

Sanjay Rane & Associates LLP

CHARTERED ACCOUNTANTS

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TO WHOMSOEVER IT MAY CONCERN

We are submitting this certificate of AVENDUS WEALTH MANAGEMENT PRIVATE LIMITED ("the company") (SEBI PMS Registration No. INP000005257) having its registered address at 901, Platina, 9th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.

We have examined the audited books of accounts as on March 31, 2025 and other documents/ records provided by the company based on such verification of the information and explanations given to us, we certify that the disclosures made in the Disclosure Document as on May 30, 2025 are true, fair and adequate to enable the investors to make a well- informed decision.

This Certificate is issued under Regulation 22 of the SEBI (Portfolio Managers) Regulation 2020.

For Sanjay Rane & Associates LLP
Chartered Accountants
Firm Registration No-121089W/W100878

CA. Abhijeet Deshmukh
Partner
Membership No: 129145

UDIN: 25129145BMIWQS7777

Place: Mumbai

Date: 30/05/2025

FORM C
SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS, 2020
(Regulation 22)

Portfolio Manager: Avendus Wealth Management Private Limited

Date: - May 30, 2025

We confirm that:

- I. the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- II. the disclosures made in the document are true, fair, and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Service.
- III. the Disclosure Document has been duly certified by an independent Chartered Accountant, Sanjay Rane & Associates LLP, Chartered Accountants, C- 403, Marathon Next Gen. Innova, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013, (Name: Mr. Abhijeet Deshmukh having Membership No. 129145) on May 30, 2025. A copy of the certificate issued by the said Chartered Accountant certifying the disclosures made in the Disclosure Document is enclosed with this letter.

For Avendus Wealth Management Private Limited

Saurabh Rungta

Saurabh Rungta
Principal Officer



Avendus Wealth Management Private Limited
901, Platina, 9th Floor, Plot No. C-59,
Bandra Kurla Complex, Bandra (E),
Mumbai-400 051, India Tel no. +91 22 6648 1458
Fax no: +91 22 6648 1440
Email address: saurabh.rungta@avendus.com

Avendus Wealth Management Private Limited**PORTFOLIO MANAGEMENT SERVICES****DISCLOSURE DOCUMENT****KEY INFORMATION AND DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES BY AVENDUS WEALTH MANAGEMENT PRIVATE LIMITED (Regn No.: PM/INP000005257)**

- The Disclosure Document (hereinafter referred to as 'the Document') has been filed with the Securities & Exchange Board of India ('SEBI/Board') along with a certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations 2020.
- The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decisions for engaging Avendus Wealth Management Private Limited, as a Portfolio Manager.
- The necessary information about the Portfolio Manager required by an investor before investing is disclosed in the Document.
- Investors should carefully read the entire document before making a decision and should retain it for future reference.
- Investors may also like to seek further clarifications after the date of this document from the Portfolio Manager.
- Latest Disclosure Document is available on <https://www.avendus.com/india/regulatory-information?slug=avendus-wealth-management-private-limited>
- The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Saurabh Rungta**Principal Officer**

Managing Director & CIO, Avendus Wealth Management Private Limited
901, Platina, 9th Floor, Plot No. C-59,
Bandra Kurla Complex, Bandra (E),
Mumbai-400 051, India Tel no. +91 22 6648 1458
Email address: saurabh.rungta@avendus.com

- The Auditor and Custodians designated by the Portfolio Manager are:

STATUTORY AUDITOR

Deloitte Haskins & Sells LLP
Chartered Accountants,
India Bulls Finance Centre Tower 3,
27th- 32nd Floor, Senapati Bapat Marg,
Elphinstone Road (West), Mumbai - 400013

CUSTODIANS

1. IL&FS Securities Services Limited

IL&FS House, Plot No 14, Raheja Vihar,
Chandivali, Andheri-East,
Mumbai-400072

2. AXIS BANK Ltd

Axis House, C-2, Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai – 400025

3. HDFC Bank Ltd

Empire Plaza, Tower 1,
4th Floor, LBS Marg,
Chandan Nagar, Vikhroli West,
Mumbai 400083.

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1. DISCLAIMER

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended till date) and has been filed with the Securities and Exchange Board of India (SEBI). This Document has neither been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

2. DEFINITIONS

In this Disclosure Document, unless the context otherwise requires:

- a. "Act" means the Securities and Exchange Board of India, Act, 1992 (15 of 1992).
- b. "Agreement" means agreement between Portfolio Manager and its client and shall include all schedules and annexures attached thereto
- c. "accredited investor" means any person who fulfils the eligibility criteria as specified by the Board and is granted a certificate of accreditation by an accreditation agency;
- d. "associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
- e. "Cash" means the monies placed by the Client with the Portfolio Manager and any accretions thereto.
- f. "Client" or "Investor" means any corporate, partnership firm, individual, HUF, association of person, body of individuals, trust, statutory authority, or any other person who registers with the Portfolio Manager for availing the services of portfolio management.
- g. "Corpus" means the value of the funds and the market value of readily realizable investments brought in by the Client and accepted and accounted by the Portfolio Manager.
- h. "Custodian" means any person with whom the custody of the Securities of the Client (whether in physical or dematerialized form) are to be entrusted with, pursuant to the Communication given by the Client from time to time and who has to perform the functions of a custodian of Securities, pursuant to such agreement, understanding or writing as may be executed between the Client and the Custodian or executed between AVENDUS on behalf of the Client with the Custodian.
- i. "Disclosure Document" shall mean the relevant disclosure document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to Regulations.

- j. "Depository Account" means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations.
- k. "Depository Participant" shall mean any person with whom the Securities of the Client in dematerialized form may be held in an account opened for that purpose pursuant to the Communication given by the Client from time to time and pursuant to such agreement, understanding or writing as may be executed between the Client and the Depository Participant or executed between AVENDUS on behalf of the Client with the Depository Participant.
- l. "Discretionary Portfolio Manager" shall mean a portfolio manager who under a contract relating to portfolio management, exercises or may exercise, any degree of discretion as to the investment of funds or management of the portfolio of securities or the funds of the client, as the case may be.
- m. "Financial year" means the year starting from 1st April and ending on 31st March the following year.
- n. "Funds managed" means the market value of the Portfolio of the Client as on a date.
- o. "NAV" or "Net Asset Value" or "Net Asset Value of the Portfolio" shall mean the Market Value of the assets in the Portfolio consisting of the aggregate of (a) the amount of Cash in the Bank Account; and (b) the market value of Client Securities.
- p. "Non-Discretionary Services" shall mean an agreement entered into between a Client and the Portfolio Manager pursuant to which the Portfolio Manager has agreed to provide Non-Discretionary Portfolio Management Services to the Client.
- q. "Portfolio" means the total holdings of securities and goods belonging to the client.
- r. "Portfolio Manager" shall have the same meaning as in the SEBI (Portfolio Managers) Regulations, 2020 and for the purpose of this document shall mean Aventus Wealth Management Private Limited (AWMPL), a company incorporated under the Companies Act, 1956 and having its registered office at 901, Platina, 9th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (E), Mumbai-400 051, India.
- s. "Principal Officer" means an employee of the portfolio manager, who has been designated as such by
the portfolio manager and is responsible for: -
 - (i) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and
 - (ii) all other operations of the portfolio manager.
- t. related party in relation to a portfolio manager, means—

- (i) a director, partner or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, partner, manager or his relative is a partner;
- (iv) a private company in which a director, partner or manager or his relative is a member or director.
- (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
- (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any body corporate which is—

- (A) a holding, subsidiary or an associate company of the portfolio manager; or
- (B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary;
- (C) an investing company or the venturer of the portfolio manager;

Explanation—For the purpose of this clause, “investing company or the venturer of a portfolio manager” means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate.

- (ix) a related party as defined under the applicable accounting standards;
- (x) such other person as may be specified by the Board:
Provided that,
 - (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
 - (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023;in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;
shall be deemed to be a related party;

- u. "Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time.
- v. "SEBI"/ "Board" means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the SEBI Act, 1992.

- w. “Securities” shall have the same meaning as in Securities Contracts (Regulation) Act, 1956 and/or such other securities as may be permitted under the SEBI (Portfolio Managers) Regulations, 2020.

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.

3. DESCRIPTION

I. HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

In early 2010 Aventus Capital Private Limited commenced its Wealth Management Business as a division of Aventus Capital Private Limited. Since its inception the Wealth Management Business has made progress in terms of delivering customer centric advice and solutions to Resident Indians and Non-Resident Indians on their investment assets.

In view of this progress and to further facilitate the growth of the Wealth Management Business over the next decade the Board of Aventus Capital Private Limited had transferred the Wealth Management Business into a separate subsidiary wholly owned by Aventus Capital Private Limited named Aventus Wealth Management Private Limited (hereinafter referred to as “the Portfolio Manager” or “the company” or “AWMPL” with effect from December 1, 2012.

Portfolio Manager leverages insights, relationships and a culture that emphasizes strong orientation to excellence, to offer services to its clients. The Portfolio Manager relies on its extensive experience, in-depth domain understanding and knowledge of the regulatory environment, to offer customized solutions that enable clients to meet their strategic aspirations.

The Portfolio Manager is also a SEBI registered Investment Advisor, Investment Manager to a Category III Alternative Investment Fund i.e. Aventus Equity Opportunities Fund, Stock Broker, an AMFI-registered Mutual Fund Distributor with **ARN 86906** and APMI-registered Portfolio Management Services (PMS) Distributor with **APRN02475**.

II. PROMOTERS, DIRECTORS & KEY MANAGEMENT PERSONNEL OF THE PORTFOLIO MANAGER AND THEIR BACKGROUND IN BRIEF.

A. Promoters

The Portfolio Manager is a subsidiary of Aventus Capital Private Limited (“ACPL”). Mr. Ranu Vohra, Mr. Kaushal Kumar Aggarwal and Mr. Gaurav Deepak are the promoters of Aventus Capital Private Limited, who collectively hold 17.13% of the equity (voting)

share capital and 16.53% of the equity (voting + non-voting) share capital of ACPL as on March 31, 2025 ACPL and its subsidiaries leverages insights, relationships and a culture that emphasizes strong orientation to excellence, to offer services to its clients. The Group relies on its extensive experience, in-depth domain understanding and knowledge of the regulatory environment, to offer customized solutions that enable clients to meet their strategic aspirations. ACPL is headquartered in Mumbai, India and has office in Bengaluru (erstwhile Bangalore). The organization has a strong network of relationships in India and works extensively with clients across the globe.

B. Particulars of Directors in Aventus Wealth Management Private Limited (Portfolio Manager)

- **MR. APURVA SAHIJWANI, MANAGING DIRECTOR & CEO**

Mr. Apurva Sahijwani, 49 years, has been appointed as Managing Director & CEO on the Board of the Portfolio Manager w.e.f. June 27, 2024.

Mr. Apurva Sahijwani has joined Aventus Wealth Management Private Limited in May 2024. He has over 25 years' experience in the business of private banking and wealth management having worked in senior positions across Axis Bank, Kotak Mahindra Bank, Citibank N.A., HSBC and ICICI Bank in the past across a variety of roles encompassing relationship management, investment advisory and strategy.

After completing his MBA (Finance) and Diploma in Business Finance in May-1998, Apurva joined the Private Client Group (PCG) at Kotak Securities, where he was actively involved in their securities broking business across his base of private clients, in addition to offering other wealth management solutions to his clients. He was actively engaged in doing trades for his clients and positioning their in-house Portfolio Management Scheme (PMS) as an investment solution to them. During this time, he also oversaw the launch of the derivatives trading business in his market and was instrumental in building Kotak Securities' equity broking franchise in the Gujarat market."

Mr. Apurva Sahijwani is an MBA from KS School of Management & Research, Gujarat University. He also holds a Diploma in Business Finance from ICFAI, Hyderabad.

- **MR. GAURAV DEEPAK, DIRECTOR**

Mr. Gaurav Deepak, 50 years, is a Director of the Portfolio Manager and his designation was changed from Managing Director to Director by the Board of Directors w.e.f. June 27, 2024. He is also a Co-founder and Director of Aventus Capital Private Limited. Gaurav spearheads Aventus' flagship investment banking business leads the firm's international operations and is also primarily responsible for the wealth management business. He has worked on several large and complex engagements in mergers & acquisitions (M&A), private equity (PE) syndication,

equity capital markets and fixed income. He has more than 27 years of global experience in investment banking and is based in Mumbai.

Prior to co-founding Aventus, Gaurav worked with ICICI Bank's investment banking practice.

Gaurav holds an MBA degree from IIM, Calcutta and has a Bachelor's degree in Mechanical Engineering from IIT, Kanpur

- **MR. KAUSHAL KUMAR AGGARWAL, DIRECTOR**

Mr. Kaushal Kumar Aggarwal, 51 years, oversees the credit solutions and wealth management businesses at Aventus. He was also instrumental in creating the investment banking business for the firm and has over 27 years of global experience in financial services. He is based in Mumbai.

Prior to co-founding Aventus, he worked with Kotak Mahindra Bank's investment banking practice.

Kaushal holds an MBA degree from IIM, Bangalore and has done his Bachelor of Engineering in Electrical from IIT, New Delhi.

Prior to co-founding Aventus, Kaushal worked with Kotak Mahindra, a leading Indian financial services firm.

C. PARTICULARS OF KEY PERSONNEL IN AVENDUS WEALTH MANAGEMENT PRIVATE LIMITED (PORTFOLIO MANAGER)

- **MR. SAURABH RUNGTA, MANAGING DIRECTOR & CHIEF INVESTMENT OFFICER – PRINCIPAL OFFICER**

With over 20+ years of extensive experience spanning diverse asset classes in both Indian and global markets, Saurabh has been instrumental in advising UHNIs on portfolio creation across multi-asset classes and solving for market complexities.

At Aventus, Saurabh is responsible for scaling the product and advisory platform and driving thought leadership for the wealth franchise.

Prior to joining Aventus, Saurabh was with Nuvama Private as Senior Managing Partner & CIO. He has had successful stints with Kotak Wealth and IIFL Wealth in various leadership roles,

Saurabh is a qualified Chartered Accountant and holds a Masters degree in Commerce.

- **MR. ANIRUDH GANGAHAR, EXECUTIVE DIRECTOR, HEAD EQUITIES**

Anirudh Gangahar, based in Mumbai, has over 24+ years of rich experience in Indian equities. At Aventus, Anirudh heads the Equities Advisory desk wherein he dons the role of the Equity Strategist and manages the in-house NDPMS Direct Equities Offering to clients.

Prior to joining Aventus in 2020, Anirudh worked with Nomura as an Executive Director, leading the equities research coverage of the Indian telecom, power and coal sectors. He has also had successful stints with Morgan Stanley, Goldman Sachs, JM financial and erstwhile UTI.

Anirudh graduated as a rank holder with a Bachelors in Business Studies (BBS) from Delhi University and holds a Master of Finance & Control (MBA-Fin Mgmt.) degree from Delhi University.

- **MR. SHRAVAN SREENIVASULA, EXECUTIVE DIRECTOR, PRODUCT & ADVISORY**

Shravan Sreenivasula, based in Mumbai, comes with an experience of over 20+ years out of which 14 years are in Wealth and Asset management businesses.

At Aventus Wealth Management, he heads the Investment Solutions Group and Public markets offering. In his role he drives the asset allocation, formulates the house view on markets and selects the fund managers for the platform. Further, he provides investment guidance to the firm's UHNI & Treasury clients across asset classes.

Prior to Aventus, Shravan worked with Aditya Birla Sunlife Mutual Fund and ING Investment Management, managing fund of funds and multi manager strategies where he honed his investing skills across asset classes. During his tenure in the mutual fund industry, three of five funds he managed cumulating to 85% of the assets under management, were rated 5 & 4 star by Value Research (as of Jun'18).

He has also worked at Network18 (CNBC-TV18) and Infosys Technologies Limited.

He is an alumnus from ISB - Hyderabad and IIT - Kharagpur. He is also a CFA charter holder.

- **MR. AMIT RAJAWAT, DIRECTOR, EQUITIES DESK**

Amit Rajawat, based in Mumbai, is an experienced Fund Manager with 18+ years of work experience.

At Aventus, Amit looks after Equities and Multi Asset offering.

Prior to Aventus, he was the Fund Manager of Infinity PMS, investing across multi asset class opportunities for HNIs, UHNIs and Corporate clients.

