any conflicts of interest.
- Carefully manage any conflicts of interest.
- Follow this policy and respond to any breaches.

A potential conflict of interest in relation to an investee company shall be reasonably highlighted in the internal compliance system.

- d) Save as in the ordinary course of business, the members of the stewardship committee shall not engage with the investee companies outside the scope of their duties under the Stewardship Code.
- e) The AIF will abstain from voting if the AIF and the investee company are part of the same group.
- f) The interests of the clients / beneficiaries will take precedence over the interests of the AIF (and its employees, directors, and officers). Therefore, the AIF will vote in the interests of its clients / beneficiaries.
- g) A clear segregation between the investment teams, voting functions and the Business Team shall be maintained.
- h) Business level conflicts shall be resolved on a case-to-case basis by the stewardship committee, after factoring the relevant considerations.
- i) Conflicted employees, directors and officers will not be allowed to participate in the discussions and voting decisions / transactions in which they are interested.
- j) In all cases of conflicts of interests the voting decision of NAIF India will be based on the best interests of the unitholders.

**2.5. Periodic review and updates to the conflict-of-interest policy:** The stewardship Committee shall review the manner in which conflict of interest are arising and how they are being resolved annually (or earlier if there are any material developments) and adopt necessary actions and disclose publicly any material developments.

### **3. Monitoring of Investee Companies**

- 3.1.** The stewardship committee will be responsible for monitoring all the investee companies the AIF invests in.
- 3.2.** The monitoring will be based on publicly available information, management meetings, sell side research and industry information.
- 3.3.** AIF will seek various data and information from public sources as well as send occasional queries on need basis to company's management to get information about companies' finances, operations and other aspects of decision making, however it will strategically stay away from getting influenced or biased by subjective opinions expressed by managements, various entities, and market players by avoiding getting into personal meetings or any kind of close relationships.

#### **3.4. Manner of Monitoring:**

- a) The stewardship Committee shall be responsible for the supervision of the monitoring of the investee companies' business strategy and performance, industry risk and opportunities, impact the investee companies make, risk, capital structure, leadership effectiveness, remuneration, corporate governance performance including remuneration, structure of the board (including board diversity, independent directors etc.), related party transactions etc., risks including cultural and ESG risks, shareholders rights, their grievances etc. among other matters to the extent quality data is available and can be analyzed by it through use of algorithms and automation.
- b) The AIF may use publicly available information, sell side research and industry information, to monitor the investee companies.
- c) While dealing with the investee company, the AIF shall ensure compliance with the SEBI (Prohibition on Insider Trading) Regulations, 2015. AIF shall identify situations which may trigger communication of insider information and the procedures adopted to ensure insider trading regulations are complied with in such cases.

### **4. Active Intervention in the Investee Company and collaboration with other institutional investors**

#### **4.1. Applicability**

- a) The AIF shall intervene in the acts/omissions of an investee company, in which it holds at least 2% of the share capital of the investee company. However, the AIF will not let this threshold come in the way of active intervention of it feels that it can make a material impact to the situation and decision making thereby protecting its own investors' interests

- b) The AIF shall intervene if, in its opinion any act/omission of the investee company is considered material on a case-to-case basis, including but not limited to poor financial performance, insufficient disclosures, inequitable treatment of shareholders, non-compliance with regulations, performance parameters, governance issues related party transactions, corporate plans/strategy, CSR, litigation or any other related matters.

**4.2. Intervention by the AIF:** The decision for intervention shall be decided by the CEO based on the following broad parameters:

- a) The AIF shall not generally intervene if the threshold is below the prescribed level or investment is already earmarked for divestment.
- b) The AIF may consider intervening in matters below the thresholds, if in the reasonable opinion of the CEO, the issue involved may adversely impact the overall corporate governance atmosphere or the AIF's investment.

