

**REPORT OF COMPLIANCE OF THE STEWARDSHIP CODE FOR THE FINANCIAL YEAR 2025-26**

SEBI vide clause 17.5 of the SEBI AIF Master circular No. HO/19/34/11(6)2025-AFD-POD1/I/12928/2026 dated June 03, 2026 (“SEBI Master Circular”) has mandated all Alternative Investment Funds (“AIFs”) to follow the Stewardship Code in relation to the scheme’s investments in listed equities of companies (“Investee Companies”).

In accordance with **Principle 6 of the Stewardship Guidelines**, AIFs should provide a periodic report to the ultimate beneficiaries (“Unitholders”) on discharge of stewardship responsibilities, as a part of public disclosures. Accordingly, the status report on compliance with the stewardship activities/responsibilities during financial year 2025-26 for Carnelian Alternative Investment Trust and Carnelian AIF Category I Trust (both together referred to as “Funds”) is mentioned below: -

Sr. No.	Principles of Stewardship Code	Status (Complied, Deviation, Partly Complied, Not Complied)	Comments
1.	Principle 1 - Formulation of Policy, its Disclosure and Review	Complied	The Company has adopted a Stewardship Code ("the Code") in compliance with SEBI Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019, on “Stewardship Code for all Mutual Funds and all categories of AIFs, in relation to their investment in listed equities”. The said Code is available on the website of Carnelian Asset Management & Advisors Private Limited (Company), Investment Manager to the Funds. The Directors of the Company, as stipulated in the Code, conduct periodical reviews and incorporate any necessary amendments as and when required.
2.	Principle 2 - Managing Conflict of Interest	Complied	The Stewardship Code additionally addresses conflict of interests pertinent to fulfilling stewardship responsibilities. Additionally, the Company has also adopted a conflict-of-interest policy at the Company level. Voting decisions are governed by voting policy as well as a conflict-of-interest policy.  We hereby confirm that the Company is closely monitoring all potential conflicts and hereby confirm that there was no adverse conflicting situation during

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[www.carneliancapital.co.in](http://www.carneliancapital.co.in) | Email : [info@carneliancapital.co.in](mailto:info@carneliancapital.co.in) | CIN: U74999MH2020PTC340468

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			FY 2025-26 which is outside the scope of the policy and dealt with otherwise than the standard process.
3.	Principle 3 - Monitoring of Investee Companies	Complied	<p>Aligned with the Stewardship Code, the Company has diligently monitored investee companies through a spectrum of activities which includes analysis of financial performance, assessment of the management, evaluation of business outlook, scrutiny of corporate governance parameters, assessment of capital structure, industry-level dynamics, and other critical risk domains.</p> <p>The Investment Team on an ongoing basis have carried out these activities and have maintained necessary supporting documents wherever required.</p>
4.	Principle 4 - Policy on Intervention in the Investee Company and collaboration with other Institutional Investors	Complied	<p>Embedded within the Stewardship Code are guiding principles delineating intervention strategies in investee companies and fostering collaboration with other institutional investors.</p> <p>These interventions are undertaken with the primary aim of playing a constructive role in augmenting the value of equity investments in investee companies, ultimately benefiting the Unitholders of the schemes.</p> <p>The Investment Team on an ongoing basis have carried out these activities and have maintained necessary supporting documents wherever required.</p>
5.	Principle 5 - Voting Policy and disclosure of voting activity	Complied	<p>The Company has formulated a Voting policy, duly sanctioned by the Directors of the Company, which articulates guidelines governing voting procedures concerning issues pertinent to investee companies. This Policy is accessible on the website of the Company.</p>

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6.	Principle 6 - Reporting of Stewardship Activities	Complied	<p>In adherence to SEBI guidelines, the Stewardship Code approved by the Directors and the Voting policy adopted by the Company, the Company discloses its stewardship activities to the Investors in the manner as specified below:</p> <ol style="list-style-type: none"> <li>1. By hosting the Stewardship Code on the website of the Company.</li> <li>2. By hosting this Stewardship Compliance Report with on the website of the Company.</li> <li>3. By hosting the Voting Policy on the website of the Company.</li> <li>4. By sharing voting results with the investors of the Company.</li> </ol>

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