He was also a founding team member of Edelweiss Mutual Fund. He has also been a part of the Proprietary Trading desk handling multiple strategies across Long/Short, Special Situations, Long Only, SME IPOs and such other investment strategies.

Amit graduated as Bachelor's in Management Studies (BMS) and holds a degree of MBA in Finance from Mumbai University. Amit also holds Post graduation diploma in foreign trade (PGDFT) from World Trade Centre.

- **MR. DISHANT JAIN, VICE PRESIDENT, PRODUCTS & ADVISORY**

He is based in Mumbai and has 11+ years of total experience including Equity Research/Portfolio Management.

At Aventus, Dishant is part of the Equities Advisory desk where his primary responsibility includes expanding the GEMS NDPMS/DPMS offering for clients. He is also involved in generating stock ideas for the portfolio as well as client interaction and research.

Prior to joining Aventus in 2025, Dishant has worked with Subhkam Ventures and Nuvama Asset Management in buy side equity research and portfolio management, and with Nuvama Wealth Management in sell side equity research.

Dishant has completed his MBA from NMIMS, Mumbai and B.E. (I.T) from Mumbai University.

- **MR. ASHISH PARMAR, PRODUCT & ADVISORY**

Ashish Parmar has completed master's in financial management from Mumbai University. He has experience of 15+ years in capital markets, out of which 13 years were in dealing, trading, advisory segments and also in equity advisory role.

Prior to joining Aventus in 2016, he has worked with Motilal Oswal, Barclays, IIFL and Aditya Birla.

While providing support to the NDPMS Direct Equities desk for investment research, he also manages non-discretionary portfolio management clients with investments in one/more asset classes.

III. KEY ENTITIES IN THE GROUP (TOP TEN ON TURN OVER BASIS – Based on Audited Accounts for the year ended March 31, 2025)

The details of the key entities of Aventus Group are as under:

Sr. no .	Name of Company/ Firm	Address	Type of Activity Handled	Nature of interest of Directors	Nature of interest of Portfolio Manager
1	Aventus Capital Private Limited (ACPL)	901, Platina, 9 th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel :-+91 22 66480050	SEBI Registered Merchant Banker. ACPL offer corporate advisory, M&A and Private equity syndication services to clients across six sectors - Digital Media & Technology, Enterprise Technology & Services, Consumer & Finance, Healthcare, Industrial and Infrastructure.	Kaushal Kumar Aggarwal and Gaurav Deepak are the common directors with the Company	Holding Company
2	Aventus Finance Private Limited	901, Platina, 9 th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel :-+91 22 66480050	The Company is a Systemically Important Non-deposit taking non-Banking financial company (NBFC-ND-SI) registered with the Reserve Bank of India. The Company also provides depository services and has obtained a Depository Participant license with National Securities Depositories Limited.	Gaurav Deepak, Kaushal Kumar Aggarwal and Apurva Sahijwani are common directors of the Company	Wholly owned subsidiary of Aventus Capital Private Limited
3	Aventus Capital INC. (Aventus US)	445 Park Avenue, 19th Floor, New York, NY 10022 call+1 646 707 0789	Aventus US is registered with Financial Industry Regulatory Authority in the US and provides investment banking services. In addition, Aventus US is also registered with the State Securities Boards of New	No common Director	Subsidiary of Aventus Capital Private Limited

Sr. no .	Name of Company/ Firm	Address	Type of Activity Handled	Nature of interest of Directors	Nature of interest of Portfolio Manager
			York, New Jersey, California and Texas to act as a Registered Investment Advisor. It is a registered Broker Dealer in US.		
4	Aventus Capital Public Markets Alternate Strategies LLP (ACPMAS LLP)	901, Platina, 9 th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel:++91 22 66480050	ACPMAS LLP acts as an Investment Manager to Category III Alternative Investment Fund registered under SEBI (Alternative Investment Funds) Regulations, 2012.	No common Director	Wholly owned subsidiary of Aventus Capital Private Limited
5	Spark Institutional Equities Private Limited (Considered after 19th December 2022 only as that is the acquisition date)	901, Platina, 9 th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel:++91 22 66480050	Spark Institutional Equities Private Limited is a SEBI registered broker dealer and research analyst. Our institutional equities business is widely respected, especially for its research, across local and global brokerage houses	No common Director	Subsidiary of Aventus Capital Private Limited
6	Aventus PE Investment Advisors Private Limited (APE)	901, Platina, 9 th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai	APE acts as an Investment Manager to Category II Alternative Investment Fund registered under SEBI (Alternative Investment Funds) Regulations, 2012 and provides Co-Investment Portfolio Management Services under SEBI (Portfolio	No common Director	Wholly owned Subsidiary of Aventus Capital Private Limited

Sr. no .	Name of Company/ Firm	Address	Type of Activity Handled	Nature of interest of Directors	Nature of interest of Portfolio Manager
		400051 Tel :-+91 22 66480050	Managers) Regulations, 2020.		
7	Aventus Investment Managers Private Limited (Previously known as Ocean Dial Asset Management India Private Limited (AIMPL))	901, Platina, 9 th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel :-+91 22 66480050	AIMPL acts as an Investment Manager to Category III Alternative Investment Fund registered under SEBI (Alternative Investment Funds) Regulations, 2012 and provides Portfolio Management Services under SEBI (Portfolio Managers) Regulations, 2020.	No common Director	Wholly owned Subsidiary of Aventus Capital Private Limited
8	Aventus Capital Pte. LTD. (Aventus Singapore)	Asia Square Tower 2, 12 Marina View #11-27 & 11-31 Singapore 018961	Aventus Singapore has a Capital Market Services - Fund Management license from Monetary Authority of Singapore.	No common Director	Wholly owned subsidiary of Aventus Capital Private Limited.
9	Aventus Pte. Ltd	Asia Square Tower 2, 12 Marina View #11-27 & 11-31 Singapore 018961	Aventus Pte. Ltd. Has Capital Market Service License for undertaking dealing in securities and providing corporate finance advisory .	No common Director	Wholly owned subsidiary of Aventus Capital Private Limited.
10	Aventus Capital (UK) Private Limited	RMT Accountants and Business Advisors Ltd, Gosforth Park Avenue,	This is an Unregulated and non-operational company. The Company has surrendered its license held with FCA, UK (Registration No. CRD no. 493919)and it is in the process of being wound-up.	Gaurav Deepak is the common director of the Company	Wholly owned subsidiary of Aventus Capital Private Limited

Sr. no .	Name of Company/ Firm	Address	Type of Activity Handled	Nature of interest of Directors	Nature of interest of Portfolio Manager
		Newcastle-upon-Tyne, United Kingdom, NE12 8EG			
11	Aventus Capital Asset Management (UK) Limited (ACAM UK)	RMT Accountants and Business Advisors Ltd, Gosforth Park Avenue, Newcastle-upon-Tyne, United Kingdom, NE12 8EG	ACAM UK was a Special Purpose Vehicle. However, the Subsidiary Company was sold off and as on date, it holds shares of a listed entity which was received as a part of consideration of sold shares.	No common Director	Wholly owned subsidiary of Aventus Capital Private Limited
12	Avezo Advisors Private Limited	901, Platina, 9th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel :-+91 22 66480050	Avezo acts as Investment Manager to Category I Alternative Investment Funds registered under SEBI (Alternative Investment Funds) Regulations, 2012	No common Director	Associate of Aventus Capital Private Limited

IV. DETAILS OF THE SERVICES BEING OFFERED: Discretionary/ Non-Discretionary/ Advisory

The Portfolio Manager offers Portfolio Management services under Discretionary, Non-Discretionary and Advisory categories to its prospective clients.

♦ **Non-Discretionary services**

Under these services, the role of the Portfolio Manager is to provide non-binding advice on the choice and timing of investment decisions to the client. However, the final decision on investment and consequently, management of his/her/its portfolio, rest solely with the Client. The Portfolio Manager shall manage the funds, albeit under the aegis of the portfolio management approach agreed upon and in accordance with the consent of the client. For detailed Investment Approaches please refer to **Annexure A**.

♦ **Discretionary Services**

The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the client in any type of security as per executed Agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit. The Portfolio Manager's decision **(taken in good faith)** in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and regulations, guidelines and notifications in force from time to time. For detailed Investment Approaches please refer to **Annexure B**.

♦ **Advisory Services**

The role of the Portfolio Manager is merely to provide non binding advice to the client and the final decision shall rest solely with the client on the management of his/hers/its portfolio. Aventus Wealth Management Private Limited also is a SEBI registered Investment Adviser and offers advisory services under a separate division and in case you intend to seek investment advisory services you can approach the said division.

DIRECT CLIENT ONBOARDING

Portfolio Manager provides an option to clients to be onboarded directly, without intermediation of persons engaged in distribution services.

At the time of direct onboarding of clients, no charges except statutory charges shall be levied.

4. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC. FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY

(i) All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under.

Nil

(ii) The nature of penalty or direction

Nil

(iii) Penalties imposed for any economic offence and/ or for violation of any securities laws.

Nil

(iv) Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.

Nil

(v) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.

Portfolio Management services:

1. SEBI had conducted inspection of PMS business for the period April 2021 to June 2022. SEBI had issued a letter in August 2023 citing cases of deficiencies, cases of advise and instance of non-compliance with PMS regulations. Appropriate actions have been taken by AWMPL for remediating the same. No further communication received from SEBI in this regard.
2. SEBI had conducted thematic Inspection for Fees charged by Portfolio Managers (Inspection period – April 2022 to September 2023). SEBI has issued final observation letter on 03-Sept-24. Corrective action taken report was submitted to SEBI on October 1, 2024. Relevant reports attached. No further communication received from SEBI in this regard.
3. SEBI had conducted an offsite inspection of the Portfolio Management activities of AWMPL for the half year April 2023 to September 2024 by calling for data through portal submissions and emails. SEBI issued an administrative warning / case of deficiency letter dated April 10, 2024. ATR was filed for the same on May 8, 2024. No further communication received from SEBI in this regard.
4. SEBI had issued a Warning letter on the alerts generated under the offsite inspection of PMS Business for the period October 2023 to March 2024. Corrective action taken report was submitted to SEBI on February 24, 2025. No further communication received from SEBI in this regard.
5. SEBI had issued a warning letter on erroneous reporting for performance calculation of the FY 2023-24. Corrective action taken report was submitted to SEBI on February 24, 2025. No further communication received from SEBI in this regard.
6. SEBI Offsite Inspection Alerts were raised for Q2 of FY 2024-25 on PARAS Portal launched by SEBI for Alerts and Reporting Analytics for SEBI. The responses were submitted on the said Portal on March 04, 2025.

(vi) Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with

the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made thereunder.

Nil

5. SERVICES OFFERED

The Portfolio Manager presently offers discretionary services & non – discretionary services. Details of the same has been described in the above section (IV).

TYPES OF SECURITIES TO BE INVESTED IN

Subject to all permissible securities for Discretionary Portfolio Manager and Non-Discretionary Portfolio Manager as provided under the Portfolio Managers Regulations, 2020 and circulars/guidelines issued thereunder, the types of securities in which the Portfolio Manager will generally invest or advise are including but not limited to the below:

- Shares, scrips, stocks, bonds, debentures, debenture stock market linked debentures or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- Derivatives[^];
- Units of Mutual Funds, Alternate Investment Funds (AIF), listed ETFs or any other instrument issued by any scheme to the investors in such schemes;
- Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- Units or any other such instrument issued to the investors under any mutual fund scheme;
- Government securities;
- Such other instruments as may be declared by the Central Government to be securities; and
- Rights or interest in securities;

[^]The Portfolio Manager pursuant to regulatory provisions would allow investments in Stock/Equity Index Options purely for hedging and portfolio rebalancing purposes under its non-discretionary portfolio management service offering. Any investment made shall be under the directions and prior consent of the client only. It may be noted that such investments shall be on terms mutually agreed between the portfolio manager and the client through the non-Discretionary portfolio management agreement.

The Portfolio Manager may invest in units of Mutual Funds only through direct plan. Similarly, the Portfolio Manager shall invest in units of Alternative Investment Funds only in direct plans of the AIF.

The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.

Investment in securities of associates/related parties of the Portfolio Manager shall be carried out in accordance with the provisions of SEBI circular SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2022/112 dated August 26, 2022, and as per further communications by SEBI from time-to-time.

6. RISK FACTORS

The investments in the portfolio (Investments) may be subject to wide swings in value. Portfolio Manager will follow an investment policy that, if unsuccessful, could involve substantial losses. Portfolio Manager makes no guarantee, either oral or written, that the investment objective of the portfolio will be achieved. Portfolio Manager is not liable for any error in judgment and/or for any investment losses the Portfolio may experience, in the absence of bad faith, fraud, gross negligence or willful misconduct. Returns generated from the investments may not adequately compensate shareholders for the business and financial risks assumed. Many unforeseeable events, including actions by various government agencies and domestic and international economic and political developments, may cause sharp market fluctuations, which could adversely affect the investments and its performance.

Investors should consider the Portfolio as a supplement to an overall investment program and should only invest if they are willing to undertake the risks involved. An investment in the Portfolio involves certain risks that may not be associated with other investment vehicles. These risk factors are not meant to be an exhaustive list of all potential risks associated with an investment in the Portfolio.

INVESTMENT RISKS

a) No Assurance of Investment Returns:

There can be no assurance that the Investments in the Portfolio will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies, instruments, funds, etc. forming part of the investment strategy of the Portfolio. Accordingly, an investment in the Portfolio should be considered only by persons who can afford a loss of their principal amount invested in the Portfolio.

b) Performance Risks:

A portion of the Investments may be invested directly or indirectly in companies in highly competitive markets or product segments dominated by firms with substantially greater financial and technical resources. Companies in which the Portfolio invests may operate in product segments that face technological changes and/or may be dominated by other firms or organizations. These and other inherent business risks could affect the performance of these companies and affect the value of Investments, thereby affecting the Portfolio as a whole due to its involvement in these companies.

c) *Limited Investments:*

The Portfolio may compete with other investors for Investments. This may result in fewer attractive investment opportunities. The Portfolio may retain some monies in cash or may invest in short-term or medium-term money market instruments or in fixed deposits or any such equivalent instruments as may be specified under the Regulations. Such investments may substantially reduce the Portfolio's overall return.

d) *Exit Strategy:*

The feasibility and terms of any proposed exit strategy for the Investment held in the Portfolio will depend in part on factors that are not within the control of the Portfolio Manager, at the time of the proposed disposition and the effect of applicable legislation and political and economic conditions. Consequently, the precise timing of the disposition of an investment and the manner of disposition are impossible to predict, and no assurance can be given that such disposition will be achieved on terms favorable to the Portfolio.

e) *Investment in Equity Shares:*

Equity shares of a company entitle the holder to a pro rata share of the profits of the company, if any, without preference over any other shareholder or class of shareholders, including holders of that company's preference shares, or other senior equity. Equity share usually carries with it the right to vote and frequently an exclusive right to do so. Equity shares do not represent an obligation of the issuer, and do not offer the degree of protection of debt securities. The issuance of debt securities or preference shares by an issuer will create prior claims which could adversely affect the rights of holders of equity shares with respect to the assets of the issuer upon liquidation or bankruptcy.

f) *Risks Associated with Investments in Small to Medium Capitalization Companies:*

The Portfolio Manager may recommend or invest in the securities of small or medium-size companies, there is a risk that such investment would be more susceptible to market downturns and the prices of which may be more volatile than investment in larger companies. Smaller companies generally have narrower markets and more limited managerial and financial resources than larger, established companies.

g) *Investment in illiquid securities:*

In case of investment in illiquid instruments, unlisted securities and / or securities listed with an Indian stock exchange but have low trading volumes and low market capitalization at the time of intended disposal, there can be no assurance that the listing of these securities will provide an Investor with a viable exit mechanism. In addition, there can be no assurance that an investor will be able to receive a return on capital or recover its capital contributed to the Investment.

h) *Portfolio Diversification:*

The Portfolio Manager will endeavor to have a fair degree of diversification in its asset type with varying exit horizons. The Portfolio will have investments spread by geographic region or asset type. However, poor performance by even a few of these Investments could lead to adverse effects on the Portfolio's overall returns. The Portfolio could be subject to significant losses if it holds a large position in a particular Investment that declines in value or is otherwise adversely affected, including default of the issuer.

i) Due Diligence Risk:

The Portfolio Manager intends to conduct due diligence to the extent it deems reasonable and appropriate based on the facts and circumstances applicable to each Investment and will discuss any material issues raised by the due diligence process. The objective of the due diligence process is to identify attractive investment opportunities based upon the facts and circumstances surrounding an Investment. When conducting due diligence, the Portfolio Manager evaluates several important issues in determining whether to proceed with an Investment. These issues vary depending on the kind of investment opportunity presented, but may include business, financial, tax, accounting, and legal issues. The Portfolio Manager may rely on outside resources for the conduct of due diligence, including information provided by the target of the investment and, in some circumstances, third party investigations, and there can be no assurance that the information provided will be accurate or complete. Furthermore, for certain investments, only limited information may be available. Considering the foregoing, there can be no assurance that the due diligence investigations undertaken by the Portfolio Manager will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment opportunity. In particular, the Portfolio Manager may not conduct due diligence in certain areas, including, for example, environmental due diligence or pending litigation in all courts across India. If the Portfolio Manager's due diligence investigation does not reveal a material fact that impacts the valuation of a particular investment, the Portfolio's overall rate of return on its Investments could be materially adversely affected.

j) Limited Recourse:

The Investors shall have limited recourse against the Settlor, Sponsor, Trustee, and Portfolio Manager, as more particularly mentioned in the Material Documents.

k) Lack of Insurance:

The assets of the Portfolio may not be insured by any government or private insurer.

l) Leverage:

The Portfolio Manager may undertake leverage in accordance with the PMS Regulations by way of investments in derivatives.

m) Risks associated with investments in Derivatives:

The Portfolio Manager may hedge its portfolio, to limit or reduce investment risk but this may result in limiting or reducing the potential for profit. No assurance can be given that any particular hedging strategy will be successful. Hedging against a decline in the value of Portfolio positions does not eliminate fluctuations in the values of Portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the Portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the Portfolio positions should increase. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. No assurance can be given that the Investment Manager shall be able to identify or execute such strategies.

n) *Settlement & Market Liquidity:*

The liquidity of the Investments may be restricted by trading volumes and settlement periods. Different segments of the Indian financial markets have different settlement periods, and such periods may be extended significantly by unforeseen circumstances.

o) *Bankruptcy of investee companies*

Various laws enacted for the protection of creditors may operate to the detriment of the Investor if it is a creditor of company as part of the Portfolio that experiences financial difficulty. For example, if a company becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Investment to other creditors or require the Investor to return amounts previously paid to it by such companies. If the Investor has management rights or holds equity securities in any company that becomes insolvent or bankrupt, the risk of subordination of the Investment's claim increases. In addition, any preferential transfers to the Investor during certain periods prior to the bankruptcy proceedings may be recovered from the Investment as the Investor may be deemed an insider of such company. The Investor's exercise of management rights may also lead creditors of such company or other parties to assert claims against the Investor.

p) *Credit Risk:*

The Portfolio may invest in fixed income instruments which would have issuer risk of default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations which are rated by rating agencies are often reviewed by such agencies and may be subject to downgrade.

q) *Interest rate Risk:*

The Portfolio may invest in debt securities which may have risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). General interest rate fluctuations may have a substantial negative impact on these Investments.

r) *Risk due to investment in Commodities:*

Investment in commodities is exposed to multiple risks due to limited liquidity. Further, there is an impact on commodity prices due to cyclical movement of demand and supply for each commodity. This may lead to adverse performance of the investment, thereby affecting the overall performance of the portfolio.

s) *Pricing and Valuation Risk:*

For quoted Investments, a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments and investments in markets that may be closed for holidays or other reasons will increase the risk of mispricing. In these and

similar cases, an objective verifiable source of market prices will not be available and the Portfolio Manager or its delegate will invoke a process which will determine fair value for the relevant Investments and this process may involve assumptions and subjectivity. “Fair value” is generally defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each Investment. Due to the inherent uncertainty of determining the fair value of Investments that do not have a readily available market value, the fair value of the Portfolio's Investments may differ significantly from the values that would have been used had a ready market existed for such Investments, and the differences could be material. Additionally, the values assigned to Investments that are valued by the Portfolio Manager are based on available information and do not necessarily represent amounts that might ultimately be realized, as these amounts depend on future circumstances and cannot reasonably be determined until the individual Investments are actually liquidated.

t) Risk due to selection of Strategy / Investment Approach:

The Client Portfolio will be structured based on the strategy and investment approach selected by the client. There can be no assurance that the selected strategy will be the best performing strategy in all cycles of market movements. There can be disproportionate profit or loss in one strategy or approach as opposed to the other. Further, there is no assurance that the investment objective defined in each approach will be achieved by the portfolio manager.

u) Undervalued Assets:

The Portfolio Manager may seek to recommend / invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. An Investor may be forced to sell, at a substantial loss, assets identified as undervalued, if they are not in fact undervalued. In addition, an Investor may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of Investor's capital would be committed to these assets purchased, potentially preventing the Investor from investing in other opportunities.

v) Diverse shareholders:

The Investors may have conflicting investment, tax, and other interests with respect to their investments in a Portfolio. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made in this Portfolio, the structuring or the acquisition of investments and the timing of disposition of investments, especially with respect to any Investor's individual tax situation.

MANAGEMENT AND OPERATIONAL RISKS

Reliance on the Portfolio Manager:

There can be no assurance that the Portfolio will achieve its investment objectives. The success of the Portfolio depends upon the ability of the Portfolio Manager to source, select, complete, and realize appropriate investments. With specific reference to the Portfolio, the Portfolio Manager has latitude in its recommendation of Investments and the structuring of investments, subject to the investment parameters set forth in this Memorandum based on the approval of investment decisions by the Investor. Further, the Portfolio's success will depend, in significant part, on the officers and employees of the Trustee and the Portfolio Manager. Although the Trustee's and the Portfolio Manager's key personnel will have entered into employment arrangements with their respective employers and the Trustee and the Portfolio Manager strongly believe that such personnel will continue in their respective employment of the Trustee and the Portfolio Manager, these employment arrangements or contracts do not ensure that these people will continue to work for the Trustee and the Portfolio Manager, and consequently, loss of their services might adversely affect the business/activities of the Portfolio. Thus, each Investor must consider, in making an investment decision that personnel associated with the Trustee or the Portfolio Manager may leave or may be terminated at any time, with or without cause, thus potentially adversely affecting the business activities of the Portfolio.

Reliance on Service Providers:

The Portfolio Manager, either directly or through the Trustee, may and, does in some cases engage a variety of service providers, including but not limited to those in the areas of legal, tax, accounting, valuations, custodial services, registry services etc. There can be no assurance that reliance on such service providers for their services (including opinions on specific matters) would be in the best interests of the Investor and its investment objectives. In order to mitigate this risk, the Portfolio or the Trustee or the Portfolio Manager, as the case may be, does and would endeavor to engage appropriate service providers for the concerned service.

Role of Intermediaries:

Certain parties, e.g., bankers, custodians etc. serve important functions to the Portfolio in its operations. In the event, any such persons have any adverse development which affects their performance of duties with their clients or they breach any of the terms of engagement, the Portfolio might be posed with a risk, which might be significant. In order to mitigate this risk, the Portfolio, Trustee or the Portfolio Manager, as the case may be, does and would endeavor to engage appropriate service providers for the concerned service.

Lack of Separate Representation:

The legal counsel to the Portfolio Manager does not represent the Investors, and no legal counsel will be retained on behalf of the Investors. There may exist other matters which would have a bearing on the Portfolio and/or the Trustee or any of its affiliates upon which the legal counsel to the Portfolio Manager has not been consulted. The legal counsel to the Portfolio Manager does not undertake to monitor compliance of the Portfolio or the Trustee with the terms set out herein, nor does it undertake to monitor compliance with applicable laws including the Regulations. Additionally, the legal counsel to the Trust and the Portfolio Manager relies upon information furnished to it by the Portfolio Manager and does not investigate or verify the accuracy and completeness of information set out herein concerning the Trust,

the Portfolio, the Trustee, or the Portfolio Manager.

Restrictions on Withdrawal and Transfer:

Subject to the Regulations, no Investor is entitled to transfer, pledge or assign any of the interests, rights, or obligations with regards to certain private equity investments and category I or II alternative investment funds and such others, in whole or in part, without prior written consent of the Portfolio Manager. Further, Investors are not permitted to withdraw their Capital Commitments or Capital Contributions in such Investments.

Changes to Accredited Investors status:

If the portfolio value of the Client has fallen below the minimum amount prescribed under the PMS Regulations or in the event the accreditation certificate of the Client is suspended or cancelled or has expired without renewal, the Portfolio Manager shall have the right to terminate the large value accredited investor arrangement and conditions as are applicable to clients other than large value accredited investors as per the PMS Regulations shall apply for investments of the Client by the Portfolio Manager. This may result in reducing exposure to unlisted securities and such other changes to the portfolio, which may affect the performance of the Portfolio.

Exculpation and Indemnification:

Each Investor is required to indemnify the Portfolio Manager, its affiliates, its and their directors, employees, agents, and representatives and every person appointed by the Portfolio Manager ("Indemnified Persons") against any charges or liabilities incurred or levied on the Portfolio Manager pursuant to rendering the services and as listed out in the Material Documents. The Portfolio Management Agreement provides for indemnification of the Indemnified Persons by the Investor for any, and all actions, proceedings, costs, claims, demands, liabilities, losses and expenses arising in connection with the Portfolio Management Agreement, unless such damage or loss is finally judicially determined to have resulted from mala fide, fraud, willful misfeasance or gross negligence of the Portfolio Manager.

Management Fees and other charges/expenses:

As a result of payment of Management Fee and other charges/expenses/taxes, the returns realized by the Investors from the Portfolio's activities might be less than the returns the Investors may have realized from engaging in the same activities directly if they had made such investments directly without investing in the Portfolio.

Payment of fees and expenses regardless of profits:

Portfolio will incur obligations to pay operating, legal, accounting, auditing, custodial and other related fees and expenses. In addition, a Portfolio will incur obligations to pay brokerage commissions and other transaction costs to securities brokers and dealers. The foregoing fees and expenses are payable regardless of whether a Portfolio realizes any profits from its investment operations. In accordance with the operating agreement of a Portfolio, amounts owing to a Portfolio's creditors will be paid before amounts payable to Shareholders. It is possible that a Portfolio will not realize any profits more than such amounts. Investors shall not have recourse to any assets or property of the Portfolio Manager, any of its affiliates or any of a Portfolio's other service providers in connection therewith.

Portfolio may fail to achieve its objective:

There can be no assurance that a Portfolio will be able to achieve its investment objective or receive any return on, or recovery of, its investments. The past investment performance of the Portfolio Manager cannot be construed as an indication of the future results of an investment in Portfolio.

POLITICAL, SOCIAL AND ECONOMIC CONSIDERATIONS OF INVESTING IN INDIA

Political and Social Risk:

The value of the Portfolio investments may be adversely affected by potential political and social uncertainties in India. Actions of the Government(s) and/ or respective State Government(s) in the future could have a significant effect on the economy, which could affect private sector companies and investment opportunities and the Portfolio's market conditions and investments. Certain developments are beyond the control of the Portfolio Manager, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, terrorist activities, diplomatic disputes, legal developments or other similar developments, could adversely affect Portfolio investments.

The Portfolio's investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports, and sources of supplies. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the Portfolio's investments.

Government and Regulatory Approvals:

Certain Indian governmental approvals, including approvals from SEBI will be obtained by the Trust and Portfolio. It is possible that such approvals may not continue in the future and though the Portfolio Manager (on behalf of Portfolio) expects the existing approvals to continue, the Portfolio Manager cannot be certain that these approvals will so continue. The Portfolio will operate under Indian laws and securities regulations. If policy announcements or regulations are made after this offering, which warrant retrospective changes in the structure or operations of the Portfolio, these may adversely impact the performance of the Portfolio.

Quality of Infrastructure:

India faces substantial problems owing to the lack of, or inadequate condition of, physical infrastructure and poor environmental standards, including, but not limited to, in the sectors of electricity (both generation and transmission), transport, communication, water, sewage and healthcare. The lack, or inadequate condition, of physical infrastructure damages the Indian economy, disrupts the transportation of goods and supplies, increases the cost of doing business, can interrupt business operations and, in general, has an on-going adverse impact on the ability to manage and grow businesses in India.

Inflationary Pressures in India:

High inflation may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures could inhibit

economic activity in India and thereby possibly adversely affect the Portfolio's investments. Inflation may also directly affect the Investments by increasing operating costs and/or reducing the returns from such investments.

Indian Securities Markets:

Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. There may be instances wherein there is rapid and volatile fall in security prices occurring within an extremely short period, like flash crash etc. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market.

Indian stock exchanges utilize 'circuit breaker' systems under which trading stocks or entire trading could potentially be suspended on account of excessive volatility in a stock or on the market. Such disruptions could significantly impact the ability of the Investor to sell its investments. Further, such volatility could also create liability on the Portfolio to bring in additional margin. Factors like these could adversely affect the Portfolio's performance.

The Indian securities markets are smaller and potentially more volatile than securities markets in more developed economies, and the Indian securities markets could experience problems that could affect the market price and liquidity of the securities of Indian companies.

LEGAL RISKS

Legal and Tax Considerations:

Many of the Fundamental laws in India have only recently come into force, which increases the risk of ambiguity and inconsistency in their application, interpretation, and enforcement. This risk is additionally increased as adequate procedural safeguards have often not been developed. Due to the developing nature of the Indian legal and regulatory system, laws often refer to regulations which have not yet been introduced, leaving substantial gaps and the regulatory framework is often poorly drafted and incomprehensible. These uncertainties can lead to difficulties in obtaining or renewing necessary licenses or permissions and can lead to substantial delays and costs for the companies subject to them, all of which can ultimately adversely affect the performance of the Portfolio. Changes in laws and regulations (or in the interpretation thereof) occurring from time to time in India are possible and may worsen the legal and tax constraints within which the Portfolio will operate and, as a result, may require structuring and financing alternatives to be identified and implemented and lead to increased legal costs and reduced returns. Tax laws and regulations or their interpretation may change and there can be no assurance that the structure of the Portfolio or its investments will be tax efficient. Further, India is subject to rapid changes in legislation, many of which are extremely difficult to predict. Existing laws are often applied inconsistently and new laws and regulations, including those which purports to have retroactive effect, may be introduced with little or no prior consultation. As such, the Portfolio's ability to secure the judicial or other enforcement of its rights may be limited.

Investor Protection and Change in Laws and Regulations:

The Portfolio is subject to a number of unusual risks, including inadequate investor protection, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs and lack of enforcement of existing regulations. There can be no assurance that this difficulty in protecting and enforcing rights will not have an adverse effect on the Portfolio and its operations.

Litigation risk:

The investments may be governed by a complex series of legal documents and contracts. As a result, the risk of a dispute over interpretation or enforceability of the documentation and consequent costs and delays may be higher than for other types of investments. In addition, the Portfolio may be subject to claims by third parties (either public or private). Further, if any investment is subject to any litigation, it could have an adverse impact, financial or otherwise on the company and therefore on the Portfolio.

TAX RISKS:

Investors are subject to several risks related to tax matters. In particular, the tax laws and its interpretation relevant to the Portfolio are subject to change, and tax liabilities could be incurred by Investors because of such changes. The tax consequences of an investment in the Portfolio are complex, and the full tax impact of an investment in the Portfolio will depend on circumstances particular to each Investor and the additional peculiarities associated with respect to activities of each Investment. Further, the information relating to Indian taxation legislation contained in this Memorandum is based on Indian domestic taxation law along with the rules and regulations made thereunder and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could influence the validity of the information stated herein.

REGULATORY RISKS

The Portfolio will operate under Indian laws including the Regulations, which provide for stringent investment conditions and compliances. If policy announcements or regulations are made after this offering, which require retrospective changes in the structure or operations of the Portfolio, these may adversely impact the performance of the Portfolio.

The value and marketability of the Investments may be affected by changes or developments in the legal and regulatory climate in India. SEBI regulates the securities market in India and legislates from time to time on matters affecting the stock market. SEBI has issued regulations that affect investment in India including regulations on takeovers, preferential allotments of shares and insider dealing. The regulations affect the pricing, cost of a transaction and the ability to conduct due diligence. SEBI and/or the Indian Ministry of Finance may make changes to regulations which could affect the ability of the Investor to make, or exit, Investments.

Any investigations of, or actions against the Trust, Portfolio and the Portfolio Manager initiated by SEBI, or any other Indian regulatory authority may impose a ban on the investment activities of the Trust, Portfolio, and the Portfolio Manager.