**4.3. The AIF's intervention and escalation policy** are as follows:

- a) **Engagement:** The AIF shall take all reasonable steps to address its concerns, including steps to be taken to mitigate such concerns, with the investee company's management through participation in investors calls and general meetings.
- b) **Re-engagement:** In the event the management of the investee company fails to undertake constructive steps to resolve the concerns raised by the AIF within a reasonable timeframe, the AIF shall take all reasonable steps to re-engage with the management to resolve the AIF's concerns.
- c) **Escalation:** In case there is no progress despite the first two steps, the AIF shall escalate the matter to the Committee. If the Committee decides to escalate, the AIF shall engage with the board of the investee company (through a formal written communication) and elaborate on the concerns. The AIF may also consider voting against the relevant matters.

- d) The CEO shall consider other intervention mechanisms such as (i) expressing their concern collectively with other investors or through AIFs associations; (ii) making a public statement; (iii) submitting shareholders resolution or voting against decisions etc.; (iv) submitting one or more nominations for election to the board as appropriate and convening a shareholder meeting. (v) seeking governance improvements and/or damages through legal remedies or arbitration; and (vi) exit or threat to exit from the investment as a last resort.
- e) Reporting to the Regulators: If there is no response or action taken by the investee company despite the first three steps. The AIF may approach the relevant authorities/ regulators.

In case the AIF's intervention is not successful (either fully or partially), it will not automatically result in the AIF being required to exit its investment in the investee company. The decision to purchase more equity or sell all or part of the AIF's investment in the investee company shall be made by the Committee, which may consider the outcome of the intervention as an input in its decision-making process.

**4.4. Collaboration with other institutional investors:**

- a) The AIF shall consider collective engagement with other institutional investors [*and other investors / advisors / proxy / voting advisory firms*] on a general basis and in particular, when it believes a collective engagement will lead to a higher quality and/or a better response from the investee company. The AIF may approach, or may be approached by, other Asset Managers, including insurers, AIFs, or other type of shareholders to provide a joint representation to the investee companies to address specific concerns.
- b) The AIF shall also, where permitted, collaborate with other *institutional investors, professional associations such as [Indian Association of Alternative Investment Funds, General Insurance Council of India, Life Insurance Council, General Insurers' Public Sector Association, liAS and/or other proxy / voting advisory firms]*; regulators such as SEBI, Pension Fund Regulatory and Development Authority, IRDA, and other policy makers to solicit views.

**4.5.** The AIF shall determine individually its position on any issue requiring collaborative engagement and shall not act or be construed as acting as a 'person acting in concert' with other shareholders and market manipulation.

**4.6.** The AIF shall periodically review and measure the effectiveness of their intervention and collaboration activities and its outcomes and communicate the results to its shareholders/ investors.

## 5. Voting and disclosure of voting activity

### 5.1. Applicability

The AIF shall vote on all shareholder resolutions of all investee companies if the AIF's holding is greater than 1% of the investee company's paid-up share capital. In such cases, the AIF shall make informed and independent voting decisions, applying due care, diligence, and judgment across their entire portfolio in the interests of its shareholders/ investors.

5.2. Voting decisions shall be made in accordance with the AIF's voting policy, which is available here.

5.3. The AIF shall vote against resolutions which,  
a) are not consistent with the AIF's voting policy, or  
b) which are not in its investors'/shareholders'/clients' best interests.

5.4. **Attendance at General Meetings:** The AIF shall, subject to the considerations and limitations described in this document above, may attend general meetings of the investee companies (annual as well as any extra ordinary shareholders' meetings) when appropriate, actively speak and respond to the matters being discussed at such meetings.

5.5. The AIF shall be required to record and disclose specific rationale supporting its voting decision (for, against or abstain) with respect to each vote proposal including how potential conflicts of interests are addressed in the exercise of voting rights. Where the AIF chooses not to vote in specific circumstances, for example, where holdings are below certain thresholds, this should be disclosed.