CYBER SECURITY RISK

The Portfolio and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Portfolio Manager, Registrar and Transfer Agents, Custodian or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a Portfolio's ability to calculate its Net Asset Value; impediments to trading for a Portfolio's investment; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Portfolio invests, counterparties with which a Portfolio engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties.

I. CONFLICTS OF INTEREST DISCLOSURE

The Investments in the portfolio will be subject to certain conflicts of interest that may arise in relation to the various activities carried out by the Trustee, the Portfolio Manager, Sponsor, investment team of the Portfolio Manager and their respective shareholders, affiliate/group entities and directors/partners, officers employees, agents, it's associates/affiliates/group companies and their respective directors/officers/employees/agents and members of the Advisory Board or any other committee of the Portfolio set up by the Portfolio Manager, investment management or advisory team of other investments managed or advised now and in the future by the respective parties (collectively, the “**Interested Parties**”) vis-à-vis the activities of the Portfolio. The Portfolio Manager has adopted certain policies and procedures intended to protect the interest of investors in the Portfolio against any adverse consequences arising from potential conflicts of interest. The protection of the investors' interests is Portfolio Manager's priority.

The Interested Parties shall exercise a standard of good faith in their dealings with the Portfolio and any of its investments. The Portfolio Manager will be transparent and make disclosures with respect to conflicts of interest situation that the Portfolio Manager determines may have arisen (or which seem likely to arise) with respect to any of the Interested Parties vis-à-vis the Portfolio and the Investors (and/or any of the investments).

The Portfolio Manager maintains and operates effective organisational and administrative arrangements with the view of taking all reasonable steps to identify, continuously monitor and manage conflicts of interest.

Some of the potential conflicts of interest situations and the policies of the Portfolio Manager for managing conflicts of interest are provided below. It is not intended to provide a comprehensive list of

conflicts of interest or account of the processes and procedures which the Portfolio Manager adopts in connection with the management of conflicts of interest, but is instead intended to be a statement of principles with which the Portfolio Manager seeks to manage foreseeable conflicts of interest. The Portfolio Manager may identify additional conflicts of interest situations from time to time, which will be managed/mitigated with the help of the principles identified herein and by also taking into account further processes which the Portfolio Manager may develop over the period of time. The following are the potential conflicts of interest situations that may arise:

As a leading financial services organization providing merchant/investment banking, stock broking, research, equity capital markets, distribution, alternative investment fund, portfolio management, non-banking financial services and other services, Aventus Wealth Management Private Limited, Aventus Capital Private Limited, and their respective affiliates and associates (together hereinafter referred to as “**Aventus**”) engage in and will continue to engage in activities, which may conflict with the interests of investors of the Portfolio, and/or any investments. Except as otherwise expressly indicated, nothing contained herein or in the Material Documents will restrict the activities and operations of Aventus, the Portfolio Manager, or their respective parents, subsidiaries, or affiliates. From time to time, the Aventus entities may have multiple advisory, transactional and financial and other interests in, and transactions with, the Portfolio and its investments, and therefore may be subject to various conflicts of interest in their relationships with the Portfolio Manager. The discussion below enumerates certain actual and potential conflicts of interest. It does not purport to be comprehensive and other conflicts may arise. By investing in the Portfolio, each Investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and, to the extent possible under applicable Law, to have waived any claim with respect to the existence of any such conflict of interest and any profits arising therefrom. The investment in the portfolio does not limit the ability of such investor to invest in any other Portfolio or investment vehicle.

Client and other relationships

Aventus has, and continues to seek to develop, financial and advisory relationships with numerous Indian and non-Indian companies and governments. Aventus also advises and represents potential buyers and sellers of businesses worldwide. Certain clients of Aventus may invest in entities in which Aventus holds an interest, including, without limitation, the Portfolio, and in providing services to its clients, any member of Aventus may recommend activities that would compete with or otherwise adversely affect the Portfolio or its investments. It should be recognized that such relationships may directly or indirectly preclude the Portfolio manager from recommending certain transactions and may constrain the flexibility for investments.

Aventus may also act as investment banker, investment advisor, portfolio manager, Broker dealer and/or in another capacity on behalf of or for third parties that invest or may invest for their own account and may engage in, advise or possess an interest in other business ventures with persons competing with the investment opportunities. No Aventus entity will be required to offer co-investment opportunities in these or other circumstances. Such relationships could influence Aventus entities to take actions, or forbear from taking actions, which an independent Portfolio Manager might not take or forbear from taking. An Aventus entity may give advice, and take action, with respect to any of Aventus’ clients or proprietary accounts that may differ from the advice given, or may involve a different timing or nature from action taken by the Portfolio Manager on behalf of the Portfolio.

Investment banking activities / Non – Banking financial activities/ credit solutions

Avendus often represents potential purchasers, sellers, borrowers, lenders, tenants and other participants in investment banking transactions. Avendus entities will continue to accept such assignments after the investments by the investors. In these cases, Avendus' clients may seek to prohibit Avendus entities (including the investors) from investing in certain investments. Accordingly, no assurances can be given that all potentially suitable investments will be offered as investment opportunities. Avendus may be involved in the provision of a subscription line, a credit facility and/or other financing in various capacities including, without limitation, as lender, participant, or arranger. This may present conflicts of interest for Avendus and the Portfolio Manager if Avendus is required to take an action under such a facility that would be adverse to the Portfolio.

The investment activities of Avendus' s other businesses may differ from, or be inconsistent with, the interests of and activities that are undertaken by the Portfolio manager, and there can be no assurance that the Portfolio manager will be able to fully leverage the resources and industry expertise of Avendus' s other businesses. Additionally, there may be circumstances in which one or more individuals associated with Avendus will be precluded from providing services to the Portfolio manager because of certain confidential information available to those individuals or to other parts of Avendus.

Market transactions involving Avendus

The proprietary activities/trading or portfolio strategies of Avendus or the Interested Parties, or the activities or strategies used for accounts managed by Avendus or the Interested Parties or other customer accounts, could conflict with the transactions and strategies employed by the Portfolio manager and affect the prices and availability of the securities, currencies, and instruments to the investors. Such transactions, particularly in respect of proprietary accounts/trades or customer accounts, will be executed independently of the investors transactions, and thus at prices or rates that may be favorable. Issuers in whose assets or instruments the investor has an interest may have publicly or privately traded instruments in which Avendus or a Avendus-sponsored investment company/ Portfolio/ client/ separate managed account is a Shareholder or makes a market. Avendus' trading activities will be carried out generally without reference to investments and may influence the value of the positions so held or may result in Avendus or a Avendus-sponsored investment company having an interest in the issuer adverse to that of the investment by the investor. The results of the investments may differ significantly from the results achieved by Avendus for its proprietary accounts or accounts managed by them.

Investment advisory clients

Avendus or Interested Parties or the key investment team of the Portfolio Manager may act as advisor to clients, separate or managed accounts, including other investments, in asset management, portfolio management and other capacities with respect to investments in securities of a company in which the Portfolio may have an investment. Avendus or Interested Parties or the key investment team of the Portfolio Manager may give advice, and act, with respect to any of their clients or proprietary accounts that may differ from the advice given or may involve a different timing or nature of action taken, than with respect to the Portfolio. Because of different objectives or other factors, a particular investment may

be recommended to be sold by the investor or Aventus or Interested Parties or the key investment team of the Portfolio Manager or their clients or other investments, at the same time when one of such persons is purchasing such investment.

The companies where investors have invested may also engage the Interested Parties for the provision of services, and this may result in conflicts of interest in relation to the investments in the Portfolio. However, appropriate conflict mitigation measures including “Chinese Walls” in decision making are expected to mitigate such risks.

Research services

Aventus may issue research reports on securities which are being bought or sold by the client or recommended by the Portfolio Manager for investment or disinvestment. The Portfolio Manager may take a different or opposite view as compared to the views expressed in the research report. The Portfolio Manager makes his/her own independent judgement and is not bound by the research report issued by other group entities of Aventus.

Investments in which Interested Parties have Interests.

The Portfolio Manager may recommend participating in certain investments in which Interested Parties have an existing investment or other interests, which may be on the same terms as the investor or on different terms. In such cases, there could be a potential conflict between the interests of the investors and those of the Interested Parties. Without prejudice to the dealing restrictions contained in the paragraph below titled “*Proprietary Trades*”, any of the Interested Parties may deal in the securities/products (including handling assignment for investments/advising-managing any portfolio/consisting of such securities/products etc.) which are/may in future be a part of the investments. The timing/pricing/buy-sell decision under the dealing by such Interested Parties can be different from that of the investor.

Proprietary Trades

The Portfolio Manager/Sponsor may carry out proprietary trading activities with the strategy which may be similar or at times different from that of the investor. The Portfolio Manager will avoid contra trades (opposite trades) at the same time by the Portfolio Manager on behalf of the Portfolio *vis-a-vis* its own proprietary money.

The Portfolio Manager and or its affiliates may also carry out broking operations in future and the Investor may avail such broking services.

Purchase from and Sale of Investments to Interested Parties

The Portfolio Manager may recommend investments from, or sell investments to, the Interested Parties. In such cases, conflicts may arise in determining the price and terms of the sale or purchase. The Interested Parties may come into possession of material non-public information and the possession of such information may limit the ability of the investor to buy or sell a security or otherwise to participate in a potential Investment. To mitigate this risk, the Portfolio Manager shall endeavor to recommend such transaction or arrangements with Interested Parties on arm's length terms.

Management Resources

The Interested Parties will only devote so much of their time to the Portfolio's operations as is, in their judgment, reasonably required. The Interested Parties that provide services to the Portfolio will have, in addition to their responsibilities for the Portfolio, responsibilities for other companies, projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst the Portfolio and such other companies, projects, and clients. The Interested Parties may provide services to other entities/clients in financial services space and will not work exclusively for the Portfolio. The Interested Parties shall resolve any such conflict by allocating time (reasonably required in their best judgement) towards their obligations in respect of Portfolio and their other responsibilities towards other companies, projects and clients.

Allocation of Investments

The Interested Parties may be subject to conflicts of interest in allocating investment opportunities among the Portfolio, other Portfolios and clients managed or advised by them and/or towards the proprietary trading done by the Portfolio Manager. Investment opportunities identified by the Portfolio Manager may be suitable for the Portfolio, one or more of the other Portfolios/schemes or clients advised or managed by the Interested Parties or for direct investment by themselves. The Portfolio Manager will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each Portfolio/scheme/clients, the remaining uninvested capital of each Portfolio/scheme/clients and the level of diversification of each Portfolio/scheme/clients. However, there can be no assurance that all investment opportunities that are identified by the Portfolio Manager will be offered to its investors. Furthermore, the Portfolio Manager shall have the right, in its discretion, to allocate any investment opportunities to the other Portfolios/schemes/clients or to their own portfolios.

Management Fees; Incentive Fee

Management Fees and Incentive Fee payable by Portfolio have not been established on the basis of an arm's-length negotiation between the Portfolio and the Portfolio Manager. In addition, the existence of Incentive Fee that the Portfolio Manager will receive may create an incentive to approve and cause the Portfolio manager to recommend more speculative Investments than it would otherwise make in the absence of such performance-based compensation. Further, Sponsor's commitment made to the Portfolio is also intended to mitigate this risk.

Affiliation with intermediaries and placement services providers

The Portfolio Manager may itself act or appoint one or more entities in Aventus as providers of placement services for the Portfolio. The Portfolio may use the services of placement service providers or agents, as may be determined by the Portfolio Manager. Such placement service providers or agents may charge a placement fee at their discretion, which may be calculated as a percentage of the investment by the Investors. The Portfolio Manager may, in its sole discretion, charge placement fees from the Investors in addition to the Operating Expenses and Set-up Costs and such placement fees shall be utilized to make payments to the placement service providers or agents (including the Portfolio Manager).

Transactions with Avendus Group

To the extent permitted by Applicable Law, the Portfolio may recommend purchase or sell Portfolio Investments from/to Avendus group, borrow Portfolios from (including under a credit facility) or otherwise deal with Avendus group, whether such person is acting on its own behalf or on behalf of any other person.

Avendus entities may receive certain fees for services performed for or on behalf of the Portfolio or any other entity or any other person in which the Portfolio or any other entity holds Investments, including, without limitation, fees relating to (a) the Portfolio Investments, directly or indirectly, for advisory, leasing or financing services or performed by any such entity or person and (b) financing services, investment banking services, Broker dealer services and other products and services provided, directly or indirectly, to the Portfolio or clients whose Portfolio is being managed or any other entity or any other person in which the Portfolio or any other entity holds Investments. (c) The entities within Avendus Group may be engaged by Portfolio Manager or the companies in the portfolio for providing broking, research, or equity capital market related services

Representation

The attorneys, accountants, and other professionals who perform services for the Portfolio may, and in some cases do, also perform services for the Interested Parties and their affiliates.

Interests of Investors

The Investors may have conflicting investment, tax, and other interests with respect to their investments in the Portfolio. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of certain Investments or the structuring, acquisition, or timing of disposition of Investments. As a consequence, the Portfolio Manager may have to resolve such conflicts, among individual Investors. The Portfolio Manager shall be under no obligation to consider the legal, regulatory, tax or other status of, nor to give priority to the interests of any Investor individually or of any category of Investors.

Policy Statements on Conflicts and Corporate Governance

The Portfolio Manager has adopted, *inter alia*, certain policies and procedures intended to protect the Portfolio against adverse consequences arising from potential conflicts of interest.

- (a) The Portfolio Manager and its directors/partners, officers and agents shall always be obligated to exercise a standard of good faith in its dealings with the Portfolio and any Portfolio Entity.
- (b) The Portfolio Manager will be transparent with respect to conflicts of interest that the Portfolio Manager determines may have arisen in any transaction (or prospective transaction) between the Portfolio Manager and/or the Portfolio and/or a Portfolio Entity).

- (c) The Portfolio Manager will make efforts to see that any transaction involving a potential conflict of interest will be affected on terms that are not less favourable to the Investors in the Portfolio than if the potential conflict had not existed. The Portfolio Manager will place significant emphasis on its strong compliance culture, and the efficient operation of systems and controls, to manage issues such as conflicts of interest.
- (d) The Portfolio Manager will ensure that the interest of all the Investors is paramount and all personal interests, relationships, or arrangements of the Portfolio Manager and those of Interested Parties do not work against the Investors' interest.

There can be no assurance that any potential or actual conflict of interest will be resolved in favor of the Portfolio and its Investors. By making an investment in the Portfolio, investors are deemed to have acknowledged the existence of the potential and/or actual conflicts of interest set forth above, and to have waived, to the greatest extent permissible under any applicable law, any claim with respect to, or arising from, the existence of any such conflicts.

Accordingly, Investors are strongly urged to consult their tax advisors with specific reference to their own situations.

The foregoing risk factors, and conflicts do not purport to be a complete explanation of all of the risks involved in this offering. Potential investors should read this Memorandum and the Material Documents in their entirety before determining whether to subscribe for Units.

I. Transactions of Portfolio Manager and its employees which may conflict with investments undertaken by the Portfolio Manager for the period from April 1, 2024 to March 31, 2025

No conflict of interest has been noted in relation to the investments of the portfolio manager/its employees against the investments in the accounts of the clients.

II. If the portfolio manager has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any.

Refer para 6 (I) of this Disclosure Document.

7. CLIENT REPRESENTATION

The Portfolio Manager has commenced operations w.e.f. May 18, 2010. At present the Portfolio Manager offers Discretionary & Non-Discretionary portfolio management services.

(i) Details of Clients are as below:

Category of Clients	Discretionary / Non Discretionary / Advisory	31-Mar-25		31-Mar-24		31-Mar-23	
		No. of clients	Funds Managed (Rs. Cr.)	No. of clients	Funds Managed (Rs. Cr.)	No. of clients	Funds Managed (Rs. Cr.)
Individual-Resident	Non-Discretionary	320	7044.52	307	7306.86	327	4300.45
	Discretionary	0	0	0	0	0	0
	Advisory	0	0	0	0	0	0
Non Resident Indian	Non-Discretionary	15	268.13	14	130.24	18	111.25
	Discretionary	0	0	0	0	0	0
Corporate Resident	Non-Discretionary	126	9853.79	100	6503.27	113	9342.64
	Discretionary	0	0	0	0	0	0
Corporate	Advisory	0	0	0	0	0	0
Associate/ Group Companies	-	0	0	0	0	0	0
Total		461	17166.44	421	13940.38	458	13754.34

(ii) DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES AS PER THE STANDARDS SPECIFIED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

Transactions with Related Parties (based on audited accounts for the year ended March 31, 2025).