5.6. The AIF shall disclose all voting activity on a quarterly basis and a detailed report on voting in the annual compliance report on its website. The AIF shall also disclose the extent of its reliance, if any, on the voting recommendations provided by liAS and / or any other proxy / voting advisory firm (specify) along with the scope of services and details of such service providers.

## **6. Reporting of Stewardship Activities**

- 6.1.** The AIF shall issue a report to its shareholders/ investors detailing the compliances or non-compliance (with justification of any non-compliance) with each of the Stewardship Principles and the requirements set out in this Stewardship Code, including how conflicts were managed (if any), extent of monitoring of investee companies, any intervention undertaken, collaboration undertaken and cumulative voting activity and outcome of each of these actions, for the last financial year within sixty working days of the ending of the year. The report shall be made public and made available to on the AIF's website.
- 6.2.** The AIF shall also on an annual basis report its compliance status with the Stewardship Principles in an easy-to-read format and shall such reports in the annual intimation made to its shareholders/ investors.
- 6.3.** The AIF should maintain records of meetings, voting and engagement to documents summaries of stewardship activities for the benefit of its shareholders/ investors.

## Annex: SEBI's Stewardship Principles for AIFs

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**Principle 1: Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically**

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Stewardship responsibilities include monitoring and actively engaging 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) opportunities or risks, capital structure, etc. Such engagement may be through detailed discussions with management, interaction with investee company boards, voting in board or shareholders meetings, etc.

Every institutional investor should formulate a comprehensive policy on how it intends to fulfill the aforesaid stewardship responsibilities and disclose it publicly. In case any of the activities are outsourced, the policy should provide for the mechanism to ensure that in such cases, stewardship responsibilities are exercised properly and diligently.

The policy should be reviewed and updated periodically, and the updated policy should be publicly disclosed on the entity's website. A training policy for personnel involved on implementation of the principles is crucial and may form a part of the policy.

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**Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it**

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As a part of the aforesaid comprehensive policy, institutional investors should formulate a detailed policy for identifying and managing conflicts of interest. The policy shall be intended to ensure that the interest of the client/beneficiary is placed before the interest of the entity. The policy should also address how matters are handled when the interests of clients or beneficiaries diverge from each other.

The conflict-of-interest policy formulated shall, among other aspects, address the following:

1. Identifying possible situations where conflict of interest may arise. E.g., in case of investee companies being associates of the entity.
2. Procedures put in place by the entity in case such conflict-of-interest situations arise which may, inter alia, include:
  - a. Blanket bans on investments in certain cases
  - b. Having a 'Conflict of Interest' Committee to which such matters may be referred to.
  - c. Clear segregation of voting function and client relations/ sales functions.
  - d. Policy for persons to recuse from decision making in case of the person having any actual/ potential conflict of interest in the transaction.

- e. Maintenance of records of minutes of decisions taken to address such conflicts.
3. Periodical review and update of such policy and public disclosure.

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**Principle 3: Institutional investors should monitor their investee companies**

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As a part of the aforesaid comprehensive policy, institutional investors should have a policy on continuous monitoring of their investee companies in respect of all aspects they consider important which shall include performance of the companies, corporate governance, strategy, risks etc.

The investors should identify the levels of monitoring for different investee companies, areas for monitoring, mechanism for monitoring etc. The investors may also specifically identify situations where they do not wish to be actively involved with the investee companies e.g., in case of small investments.

The investors should also keep in mind regulations on insider trading while seeking information from the investee companies for the purpose of monitoring.