RELATED PARTY DISCLOSURES

(a) Names of Related Parties where control exists:

Sr. No.	Name of the related party	Nature of Relationship
1	Aventus Capital Private Limited	Holding Company

(b) Names of related parties where there were transactions during the year:

Sr. No.	Description of relationship	Names of related parties
1.	Holding Company	Aventus Capital Private Limited
2.	Subsidiary	Aventus Capital Alternate Strategies Private Limited
3.	Fellow Subsidiary	Aventus Finance Private Limited
4.	Fellow Subsidiary	Aventus PE Investment Advisors Private Limited
5.	Fellow Subsidiary	Spark Institutional Equities Private Limited
6.	Fellow Subsidiary	Aventus Investment Managers Private Limited formerly known as "Ocean Dial Asset Management India Private Limited"
7.	Limited Liability Partnership Firm where Holding Company is Partner	Aventus Capital Public Markets Alternate Strategies LLP
8.	Key Managerial Personnel (upto July 31, 2023)	Nitin Singh - Managing Director & CEO
9.	Key Managerial Personnel (w.e.f June 27, 2024)	Apurva Doulat Sahijwani - Managing Director and CEO
10.	Key Managerial Personnel	Kaushal Kumar Aggarwal - Director
11.	Key Managerial Personnel (w.e.f. August 18, 2020)	Gaurav Deepak - Director
12.	Director of Holding Company	Ranu Vohra
13.	Key Managerial Personnel	Priya Vyas - Company Secretary (upto June 06, 2024) Niki Kiri – Company Secretary (w.e.f. December 04, 2024)

c) Details of related party transaction during the year and balances as at the period end March' 2025

(INR in Million)

Particulars	Aventus Capital Private Limited	Aventus PE Investment Advisors Private Limited	Aventus Finance Private Limited	Aventus Investment Managers Private Limited formerly known as "Ocean Dial Asset Management India Private Limited"	Aventus Capital Public Markets Alternate Strategies LLP	Spark Institutional Equities Private Limited	Aventus Phoenix Fund	Ranu Vohra	Key Managerial Personnel	Total
Transactions during the year										
Remuneration Paid *										
March 31, 2025	-	-	-	-	-	-	-	-	19.81	19.81
March 31, 2024	-	-	-	-	-	-	-	-	10.27	10.27
March 31, 2023	-	-	-	-	-	-	-	-	46.86	46.86
Director Sitting Fees										

Particulars		Aven dus Capit al Privat e Limit ed	Avend us PE Invest ment Adviso rs Private Limite d	Avend us Financ e Private Limite d	Avend us Invest ment Manag ers Private Limite d formel y known as "Ocean Dial Asset Manag ement India Private Limite d"	Avend us Capital Public Market s Altern ate Strateg ies LLP	Spark Institu tional Equitie s Private Limite d	Aven dus Phoe nix Fund	Ranu Vohr a	Key Man ager ial Pers onn el	Tot al
	March 31, 2025	-	-	-	-	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-	-	-	0.10	0.10
	March 31, 2023	-	-	-	-	-	-	-	-	0.40	0.40
	Contributi on from Holding Company										
	March 31, 2025	-	-	-	-	-	-	-	-	-	-
	March 31, 2024	18.72					-		-		18.72
	March 31, 2023	50.44					-		-		50.44
	ESOP expense paid										

Particulars		Aven dus Capit al Privat e Limit ed	Avend us PE Invest ment Adviso rs Private Limite d	Avend us Financ e Private Limite d	Avend us Invest ment Manag ers Private Limite d formel y known as "Ocean Dial Asset Manag ement India Private Limite d"	Avend us Capital Public Market s Altern ate Strateg ies LLP	Spark Institu tional Equitie s Private Limite d	Aven dus Phoe nix Fund	Ranu Vohr a	Key Man ager ial Pers onn el	Tot al
	March 31, 2025	55.72	-	-	-	-	-	-	-	-	55.72
	'March 31, 2024	-	-	-	-	-	-	-	-	-	-
	Cost Sharing Expenses										
	March 31, 2025	247.07	-	-	-	-	-	-	-	-	247.07
	March 31, 2024	215.40	-	-	-	-	-	-	-	-	215.40
	March 31, 2023	224.52	-	-	-	-	-	-	-	-	224.52
	Reimbursement of Expenses - Paid										
	March 31, 2025	3.59	-	-	-	-	-	-	-	-	3.59

Particulars		Avendus Capital Private Limited	Avendus PE Investment Advisors Private Limited	Avendus Finance Private Limited	Avendus Investment Managers Private Limited formerly known as "Ocean Dial Asset Management India Private Limited"	Avendus Capital Public Markets Alternate Strategies LLP	Spark Institutional Equities Private Limited	Avendus Phoenix Fund	Ranu Vohra	Key Managerial Personnel	Total
	March 31, 2024	0.47	-	-	-	-	-	-	-	-	0.47
	March 31, 2023	-	-	-	-	-	-	-	-	-	-
	Advisory Fees & Other Expenses - Paid										
	March 31, 2025	-	-	-	-	-	11.42	-	-	-	11.42
	March 31, 2024	-	-	-	-	-	3.00	-	-	-	3.00
	March 31, 2023	-	-	-	-	-	3.00	-	-	-	3.00
	Fee and Commission Income Earned										
	March 31, 2025		13.49	19.19	19.55	12.34	-	-	0.11	-	64.68

Particulars		Aven dus Capit al Privat e Limit ed	Avend us PE Invest ment Adviso rs Private Limite d	Avend us Financ e Private Limite d	Avend us Invest ment Manag ers Private Limite d formel y known as "Ocean Dial Asset Manag ement India Private Limite d"	Avend us Capital Public Market s Altern ate Strateg ies LLP	Spark Institu tional Equitie s Private Limite d	Aven dus Phoe nix Fund	Ranu Vohr a	Key Man ager ial Pers onn el	Tot al
	March 31, 2024	-	116.39	42.03	17.95	20.36	-	-	0.06	-	196. 79
	March 31, 2023	-	84.15	49.16	11.67	52.26	-	-	0.06	-	197. 29
Balances outstanding at the end of the year											
	Closing Balances - Debit										
	March 31, 2025	0	17.80	4.84	9.90	1.57	-	-	0.13	-	34.2 4
	March 31, 2024	-	51.66	-	6.41	9.91	-	-	0.11	-	68.0 9
	March 31, 2023	-	98.86	15.00	5.75	13.19	-	-	0.04	-	132. 83

Particulars		Aven dus Capit al Privat e Limit ed	Avend us PE Invest ment Adviso rs Private Limite d	Avend us Financ e Private Limite d	Avend us Invest ment Manag ers Private Limite d formel y known as "Ocean Dial Asset Manag ement India Private Limite d"	Avend us Capital Public Market s Altern ate Strateg ies LLP	Spark Institu tional Equitie s Private Limite d	Aven dus Phoe nix Fund	Ranu Vohr a	Key Man ager ial Pers onn el	Tot al
	Closing Balances- Credit										
	March 31, 2025	110.2 9	-	-	-	-	7.69	-	-	-	117. 98
	March 31, 2024	125.6 2	-	2.60	-	-	3.24	-	-	-	131. 46
	March 31, 2023	40.61	-	-	-	-	3.24	-	-	-	43.8 5

* Excludes contribution to gratuity made for the company as a whole based on actuarial valuation.

Note: There are no amounts written off or written back during the year for debts due from or to related parties

8. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (Based on Last Audited Accounts)

Particulars	Amount in Rs. Lacs		
	2024-25	2023-24	2022-23
Total Income	29,925.63	14,930.96	14958
Profit / (Loss) after Tax	6,377.36	- 826.47	-815
Paid up Capital	1061.71	1,061.71	1,062
Reserves & Surplus (Including ESOP Outstanding)	10,621.20	4,243.83	4769
Net worth	11,682.91	5,305.54	5,831

The net worth of the portfolio manager is. Rs. 116.83 crores as on 31-03-2025 based on audited accounts of Aventus Wealth Management Private Limited, thereby complying with the capital adequacy requirements of SEBI.

9. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER

- I. The performance of the Portfolio Manager under Discretionary Portfolio Manager Service based on Time Weighted Rate of Return (TWRR) method is as follows:

Investment Approach	Particulars	FY 24-25	FY-23-24	FY 22-23
<u>Aventus Alpha Growth*</u>	Portfolio Performance of Portfolio manager (%)	-	-	-
NIFTY MID SMALLCAP 400	Benchmark Index -	-	-	-
<u>Aventus Alpha Large Cap*</u>	Portfolio Performance of Portfolio manager (%)	-	-	-
Nifty 50	Benchmark Index	-	-	-
<u>Aventus Emerging</u>	Portfolio Performance of	-	-	-

Investment Approach	Particulars	FY 24-25	FY-23-24	FY 22-23
<u>Business Opportunities*</u>	Portfolio manager (%)			
BSE Small Cap	Benchmark Index	-	-	-
<u>Aventus India Alpha Fund *</u>	Portfolio Performance of Portfolio manager (%)	-	-	-
NIFTY MID SMALLCAP 400	Benchmark Index	-	-	-
<u>Aventus India Discovery Portfolio #</u>	Portfolio Performance of Portfolio manager (%)	-	-	-
BSEMIDCAP	Benchmark Index	-	-	-0.38%
<u>Aventus Select Sector Portfolio *</u>	Portfolio Performance of Portfolio manager (%)	-	-	-
BSEMIDCAP	Benchmark Index	-	-	-
<u>Aventus Special Situation Value *</u>	Portfolio Performance of Portfolio manager (%)	-	-	-
BSEMIDCAP	Benchmark Index	-	-	-

Note:- There are no active schemes under Discretionary Portfolio Management as on date.

Please note the performance-related information provided therein is not verified by SEBI.

II. Non – Discretionary Portfolio Manager Performance (in percentage)

Sr. No	Investment Approach Name and Benchmarks	Particulars	FY 24-25	FY-23-24	FY 22-23
1	Debt Conservative	Portfolio Performance of Portfolio manager (%)	8.07	5.98	4.43
	CRISIL Composite Bond Index	Benchmark Index	8.79	8.26	3.80
2	Debt Ultra Conservative	Portfolio Performance of Portfolio manager (%)	7.95	7.55	4.99
	CRISIL Composite Bond Index	Benchmark Index	8.79	8.26	3.80
3	Debt Moderate	Portfolio Performance of Portfolio manager (%)	7.57	--	--
	CRISIL Composite Bond Fund Index	Benchmark Index	8.79	--	--
4	Diversified Equity-Diversified	Portfolio Performance of Portfolio manager (%)	20.21	18.25	17.66
	S&P BSE 500 TR	Benchmark Index	5.96	40.16	-0.91
5	Hybrid Aggressive	Portfolio Performance of Portfolio manager (%)	3.89	14.05	4.54
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	7.77	22.68	1.82
6	Hybrid Balanced	Portfolio Performance of Portfolio manager (%)	4.40	6.92	3.70
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	7.77	22.68	1.82
7	Hybrid Conservative	Portfolio Performance	8.52	9.61	2.75

Sr. No	Investment Approach Name and Benchmarks	Particulars	FY 24-25	FY-23-24	FY 22-23
		of Portfolio manager (%)			
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	7.77	22.68	1.82
8	Hybrid Growth	Portfolio Performance of Portfolio manager (%)	7.37	11.79	1.90
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	7.77	22.68	1.82
9	Hybrid Moderate	Portfolio Performance of Portfolio manager (%)	6.37	7.07	2.18
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	7.77	22.68	1.82
10	Managed Direct Equity-Diversified	Portfolio Performance of Portfolio manager (%)	3.68	38.56	0.95
	S&P BSE 500 TR	Benchmark Index	5.96	40.16	-0.91
11	Multi-Asset Aggressive	Portfolio Performance of Portfolio manager (%)	4.44	-27.15	-1.72
	NSE Multi Asset Index 2	Benchmark Index	7.52	23.61	1.13
12	Multi-Asset Balanced	Portfolio Performance of Portfolio manager (%)	9.13	13.12	4.19
	NSE Multi Asset Index 2	Benchmark Index	7.52	23.61	1.13
13	Multi-Asset Conservative	Portfolio Performance of Portfolio manager (%)	9.43	8.87	9.68

Sr. No	Investment Approach Name and Benchmarks	Particulars	FY 24-25	FY-23-24	FY 22-23
	NSE Multi Asset Index 2	Benchmark Index	7.52	23.61	1.13
14	Multi-Asset Growth	Portfolio Performance of Portfolio manager (%)	11.88	20.53	3.67
	NSE Multi Asset Index 2	Benchmark Index	7.52	23.61	1.13
15	Multi-Asset Moderate	Portfolio Performance of Portfolio manager (%)	9.75	10.03	5.26
	NSE Multi Asset Index 2	Benchmark Index	7.52	23.61	1.13

Please note the performance-related information provided therein is not verified by SEBI.

10. AUDIT OBSERVATIONS FOR THE PRECEEDING THREE YEARS

There have been no audit observations in the statutory audit of the PMS activities for the preceding three financial years.

11. NATURE OF COSTS AND EXPENSES FOR CLIENTS

The following are indicative types of costs and expenses for clients availing the Portfolio Management services.

	Indicative Expense Head	Maximum Indicative Rate (%)*
A	Management Advisory Fee	6%
	Annual Recurring Fee	3%
	Performance Linked Fee	25% of annualized performance above a pre-determined hurdle rate can be charged by the Portfolio Manager as performance linked fee
	Exit Charge	Will be as per slab prescribed by SEBI**
B	Fund Accounting & Audit	At actual
C	Custodian Fee	At actual

D	Registrar & Transfer Agent Fee	At actual
E	Brokerage & Transaction Cost	At actual
F	Securities lending charges	At actual
G	Certification and professional charges	At actual
H	Incidental Expenses	At actual

Note:

a. Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management and no upfront fee will be charged.

b. Charges for all transactions in a financial year (Broking, Demat, custody etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. Any charges to self/associate shall not be at rates more than that paid to the non- associates providing the same service.

In case client portfolio is redeemed in part or full, the exit load charged shall be charged as under:

- i. In the first year of investment, maximum of 3% of the amount redeemed.*
- ii. In the second year of investment, maximum of 2% of the amount redeemed.*
- iii. In the third year of investment, maximum of 1% of the amount redeemed.*
- iv. After a period of three years from the date of investment, no exit load.*

The detailed description of the fees, expenses and compliance with SEBI Circular SEBI/HO/IMD/IMD-POD-1/P/CIR/2023/38 dated March 20, 2023, relating to Performance fees including high water mark principle is given in Schedule B: Fees and Charges of the Agreement signed with the Portfolio Manager.

Clients are hereby informed that Emkay Global Financial Services Limited (Emkay) is a SEBI registered stock broker, through which clients trade are executed apart from other stock brokers. Portfolio Manager receives commission from Emkay for the trades executed on behalf of client through Emkay, subject to maximum caps specified above in point b. Further, associates and other departments of the Portfolio Manager may receive fees from the third parties or issuers in connection with investment of fund of clients in the securities or products of such third parties or issuers.

12. TAXATION IMPLICATIONS FOR CLIENTS**General**

This summary on Indian tax matters contained herein is based on existing law as on the date of this memorandum. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with

retroactive effect. In view of the nature of tax consequences, each client is advised to consult their respective tax advisor with respect to the specific tax consequences to the client arising from participation in the investment approaches. Clients are best advised to take independent opinion from their tax advisors/ experts for any income earned from such investments.

The following is a summary of certain relevant provisions of the Income-tax Act, 1961 ('IT Act') as amended by the Finance Act, 2025 ('Finance Act') read along with Income-tax Rules, 1962, ('Rules') and various circulars and notifications issued thereunder from time to time.

The summary is based on laws, regulations, rulings and judicial decisions now in effect, and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

Further, the statements with regards to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest in the portfolio management schemes of the Portfolio Manager. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. Clients should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the client is advised to best consult their own tax consultant, with respect to specific tax implications arising out of their portfolio managed by the Portfolio Manager. This information gives the direct tax implications on the footing that the securities are/ will be held for the purpose of investments. In case, the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case-to-case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/ the date of making investment shall endure indefinitely.

The Portfolio Manager accepts no responsibility for any loss suffered by any client as a result of current taxation law and practice or any changes thereto. It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the securities.

1. Tax Rates

The tax rates stated in this tax chapter are exclusive of surcharge and health and education cess (unless stated otherwise).

The tax rates are applicable for the financial year 2025-26. The rate of surcharge and health and education cess are as under:

2.1 Surcharge

Surcharge rates are provided below:

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)		
	If income does not exceed INR 1Crore	If income exceeds INR 1 crore but less than or equal to INR 10 Crores	If income exceeds INR 10 Crores
Partnership firm (Domestic and foreign)	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company, including FPI incorporated as a company	Nil	2%	5%

Note 1: In the case of domestic companies and co-operative societies having income chargeable under section 115BAA and 115BAB (for companies) and 115BAD (for co-operative societies) of the IT Act, surcharge of 10% is applicable irrespective of taxable income.

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)				
	If income is less than INR 50 lakhs	If income is more than INR 50 lakhs but less than or equal to INR 1 Crore	If income exceeds INR 1 Crore but less than or equal to INR 2 Crores	If income exceeds INR 2 Crores but less than or equal to INR 5 Crores	If income exceeds INR 5 crores
Individual, Hindu Undivided	Nil	10%	15%	25%	37%

Family ('HUF'), association of person ('AOP')/ body of individuals (('BOI') (Resident and non-resident)					
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Note 1: In the case where the total income includes dividend income (only residents) or income referred to in section 111A or section 112 or section 112A of the IT Act, surcharge on such income shall not exceed 15%.

Note 2: In the case where the total income of foreign portfolio investor ('FPI') includes dividend income or any income in the nature of short-term capital gains referred to in section 111A or long-term capital gains referred to in section 112 or section 112A of the IT Act, surcharge on such income shall not exceed 15%.

Note 3: Per the Finance Act, the Alternative Tax Regime under section 115BAC of the IT Act is now a Default Tax Regime. The highest surcharge leviable under the Default Tax Regime shall not exceed 25%.

In this tax chapter, we have used the term 'applicable slab rates' at many places. The slab rates which are applicable for individuals / HUF / AOP / BOI (only if they opt out of the Default Tax Regime) are as follows:

Total Income (Refer notes below)	Tax rates (refer to notes below)
Up to INR 2,50,000	Nil
From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 10,00,000	20%
INR 10,00,001 and above	30%

Note 1: The Central Government *vide* the Finance (No. 2) Act, 2019, has provided for a rebate on tax on total income of upto INR 5,00,000 for resident individual assessee.

Note 2: In the case of a resident individual of the age of 60 years or more but less than 80 years at any time during the year, the basic exemption limit is INR 3,00,000.

Note 3: In the case of a resident individual of the age of 80 years or more at any time during the year, the basic exemption limit is INR 5,00,000.

Under the Default Tax Regime, Individual and HUF may have an option to pay tax on its total income at the reduced tax rates. The income, however, has to be computed without claiming prescribed deductions or exemptions. Further, the Finance Act 2024 amended the provisions of section 115BAC of the Act. Per the amended provisions, section 115BAC is also applicable to AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the IT Act.

If the individual/HUF/AOP/BOI do not opt out of the Default Tax Regime, the following slab rates should be considered as ‘applicable slab rates’:

Total Income (Refer notes below)	Tax rates (refer to notes below)
Up to INR 4,00,000	Nil
From INR 4,00,001 to INR 8,00,000	5%
From INR 8,00,001 to INR 12,00,000	10%
From INR 12,00,001 to INR 16,00,000	15%
From INR 16,00,001 to INR 20,00,000	20%
INR 20,00,001 to INR 24,00,000	25%
INR 24,00,001 and above	30%

Note 1: The Central Government *vide* the Finance (No. 2) Act, 2019, has provided for a rebate on tax on total income of upto INR 5,00,000 for resident individual assessee. The Finance Act, 2023 provided for a rebate on tax on total income of upto INR 7,00,000 for resident individual assessee if such individual is opting the Default Tax Regime. As per Finance Act 2025, the government has increased the rebate on tax on total income of upto INR 12,00,000 for resident individual assessee if such individual is opting for the Default Tax Regime.

2.2 Health and education cess

In addition to the above, health and education cess at the rate of 4% is leviable on aggregate of tax and surcharge.

2. Streams of Income and taxability:

It is envisaged that a portfolio investor, including an FPI, could earn the following streams of income from investments made in the portfolio investments:

- Dividend income;

- Interest income;
- Gains on sale of securities;
- Premium on redemption; and
- Gains on buy-back of shares.

The tax implications of each stream of income are provided below:

3.1. Dividend income on shares

The dividend income is taxable in the hands of the shareholders under section 56 of the IT Act under the head 'Income from Other Sources' at the applicable rates. Further, the taxpayer can claim deduction of interest expenditure under section 57 of the IT Act against such dividend income. Further, the taxpayer can claim deduction of interest paid to a maximum of 20% of the dividend income.

However, no deduction of expenditure is allowed in respect of any dividend income referred to in section 2(22)(f) [i.e., income-from buy back of shares].

Per the provisions of section 194 of the IT Act an Indian company declaring dividend is required to deduct tax at the rate of 10% provided amount of dividend exceed INR 10,000¹ (in case of payment to resident investors) and at specified rates/ rates in force (in case of payment to non-resident investors). In case, the dividend income is paid to an FPI, the rate of tax deduction as per section 196D of the IT Act is 20% subject to availability of benefits under the double taxation avoidance agreement ('Tax Treaty'), if any.

Per the amended provisions, the dividend income (net of deductions, if any) is taxable at the following rates:

Resident investors

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer to Note 1 and 2)	30%
Resident Firms / LLPs	30%
Resident Individuals/ HUFs/ AOP/ BOI (Refer to Note 3)	As per Applicable slab rates, maximum being 30%

Note 1: Per the Finance Act, 2025 a reduced the tax rate of 25% is applicable to domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the FY 2023-24.

¹ The Finance Act 2025 amended the threshold limit for deducting taxes under section 194 of the IT Act from INR 5,000 to INR 10,000.

Note 2: The tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

Note 3: Post the Finance Act 2023, the new Tax Regime under section 115BAC of the IT Act is now the Default Tax Regime. Further, Individuals, HUF, AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the IT Act may have an option to pay tax on their total income at the reduced tax rates as per 115BAC in the IT Act. The income would however have to be computed without claiming prescribed deductions or exemptions.

The Finance Act, 2025 has amended the income-tax slab rates under section 115BAC of the IT Act as tabulated above in paragraph 2 above.

Non-resident unitholders

Dividend income shall be taxable in the hands of the non-resident unitholders at the rate of 20% (on gross basis) under the IT Act.

However, this rate shall be subject to the tax rate specified in the Tax Treaties of the respective jurisdictions of the unitholders and subject to applicable conditions.

3.2. Interest income on debt securities

Resident unitholders

Distribution income earned by	Tax rate
Resident companies (Refer Note 1 and 2)	30%
Firms / LLPs	30%
Others (Refer Note 3)	As per applicable slab rates, maximum being 30%

Note 1: Per the Finance Act, 2025 a reduced the tax rate of 25% is applicable to domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the FY 2023-24.

Note 2: The tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

Note 3: As per the Finance Act 2023, the new Tax Regime under section 115BAC of the IT Act is now the Default Tax Regime. Further, Individuals, HUF, AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the IT Act may have an option to pay tax on their total income at the reduced tax rates as per 115BAC in the IT Act. The income would however have to be computed without claiming prescribed deductions or exemptions.

The Finance Act, 2025 amended the income-tax slab rates under section 115BAC of the IT Act as tabulated above in paragraph **Error! Reference source not found..**

Non-resident unitholders

The interest income earned by the non-resident unitholder (being corporate entity / non-corporate entity) shall be generally (unless certain conditions are satisfied) taxable at the applicable rates. For entities other than foreign companies, the general tax rate would be 30%. Further, as per Finance Act 2024, the tax rate for foreign company is reduced from 40% to 35%.

However, this rate shall be subject to the tax rate specified in the Tax Treaties of the respective jurisdictions of the unitholders and subject to applicable conditions.

3.3. Gains on sale of securities

Gains arising from the transfer of securities held in the investee company or portfolio company may be treated either as “Capital Gains” or as “Business Income” for tax purposes, depending upon whether such securities were held as a capital asset or a trading asset (i.e., stock-in-trade). Traditionally, the issue of characterisation of gains (whether taxable as Business Income or Capital Gains) has been a subject matter of litigation with the tax authorities.

There have been judicial pronouncements on whether gains on transfer of securities should be taxed as “Business Income” or as “Capital Gains”. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the Central Board of Direct Taxes (“CBDT”) has provided guidance, *vide* its Instruction: No. 1827, dated 31 August 1989 (“CBDT Instructions”) and Circular No. 4/2007, dated 15 June 2007 (“CBDT Circular 2007”), in respect of characterisation of gains as either Capital Gains or Business Income. Followings are the key illustrative factors indicative of Capital Gains characterisation (not Business Income):

- (i) Intention at the time of acquisition - capital appreciation;
- (ii) Low transaction frequency;
- (iii) Long period of holding;
- (iv) Shown as investments in books of accounts (not stock in trade);
- (v) Use of owned funds (as opposed to loan) for acquisition;
- (vi) Main object in constitution document is to make investments;
- (vii) Higher level of control over the investee companies; amongst others.

The Fund intends to organise itself in a manner that it complies with the conditions and parameters mentioned in the CBDT Circular 2007 and CBDT Instructions such that, the income from the transfer of securities in the investee companies should be categorised as Capital Gains. However, the possibility of the tax authorities seeking to treat such income as business income cannot be ruled out.

Further, the CBDT had issued a circular no. 6/2016 dated 29 February 2016 (“CBDT Circular 2016”), clarifying the issue of taxability of gains arising on sale of listed shares and securities. The CBDT Circular 2016, laid down guiding principles to characterise the gains from sale of listed shares and securities, either as Business Income or Capital Gains. It had clarified that the income-tax officer would

not dispute any Income arising from transfer of listed shares and securities held for more than 12 (twelve) months, if the same was treated as, and offered to tax under, the head “Capital Gains”, subject to genuineness of the transaction being established. However, the CBDT Circular 2016, did not deal with the treatment of Capital Gains arising on transfer of unlisted shares.

To avoid disputes/ litigation and to have a consistent view in assessments, the CBDT had issued an instruction on 2 May 2016, to the tax department, on determining the tax treatment of income arising from transfer of unlisted shares, providing that the income from transfer of unlisted shares (for which no formal market exists for trading) would be treated as “Capital Gain” irrespective of period of holding. However, the CBDT has carved out the following 3 (three) exceptions for the tax department to take an appropriate view, if:

- (a) The genuineness of transactions in unlisted shares itself is questionable;
- (b) The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- (c) The transfer of unlisted shares is made along with the control and management of underlying business.

• **If the gains are characterized as capital gains:**

As per Section 45 of the IT Act, any profits or gains arising from the transfer of capital assets are chargeable to income tax under the head ‘capital gains’. Section 48 of the IT Act provides that income chargeable as capital gains would be computed as the difference between the full value of the consideration received or accrued on the transfer of the capital asset and the cost of acquisition / indexed cost of acquisition (as applicable in specific situations) of such asset plus expenditure incurred wholly and exclusively in connection to such transfer.

The capital gains would be classified as long term or short term, depending upon the period of holding of the assets.

The period of holding of an asset is determined as follows:

Type of instrument	Period of holding	Characterisation
Listed securities (including units of REIT/InvIT but other than Market Linked Debentures and unit of a Specified Mutual Fund), Unit of equity-oriented mutual fund, units of the Unit Trust of India and Zero-Coupon Bonds.	More than 12 months	Long-term Capital Asset
	12 months or less	Short-term Capital Asset
All other capital assets	More than 24 months	Long-term Capital Asset
	24 months or less	Short-term Capital Asset
Market Linked Debenture and Units of Specified Mutual Fund (Note 4)	-	-
Unlisted Debentures and Bonds (Note 5)	-	-

Capital gains should be taxable in the hands of unitholders at the rates mentioned in the table below:

Resident unitholders

Type of instrument	Long-term capital gains	Short-term capital gains
i. Equity shares listed on a recognized stock exchange; ii. To be listed equity shares to be sold through offer for sale; or iii. Units of equity-oriented mutual funds or units of business trust on which STT has been paid at the time of transfer of the above-mentioned instruments and also at the time of acquisition of equity shares. (Note 1)	12.5% (without indexation) Gains up to INR 1.25 lakh is exempt from tax (Note 1)	20%
Listed bonds or listed debentures (Other than Market Linked Debentures and units of Specified Mutual Fund)	12.5% (without indexation)	30% (Note 2)
Zero Coupon Bond or other listed securities (other than units of mutual funds, listed bonds and debentures, Market Linked Debentures and units of Specified Mutual Fund) on which STT is not paid	12.5% (without indexation)	30% (Note 2)
Unlisted securities (other than unlisted bonds and unlisted debentures, units of mutual fund, Market Linked Debentures and units of Specified Mutual Fund)	12.5% (without indexation) (Note 4)	30% (Note 2)
Units of mutual fund (other than equity-oriented fund on which STT is paid and units of Specified Mutual Fund)	12.5% (without indexation)	30% (Note 2)
Market Linked Debentures, Units of Specified Mutual Fund, Unlisted bonds or unlisted debentures (Other than Market Linked Debentures)	NA	30% (Note 2, 3 and 4)

Note 1: The CBDT has issued a notification to specify the transactions where the condition of payment of STT on acquisition would not apply for applying the applicable tax rate on transfer of listed equity shares.

As per Finance Act, 2024 the limit of exemption prescribed under section 112A of the Act has been increased from INR 100,000 to INR 125,000.

Note 2: Per the Finance Act, 2025 a reduced tax rate of 25% is applicable to domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the FY 2023-24.

The tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

Post the Finance Act 2023, the new Tax Regime under section 115BAC of the IT Act is now the Default Tax Regime. Further, Individuals, HUF, AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the IT Act may have an option to pay tax on their total income at the reduced tax rates as per 115BAC in the IT Act. The income would however have to be computed without claiming prescribed deductions or exemptions.

The Finance Act, 2025 amended the income-tax slab rates under section 115BAC of the IT Act as tabulated above in paragraph **Error! Reference source not found..** At present, the highest slab rate has been considered.

Note 3: The Finance Act, 2023 introduced section 50AA of the IT Act, whereunder the capital gains arising on transfer/redemption/maturity of a Specified Mutual Fund or a Market Linked Debenture are deemed to be short-term capital gains (irrespective of the period of holding). The Finance Act, 2024 expanded the scope of section 50AA to also cover unlisted bonds or unlisted debenture which is transferred or redeemed or matures on or after the 23rd day of July, 2024 within its ambit. Thus, such short-term capital gains are chargeable to tax at the applicable slab rates, maximum being 30% (plus applicable surcharge and cess).

Further, “Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

Furthermore, as per Finance Act, 2024, the definition of “Specified Mutual Fund” has been amended to:

(a) a mutual Fund by whatever name called, which invest more than sixty five percent of the total proceeds in debt and money market instrument or;

(b) a fund which invests sixty five percent or more of its proceeds in units of fund referred to in sub-clause (a)”

Note 4: The Finance Act, 2024 amended section 48 of the Act so as to remove the indexation benefit while computing long-term capital gains for all taxpayers (other than long-term capital gains arising on unlisted shares acquired prior to 31 January 2018 and sold as part of Offer for sale)

Note 5: Surcharge on capital gains taxable under section 111A or section 112 or section 112A of the IT Act is restricted to 15%.