Accordingly, the institutional investors shall formulate a policy on monitoring specifying, inter-alia, the following:

1. Different levels of monitoring in different investee companies. E.g., companies where larger investments are made may involve higher levels of monitoring vis- à-vis companies where amount invested is insignificant from the point of view of its assets under management.
2. Areas of monitoring which shall, inter-alia, include:
  - a. Company strategy and performance - operational, financial etc.
  - b. Industry-level monitoring and possible impact on the investee companies.
  - c. Quality of company management, board, leadership etc.
  - d. Corporate governance including remuneration, structure of the board (including board diversity, independent directors etc.) related party transactions, etc.
  - e. Risks, including Environmental, Social and Governance (ESG) risks
  - f. Shareholder rights, their grievances etc.
3. Identification of situations which may trigger communication of insider information and the procedures adopted to ensure insider trading regulations are complied with in such cases

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**Principle 4: Institutional investors should have a 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 interests of the ultimate investors, which should be disclosed.**

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Institutional investors should have a clear policy identifying the circumstances for active intervention in the investee companies and the manner of such intervention. The policy should also involve regular assessment of the outcomes of such intervention. Intervention should be considered even when a passive investment policy is followed or if the volume of investment is low if the circumstances so demand.

Circumstances for intervention may, inter alia, include poor financial performance of the company, corporate governance related practices, remuneration, strategy, ESG risks, leadership issues, litigation etc.

The mechanisms for intervention may include meetings/discussions with the management for constructive resolution of the issue and in case of escalation thereof, meetings with the boards, collaboration with other investors, voting against decisions, etc. Various levels of intervention and circumstances in which escalation is required may be identified and disclosed. This may also include interaction with the companies through institutional investor associations (E.g., AMFI). A committee may also be formed to consider which mechanism to be opted, escalation of matters, etc. in specific cases.

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**Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity.**

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To protect and enhance wealth of the clients/ beneficiaries and to improve governance of the investee companies, it is critical that the institutional investors take their own voting decisions in the investee company after in-depth analysis rather than blindly supporting the management decisions.

This requires a comprehensive voting policy to be framed by the institutional investors including details of mechanisms of voting, circumstances in which voting should be for/against/abstain, disclosure of voting, etc. The voting policy, voting decisions (including rationale for decision), use of proxy voting/voting advisory services, etc. should be publicly disclosed.

The voting policy shall, inter-alia, include the following:

1. Mechanisms to be used for voting (e.g., e-voting, physically attending meetings, voting through proxy, etc.)
2. Internal mechanisms for voting including:
  - a. Guidelines on how to assess the proposals and take decision thereon
  - b. Guidelines on how to vote on certain specific matters/ circumstances including list of such possible matters/circumstances and factors to be considered for a decision to vote for/ against/ abstain
  - c. Formulation of oversight committee as an escalation mechanism in certain cases
  - d. Use of proxy advisors
  - e. Policy for conflict-of-interest issues in the context of voting
3. Disclosure of voting including:
  - a. Periodicity of disclosure
  - b. Details of actual voting for every proposed resolution in investee companies i.e. For, Against or Abstain
  - c. Rationale for voting
  - d. Manner of disclosure – e.g., in annual report to investors, quarterly basis on website etc.
4. In case of use of proxy voting or other voting advisory services, disclosures on:
  - a. Scope of such services

- b. Details of service providers
- c. Extent to which the investors rely upon/use recommendations made by such services

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**Principle 6: Institutional investors should report periodically on their stewardship activities.**

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Institutional investors shall report to their clients/ beneficiaries periodically on how they have fulfilled their stewardship responsibilities as per their policy in an easy-to- understand format.

However, it may be noted that the compliance with the aforesaid principles does not constitute an invitation to manage the affairs of a company or preclude a decision of the institutional investor to sell a holding when it is in the best interest of clients or beneficiaries.

Institutional investors shall report periodically on their stewardship activities in the following manner:

1. A report may be placed on website on implementation of every principle. Different principles may also be disclosed with different periodicities. E.g., Voting may be disclosed on quarterly basis while implementation of conflict-of-interest policy may be disclosed on an annual basis. Any updation in policy may be disclosed as and when done.
2. The report may also be sent as a part of annual intimation to its clients/ beneficiaries.