Note 6: The Finance Act, 2025 amended the definition of capital asset under section 2(14) of the IT Act, to include, *inter alia*, any securities held by Category I and II AIFs. As per the Explanation to section 2(14) of the IT Act, the expression "securities" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

Non-Resident unitholders

Type of instrument	Long-term capital gains	Short-term capital gains
i. Equity shares listed on a recognized stock exchange; ii. To be listed equity shares to be sold through offer for sale; or iii. Units of equity-oriented mutual funds or units of business trust on which STT has been paid at the time of transfer of the above-mentioned instruments and also at the time of acquisition of equity shares. (Note 1)	12.5% (without indexation) Gains up to INR 1.25 lakh is exempt from tax (Note 1 and 5)	20%
Listed bonds or listed debentures (Other than Market Linked Debentures and units of Specified Mutual Fund)	12.5% (without indexation) (Note 2 and 5)	Slab rates for non-resident individuals/ 35% (in case of foreign company), 30% (in case of other non-resident non-corporates)

Zero Coupon Bond or other listed securities (other than units of mutual funds, listed bonds and debentures, Market Linked Debentures and units of Specified Mutual Fund) on which STT is not paid	12.5% (without indexation) (Note 2)	Slab rates for non-resident individuals/ 35% (in case of foreign company), 30% (in case of other non-resident non-corporates)
Unlisted securities (other than unlisted bonds and unlisted debentures, units of mutual fund, Market Linked Debentures and units of Specified Mutual Fund)	12.5% (without indexation) (Note 2 and 5)	Slab rates for non-resident individuals/ 35% (in case of foreign company), 30% (in case of other non-resident non-corporates)
Units of mutual fund (other than equity-oriented fund on which STT is paid and units of Specified Mutual Fund)	12.5% (without indexation) (Note 5)	Slab rates for non-resident individuals/ 35% (in case of foreign company), 30% (in case of other non-resident non-corporates)
Unlisted bonds or unlisted debentures (Other than Market Linked Debentures)	NA	Slab rates for non-resident individuals/ 35% (in case of foreign company), 30% (in case of other non-resident non-corporates) (Note 2 and 4)
Market Linked Debenture and Units of Specified Mutual Fund	NA	Slab rates for non-resident individuals/ 35% (in case of foreign company), 30% (in case of other non-resident non-corporates) (Note 4)

The above-mentioned tax rates are exclusive of surcharge and health and education cess.

The above-mentioned tax rates would be subject to availability of Tax Treaty benefits which may have to be separately evaluated by the tax consultants of the investors on a case-to-case basis.

In case, the investments are made by non-resident Indians, then such unitholders are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if such investors opt to be governed by these provisions, the same needs to be evaluated separately on a case-to-case basis.

Further, the tax rates for FPI are also required to be evaluated separately.

Note 1: The CBDT has issued a notification to specify the transactions where the condition of payment of STT on acquisition would not apply for applying the applicable tax rate on transfer of listed equity shares.

As per Finance Act, 2024 the limit of exemption prescribed under section 112A of the Act has been increased from INR 100,000 to INR 125,000.

Note 2: Without considering indexation benefit but after considering foreign exchange fluctuation benefit.

Note 3: Post the Finance Act 2023, the new Tax Regime under section 115BAC of the IT Act is now the Default Tax Regime. Further, Individuals, HUF, AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the IT Act may have an option to pay tax on their total income at the reduced tax rates as per 115BAC in the IT Act. The income would however have to be computed without claiming prescribed deductions or exemptions.

The Finance Act, 2025 amended the income-tax slab rates under section 115BAC of the IT Act as tabulated above in paragraph **Error! Reference source not found..** At present, the highest slab rate has been considered.

Further, as per Finance Act, 2024 the tax rate for foreign company is reduced from 40% to 35% from AY 2025-26 onwards.

Note 4: The Finance Act, 2023 introduced section 50AA of the IT Act, wherein the capital gains on transfer/redemption/maturity of a Specified Mutual Fund or Market Linked Debenture shall be deemed to be short-term capital gains (irrespective of the period of holding) and such short-term capital gains shall be chargeable to tax at the applicable slab rates maximum being 30% (plus applicable surcharge and cess). The Finance Act, 2024 expanded the scope of section 50AA to also cover unlisted bonds or unlisted debenture which is transferred or redeemed or matures on or after the 23rd day of July, 2024 within its ambit. Thus, such short-term capital gains are chargeable to tax at the applicable slab rates, maximum being 30% (plus applicable surcharge and cess).

Further, “Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

Furthermore, as per Finance Act, 2024, the definition of “Specified Mutual Fund” has been amended to:

“(a) a mutual Fund by whatever name called, Which invest more than sixty five percent of the total proceeds in debt and money market instrument or;

(b) a fund which invests sixty five percent or more of its proceeds in units of fund referred to in sub-clause (a)”

Note 5: The Finance Act, 2024 amended section 48 of the Act so as to remove the indexation benefit while computing long-term capital gains for all taxpayers (other than long-term capital gains arising on unlisted shares acquired prior to 31 January 2018 and sold as part of Offer for sale)

Note 6: Surcharge on capital gains taxable under section 111A or section 112 or section 112A of the IT Act is restricted to 15%.

Note 7: The Finance Act, 2025 amended the definition of capital asset under section 2(14) of the IT Act, to include, *inter alia*, any securities held by Category I and II AIFs. As per the Explanation to section 2(14) of the IT Act, the expression "securities" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

- If Gains on securities (including derivatives) are characterized as ‘business income’

If the gains are characterised as business income, then the same is taxable on net income basis at 30%. The Finance Act has reduced the tax rate to 25% in case of domestic companies having a total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2023-24. Kindly note, we have assumed highest rate for resident individual investors. Also, per the provisions as contained under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

If the gains are characterised as business income, then the same are taxable on net income basis at 35% for foreign company (as amended by Finance Act 2024) if it has a business connection/ permanent establishment in India, and such income is attributable to the business connection/ permanent establishment of the non-resident in India. Further, for non-resident investors (other than a foreign company) tax at the rate of 30% is levied.

Generally, “speculative transaction” means a transaction in which a contract for the purchase or sale of any commodity, including stocks and shares, is periodically or ultimately settled otherwise than by the actual delivery or transfer of the commodity or scrips. However, an eligible transaction in respect of trading in derivatives referred to in clause (ac) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) carried out in a recognised stock exchange; or an eligible transaction in respect of trading in commodity derivatives carried out in a recognised stock exchange, which is chargeable to commodities transaction tax under Chapter VII of the Finance Act, 2013 (17 of 2013) are not be deemed to be a speculative transaction. Typically, income arising on transactions in derivatives satisfying the aforementioned conditions are not considered as speculative income. However, if the income is characterised as speculative income, the investor needs to be cognizant of the set off provisions.

3.4. Premium on redemption:

There are no specific provisions contained in the IT Act, with regard to the characterisation of the premium received on redemption of debentures. Redemption premium earned on account of redemption of Non-Convertible Debentures/ Optionally Convertible Debentures, may be classified as capital gains or interest. The characterisation of premium on redemption of debentures as interest or a capital receipt has to be decided based on factors surrounding the relevant case and within the framework of the following features:

- The term of the loan,
- The rate of interest expressly stipulated for (whether at arm's length, whether contains premium over risk free rate of return, etc.),
- The nature of the risk undertaken:
- Interest rate risk (e.g. Changes in prevailing market interest rates)
- Capital risk (e.g. Risk of loss of capital)
- Industry risk (real estate being quite volatile sector)
- Limited Exit Opportunities (e.g. Redemption option at the end of the 37th month and limitations with respect to purchaser in the open market)
- Country risk (e.g. economic risks - slowdown in economic growth or macro-economic imbalances, political instability and related risks, laws and tax related risks - retrospective amendments)
- Currency risk – adverse change in exchange rate

In order to characterise the redemption premium as capital gains, one need to demonstrate and substantiate (with requisite documentation) that any premium paid is on account of above referred risks. Preferable, one should be able to provide broad bifurcation of premium against each category of risk.

Where redemption premium is classified as capital gains, the same is taxable at the rate specified against capital gains. If redemption premium is classified as interest, it is taxable at the rate specified against interest.

However, as per section 50AA of the IT Act as amended by Finance Act 2024, any gain on transfer/ maturity/ redemption of an unlisted bond or an unlisted debenture on or after the 23rd day of July, 2024 shall be deemed to be short-term capital gains (irrespective of the period of holding). The impact of the above section on classification of redemption premium needs to be evaluated on a case to case basis.

3.5. Proceeds on buy-back of shares by a domestic company

Until now, the incidence of tax on buy-back of shares was on the Indian company under section 115QA of the IT Act. Consequently, any income from buy back of shares was exempt in the hands of the shareholders under section 10(34A) of the IT Act.

However, the Finance Act, 2024 inserted sub-clause (f) to clause (22) of section 2 of the IT Act (effective from 1 October 2024) pursuant to which any amount received by a taxpayer on buyback of shares (undertaken in accordance with provisions of the Companies Act, 2013) is to be taxed in the hands of the shareholder as 'deemed dividend'. Further, no deduction for expenses shall be available against such deemed dividend income received by the shareholder on account of Buy-back of shares.

Further, as per Finance Act, 2024, where the shareholder receives any consideration under section 2(22)(f) of the IT Act from any company, in respect of any buy-back of shares, that takes place on or after the 1 October 2024, then the value of consideration received by the shareholder shall be deemed to be Nil. Consequently, the cost of acquisition of such shares bought back shall be treated as capital loss and such loss may be carried forward by the shareholder to future years for set off in accordance with the provisions of the IT Act. The period of holding is to be considered from the date of acquisition/allotment till the disposal of buyback shares.

3. Other tax considerations

4.1 Advance tax instalment obligations

The Investors are required to discharge the taxes (net of the taxes withheld) on their income at the applicable rates. The Investors are therefore required to compute the advance tax liability in the manner as prescribed under the IT Act and discharge the advance tax liability, if any.

As per the provisions of the IT Act, investors are required to discharge 15%, 45%, 75% and 100% of their advance tax liability on or before June 15, September 15, December 15 and March 15 of the current financial year respectively.

Any shortfall or delay in discharging the advance tax liability by the Investors may attract interest implications under section 234B and 234C of the IT Act.

4.2 Taxability of income arising on transfer of Market linked debenture and units of the Specified Mutual Fund

The Finance Act, 2023 introduced section 50AA of the IT Act, wherein the capital gains on transfer/redemption/maturity of a Market Linked Debenture or a Specified Mutual Fund shall be deemed to be short-term capital gains (irrespective of the period of holding) and such short-term capital gains shall be chargeable to tax at the applicable slab rates maximum being 30% (plus applicable surcharge and cess).

In this regard, "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market

returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

Furthermore, as per Finance Act, 2024 the definition of the term “Specified Mutual Fund” has been amended as under:

- (a) a mutual Fund by whatever name called, which invest more than sixty five percent of the total proceeds in debt and money market instrument or;
- (b) a fund which invests sixty five percent or more of its proceeds in units of fund referred to in sub-clause (a)”

4.3 Withholding tax at higher rate

Section 206AA of the IT Act

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number (‘PAN’), then tax is required to be deducted by the payer at the higher of the following:

- (i) rates specified in the relevant provisions of the IT Act; or
- (ii) rates in force; or
- (iii) 20%.

The aforesaid rate of 20% is replaced by 5% in case tax is required to be deducted under section 194Q of the IT Act.

In the case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate does not apply if they furnish certain prescribed information/ documents. The CBDT had issued a notification granting certain relaxations from deduction of tax at a higher rate in the case of non-resident investors or a foreign company. The provisions of section 206AA of the IT Act does not apply in respect of payments to be made which are in the nature of interest, royalty, fees for technical services, dividends and payments on transfer of any capital asset, provided the deductee furnishes certain details and specified documents to the deductor.

Section 206AB of the IT Act

Section 206AB of the IT Act deals with the deduction of tax at higher rates on payments made to non-filers of income-tax returns. Section 206AB of the IT Act applies where any sum or income or amount is paid, or payable or credited, by a person to a specified person and tax is required to be deducted at source as per provisions of the IT Act (except under sections 192, 192A, 194B, 194BA, 194BB, 194-IA, 194-IB, 194LBC, 194M, or 194N of the IT Act).

The term ‘specified person’ has been defined to mean a person who has not filed the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax

is required to be deducted, for which the time limit of filing return of income under section 139(1) has expired; and the aggregate of tax deducted at source and tax collected at source in his case is INR 50,000 or more in the said previous years. Further, specified person shall not include a non-resident who does not have a permanent establishment in India or a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and who is notified by the Central Government in the Official Gazette in this behalf.

In case the aforesaid section is applicable, tax shall be deducted at higher of the followings rates:

- (i) twice the rate specified in the relevant provision of the IT Act; or
- (ii) twice the rate or rates in force; or
- (iii) the rate of five per cent.

If provisions of section 206AA and section 206AB of the IT Act are applicable to a specified person, then, tax shall be deducted at higher of the two rates provided under the respective sections of the IT Act.

4.4 Withholding tax on purchase of goods

Section 194Q in the IT Act provides that any person (i.e. buyer) who is responsible for paying any sum to any resident (i.e. seller) for the purchase of any goods (likely to include shares and securities) of the value or aggregate of such value exceeding INR 50 lakhs in any previous year, shall deduct an amount equal to 0.1% of such sum exceeding INR 50 lakhs. The buyer shall be required to deduct such tax at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier.

Further, the term 'buyer' has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the financial year immediately preceding the financial year in which the purchase of goods is carried out.

The section further provides that if any sum is credited to any account, whether called "suspense account" or by any other name, in the books of the buyer liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee (i.e. seller) and the provisions of this section shall apply accordingly.

However, the provisions of section 194Q shall not apply to transactions on which:

- (i) tax is deductible under any of the provision of the IT Act; and
- (ii) tax is collectible under the provisions of section 206C of the IT Act other than transaction to which section 206C(1H) of the IT Act applies.

The CBDT, in order to clarify on the applicability of the provisions of section 194Q of the IT Act on transactions carried through various stock exchanges, issued a circular dated 30 June 2021. Per the said circular, it was clarified that the provisions of section 194Q should not be applicable to transactions in securities traded through recognized stock exchange or cleared and settled by the recognized clearing corporation.

The said circular further clarified that the provisions of section 194Q of the IT Act shall not apply to a non-resident whose purchase of goods from seller resident in India is not effectively connected with the permanent establishment of such non-resident in India. For this purpose, "permanent establishment"

shall mean to include a fixed place of business through which the business of the enterprise is wholly or partly carries on.

The CBDT further issued guidelines to address various issues arising on applicability of the provisions of section 194Q of the IT Act.

4.5 TDS on benefit or perquisite in respect of business or profession

The Finance Act, 2022 has introduced section 194R which provides that any resident person responsible for providing any benefit or perquisite (whether convertible into money or not) arising from carrying out of a business or exercising of a profession by such resident, to another resident, should deduct tax at source at 10% of the value of such benefit or perquisite as specified in the Act, before providing such benefit or perquisite, as the case may be.

4.6 Collection of tax at source

Section 206C(1H) of the IT Act mandates a seller to collect tax at source at the rate of 0.1% of the consideration value of the goods (likely to include shares and securities) sold exceeding value of INR 50 lakhs.

The term 'seller' has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the financial year immediately preceding the financial year in which the sale of goods is carried out.

The seller is not required to collect tax at source under section 206C(1H), if the buyer is liable to deduct tax at source under any other provision of this Act on the goods purchased by him from the seller and has deducted such amount.

The rate at which tax is required to be collected is to increase in specified situations (i.e., non-furnishing of the Permanent Account Number or the Aadhaar number to the seller or non-filing of returns subject to specified conditions).

The CBDT, in order to clarify on its applicability on transactions carried through various stock exchanges, issued a circular dated 29 September 2020. Per the said circular, it is clarified that the provisions of section 206C(1H) should not be applicable to transactions in securities traded through recognized stock exchange or cleared and settled by the recognized clearing corporation.

The CBDT further issued guidelines to address various issues arising on applicability of the provisions of section 206C(1H) of the IT Act.

Applicability of these provisions in the case of cross-border or offshore transactions to be evaluated on a case-to-case basis. Similarly, since these provisions are new and untested, the applicability of the provisions on issue and redemption of units of the Fund needs to be evaluated. Further, the applicability of these provisions w.r.t. shares and securities are required to be tested.

However, as per the Finance Act 2025, the provisions of section 206C(1H) is deleted from 1 April 2025 onwards in order to facilitate ease of doing business and reduce compliance burden on the taxpayers.

4.7 Collection of tax at higher rate

Section 206CC of the IT Act

Section 206CC of the IT Act provides that where any person paying any sum or amount (which is subject to collection of tax at source) does not furnish PAN, then tax is required to be collected by person responsible for collecting such tax at the higher of the following:

- at twice the rate specified in the relevant provision of this IT Act, or
- 5%.

The aforesaid rate of 5% is replaced by 1% in case tax is required to be collected under section 206C(1H) of the IT Act.

Section 206CCA of the IT Act

Section 206CCA of the IT Act deals with collection of tax at higher rates on payments made to non-filers of income-tax returns. The said section applies where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person from a specified person, the tax shall be collected at the higher of the following two rates:

- at twice the rate specified in the relevant provision of the IT Act; or
- 5%.

In this context, the term 'specified person' means a person who has not filed the tax return for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected, for which the time limit of filing return of income under section 139(1) has expired; and the aggregate of tax deducted at source and tax collected at source in his case is INR 50,000 or more in the said previous years. Further, the specified person to not include a non-resident who does not have a permanent establishment in India or a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and who is notified by the Central Government in the Official Gazette in this behalf.

If provisions of section 206CC and section 206CCA of the IT Act are applicable to a specified person, then, tax is required to be collected at higher of the two rates provided under the respective sections of the IT Act.

Further, as per Finance Act 2025, the provision of section 206C(1H) of the IT Act is omitted effective 1 April 2025. Accordingly, the provisions of section 206CC and section 206CCA will also not be applicable to the taxpayers to that extent.

4.8 Tax implications on conversion of convertible debentures and preference share

Conversion of debentures/ preference shares of a company into shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains should arise in the hands of the Scheme on conversion of convertible debentures of a company into equity shares. At the time of transfer of the equity shares received on conversion of convertible debentures/ preference shares, the cost of acquisition of convertible debentures/ preference shares would be deemed to be the cost of acquisition of such equity shares. Further, the period of holding of the equity shares would include the period of holding of the convertible debentures/ preference shares prior to conversion.

4.9 Foreign Portfolio Investors

Per section 2(14) of the IT Act, any investment in securities made by FPIs in accordance with the regulations made under the Securities and Exchange Board of India is treated as a capital asset. Consequently, any income arising from transfer of securities by FPIs are to be treated as capital gains.

Under section 115AD of the IT Act, interest and dividend income earned by FPIs are taxable at 20%. However, interest referred to in section 194LD of the IT Act is taxable at 5% subject to fulfilment of conditions. The benefit of lower rate of withholding is available on interest payable before 1 July 2023. The Finance Act has not extended the timeline. Section 196D is applicable to any interest payable after 1 July 2023.

Per section 196D of the IT Act, no deduction of tax is made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD which is payable to FPI. However, tax shall be deducted under section 196D of the IT Act with respect to interest income (other than referred to in section 194LD of the IT Act) and dividend income at the rate of 20%.

These tax rates are subject to the rates specified in the applicable tax treaties and subject to fulfilment of conditions specified therein and under the IT Act for availing such benefits.

4.10 Tax Treaty Benefits for Non-Resident investors

Per Section 90(2) of the IT Act, the provisions of the IT Act, are applicable to the extent they are more beneficial than the provisions of the Tax Treaty between India and the country of residence of the non-resident investor (subject to General Anti Avoidance Rules ('GAAR') provisions discussed below and to the extent of availability of Tax Treaty benefits to the non-resident investors).

Section 90(1) of the IT Act provides that the Central Government may enter into Tax Treaty for granting relief in respect of income tax, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining

reliefs provided in the said agreement for the indirect benefit of residents of any other country or territory).

Having said the above, it may be noted that no assurance can be provided that the Tax Treaty benefits will be available to the non-resident investors or the terms of the Tax Treaty will not be subject to amendment or reinterpretation in the future. This chapter does not discuss the tax implications

applicable to the non-residents under a beneficial Tax Treaty, which would need to be analysed separately based on the specific facts.

The taxability of such income of the non-resident investors, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, is in accordance with the provisions of the IT Act.

4.11 Tax Residency Certificate ('TRC')

Section 90(4) of the IT Act provides that in order to be eligible to claim the benefits of the treaty, the non-resident Investor should have a TRC issued by the tax authorities of his country of residence and must be renewed on an annual basis.

Further, a non-resident should not be entitled to claim any relief under a tax treaty, unless a TRC, of it being a resident in any country outside India or specified territory outside India, as the case may be, is obtained by it from the government of that country or specified territory. Further, additional documents and information (as may be prescribed) should also be provided, if called upon.

Pursuant to the same, the Central Board of Direct Taxes has issued a notification amending Rule 21AB of the Income-tax Rules, 1962 prescribing the additional information required to be furnished by non-residents along with the TRC in a specified form (Form 10F). Earlier Form 10F was required to be filed with the income-tax authorities in physical form. The CBDT *vide* its notification dated 16 July 2022, mandated that such form should be filled electronically.

The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee;
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- Assessee's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by

the Government of the country or the specified territory of which the assessee claims to be a resident;

- Period for which the residential status, as mentioned in the TRC, is applicable; and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The CBDT has clarified that the additional information prescribed may not be required to be provided if it already forms a part of the TRC.

The assessee (i.e. non-resident) should be required to keep and maintain the documents that are necessary to substantiate the above information. Further, an income-tax authority may ask for the said documents from the assessee in relation to a claim of benefit under the tax treaty.

4.12 Place of effective management:

A non-resident investor is subject to taxation in India only if;

- it is regarded a tax resident of India; or
- being a non-resident in India, it derives (a) Indian-sourced income; or (b) if any income is received/ deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Per Section 6 of the IT Act, a foreign company is treated as a tax resident in India if its place of effective management ('POEM') is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity are, in substance made. In case, the foreign company has a POEM in India, it qualifies as a resident of India for tax purposes and consequently, its worldwide income is taxable in India. In this connection, the CBDT issued a notification dated 22 June 2018, prescribing special provisions regarding taxation of foreign companies which are regarded as residents in India on account of its POEM being in India. Further, the foreign company might also not be entitled to claim the benefits of a Tax Treaty between India and the country of residence of the foreign company.

The CBDT had *vide* its Circular dated 24 January 2017, issued guiding principles for determination of POEM of a Company ('POEM Guidelines'). The POEM guidelines lay down emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM.

The CBDT had *vide* circular dated 23 February 2017, clarified that provisions of Sec 6(3)(ii) relating to POEM do not apply to companies having turnover or gross receipts less than or equal to INR 50 crores during the Financial Year.

4.13 Receipt of any property at a value below fair market value

In case a taxpayer subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the FMV of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as normal income and would be subject to tax in the hands of the company under section 56(2)(viib) of the IT Act.

For the above purposes, the FMV of unquoted equity shares would be determined as per Rule 11UA of the IT Rules.

However, as per Finance Act, 2024 the provision of section 56(2)(viib) has been abolished with effect from 1 April 2024 onwards.

4.14 Transfer of unquoted shares at less than fair market value

As per section 50CA of the IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value ("FMV"), then the FMV should be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The taxability of such capital gains has been discussed above.

The rules for determining the FMV of shares have been prescribed under the IT Rules. As per the IT Rules, the FMV of unlisted equity shares would be based on the book values of assets and liabilities subject to adjustments prescribed in Rule 11UA of the IT Rules, whereas, the FMV of all other shares and securities (other than equity shares) would be based on the market value of such shares and securities as certified by a merchant banker or chartered accountant.

The CBDT *vide* notification no. 42 /2020/F. No.370149/143/2019-TPL dated 30 June 2020 has notified Rule 11UAD which provides that the above provision shall not apply to any consideration received / accruing on transfer from such class of persons and subject to fulfilment of conditions as prescribed.

4.15 Deemed income on investment in securities

Section 56(2)(x) of the IT Act, provides that if any assessee receives any property (including securities) without consideration or for inadequate consideration in excess of INR 50,000 as compared to the Fair Market Value ('FMV'), the FMV in excess of such consideration is taxable in the hands of the recipient as 'Income from Other Sources'.

The CBDT issued rules with revised mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act. As per the IT Rules, the FMV of unlisted equity shares should be based on the book values of assets and liabilities (to be calculated in the manner prescribed), whereas, the FMV of all other shares and securities (other than equity shares) shall be estimated to price it would fetch if sold in the open market on the valuation date and the assessee may obtain a report from a merchant banker or an accountant in respect of such valuation.

As per section 56(2)(x) of the IT Act do not apply to any sum of money or any property received by such class of persons and subject to fulfilment of conditions as may be prescribed.

Such deemed income is chargeable to tax (i) at the rate of 30% in case of resident investors (assuming highest slab rate for resident individual) (ii) at the rate of 35% in case of foreign companies and (iii) at the rate of 30% in case of non-resident (assuming highest slab rate for non-resident individual).

As per the Finance Act, 2025 a reduced tax rate of 25% is applicable to domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the FY 2023-24.

Further, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

Post the Finance Act 2023, the new Tax Regime under section 115BAC of the IT Act is now the Default Tax Regime. Further, Individuals, HUF, AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the IT Act may have an option to pay tax on their total income at the reduced tax rates as per 115BAC in the IT Act. The income would however have to be computed without claiming prescribed deductions or exemptions. The Finance Act, 2025 amended the income-tax slab rates under section 115BAC of the IT Act as tabulated above in paragraph 2.

The above rates would be subject to availability of benefits under the Tax Treaty, if any in case of non-resident investors.

4.16 GAAR:

The GAAR regime as introduced in the IT Act is effective from April 1, 2017. GAAR may be invoked by the tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance as specified under section 97 of the IT Act in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement, or recharacterize or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or recharacterizing any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Reallocating and re-characterizing equity into debt, capital into revenue, etc.
- Disregarding or treating any accommodating party and other party as one and the same person;
- Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The GAAR provisions override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it does not apply, have been enumerated in Rules 10U to 10UC of the Rules. The Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 2017, the CBDT issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause in a Tax Treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

4.17 FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act ('FATCA') provisions and the Common Reporting Standards ('CRS'), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government.

The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May.

The Reporting Financial Institution is expected to maintain and report the following information with respect to each reportable account:

- the name, address, taxpayer identification number [(‘TIN’) (assigned in the country of residence)] and date and place of birth [‘DOB’ and ‘POB’ (in the case of an individual)];
- where an entity has one or more controlling persons that are reportable persons:
 - the name and address of the entity, TIN assigned to the entity by the country of its residence; and
 - the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling

person by the country of his residence;

- account number (or functional equivalent in the absence of an account number);
- account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and Other reportable accounts (i.e. under CRS).

Furthermore, the Finance Act 2023 inserted a new sub-section (2) in the section 271FAA of the IT Act which shall provide that if there is any inaccuracy in the statement of financial transactions submitted by a prescribed reporting financial institution and such inaccuracy is due to false or inaccurate information submitted by the account holder, a penalty of INR 5000 shall be imposable on such institution, in addition to the penalty leviable on such financial institution in the said section, if any. This penalty shall be levied by the income tax authority prescribed under sub-section (1) of section 285BA of the IT Act. The reporting financial institution may recover the amount so paid on behalf of the account holder or retain out of any moneys that may be in its possession or may come to it from every such reportable account holder.

Now, the Finance Act, 2024 amended that with effect from 1 October 2024, the penalty of INR 50,000 will be levied (i) for furnishing inaccurate information in the statement of financial transaction or reportable account, or (ii) for failing to comply with due diligence requirements in said statement under the provisions of section 271FAA of the Act. Also, no penalty will be imposed for any failure, if the assessee proves that there was reasonable cause for such failure.

4.18 Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ('MLI')

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The final impact of the MLI on a Tax Treaty is dependent on both the contracting states to the Tax Treaty having deposited their respective instruments of ratification with their final MLI Positions with the OECD Depositary. The MLI includes both mandatory provisions (i.e. the minimum standards under the BEPS Project) as well as non-mandatory provisions.

India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs. The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax

Treaty. On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Once MLI evolves and is implemented in future, one should need to analyze its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Revenue authorities and applied.

4.19 Provision related to Indirect Transfer

Under the provisions of the IT Act, transfer of shares or interest in an offshore company which derives, directly or indirectly, its value substantially from the assets located in India could be subject to indirect transfer provisions in India.

The IT Act provides a set of circumstances in which income accruing or arising, directly or indirectly, is taxable in India. One of the limbs which provide for such circumstances include income accruing or arising directly or indirectly “through” the transfer of a capital asset situated in India. The expression “through” is clarified to mean “by means of,” “in consequence of” or “by reason of.”

Further, it is clarified that any share or interest in a company or entity registered / incorporated outside India shall be deemed to have been situated in India if the share or interest derives, “directly or indirectly”, its value substantially from the assets located in India (“Indirect Transfer Provisions”).

The Finance Act, 2015 introduced an explanation to clarify that the share or interest of a foreign company or entity shall be deemed to derive its value ‘substantially’ from the assets located in India if on the ‘specified date’, the value of such Indian assets (i) exceeds INR 100 million; and (ii) represents at least 50% of the value of all the assets owned by such foreign company or entity.

The value of assets is to be taken as the fair value of such assets, without reduction liabilities, if any, in respect of the asset.

The ‘specified date’ for the purposes of valuation will be the last date of the accounting period preceding the date of transfer. However, in a situation when the book value of the assets on the date of transfer exceeds the book value of the assets at the end of accounting period preceding the date of transfer by at least 15%, the ‘specified date’ shall be the date of transfer.

Taxability in respect of indirect transfer of shares will be done on proportionate basis i.e. only in respect of value of Indian assets.

Exemption is provided from applicability of indirect transfer provisions for following situations:

- Foreign entity that is transferred directly owns Indian assets - Where the transferor of shares or interest in the foreign entity (along with associated enterprises) does not have the right of control and management over the foreign entity and does not hold more than 5% voting power / share capital / interest in such foreign entity;
- Foreign entity that is transferred indirectly owns Indian assets through another company - Where the transferor of shares or interest in the foreign entity (along with associated enterprises) does not have the right of control and management over the foreign entity and other company and does not hold more than 5% voting power / share capital / interest / in the foreign entity / other company; and
- Transfer of shares or interest in a foreign company under a scheme of amalgamation or demerger, subject to conditions.

As per section 285A of the IT Act, there is a reporting obligation on the Indian entity in a prescribed manner with respect to indirect transfer. Further penalty is levied on the Indian concern through or in which the Indian assets are held by the foreign company, who fails to furnish information or document as required for the purpose of determination of income arising under section 9(1)(i) of the IT Act. The penalty will be equal to 2% of the value of transaction, if such transaction had the effect of direct or indirect transfer of management or control in relation to the Indian concern, and in any other case, the penalty will be INR 500,000.

The CBDT vide a Circular dated March 26, 2015 clarified that the indirect tax provisions are not applicable to dividends declared by a foreign company outside India that does not have the effect of transferring any underlying assets located in India. In light of this Circular, dividend income received by the underlying investors from the offshore entity through which investment was made in AIF shall not fall within the ambit of provisions relating to taxation of indirect transfers.

The Finance Act 2020 made an amendment, pursuant to which the exemption from indirect transfer provisions shall not apply to investors of Category I FPI registered under SEBI Foreign Portfolio Investors Regulations, 2019.

On November 07, 2017, the CBDT has clarified that provisions of Section 9(1)(i) read with Explanation 5 shall not apply to income arising or accruing to non-resident on account of redemption or buyback of its share or interest held indirectly in the specified funds (i.e. venture capital fund, venture capital company, Category I & Category II AIF), if such income accrues or arises from or in consequence of transfer of shares or securities held in India by the specified funds and such income is chargeable to tax in India.

4.20 Minimum Alternate Tax

Per the IT Act, if the income-tax payable on total income by any company is less than 15% (excluding applicable surcharge and health and education cess) of its book profits, the company is required to pay MAT at 15% of such book profits (excluding applicable surcharge and health and education cess).

Further, MAT provisions are not applicable to a foreign company if such foreign company

- is a resident of a country or a specified territory with which India has a Tax Treaty and such foreign company does not have a permanent establishment in India
- is a resident of a country or a specified territory with which India does not have a Tax Treaty and such foreign company is not required to seek registration under any law for the time being in force in relation to companies.

Further, the MAT credit is allowed to be carried forward up to 15 assessment years. The Finance Act, 2017, has introduced the framework for computation of book profit for IndAS compliant companies in the year of adoption and thereafter.

In case where the domestic company opts to be taxed as per the rates and manner prescribed under section 115BAA and section 115BAB of the IT Act, then MAT provisions does not apply to such domestic companies. Also, MAT credit (if any) is not allowed to be carried forward once the company exercises the option to avail reduced tax rates as mentioned above.

4.21 Alternate Minimum Tax

Per the IT Act, if the income-tax payable on total income by any person other than a company is less than the alternate minimum tax, the adjusted total income is deemed to be the total income of that person and he is liable to pay income-tax on such total income at the rate of 18.5% (excluding applicable surcharge and health and education cess). Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Further, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the IT Act.

4.22 Bonus stripping

Where any person buys or acquires any units of a mutual fund or the Unit Trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional units (without any payment) on the basis of holding of the aforesaid units on the record date, and if such person sells or transfers all or any of the original units within a period of nine months after the record date while continuing to hold all or any of the additional units, then any loss arising to him on account of such purchase and sale of all or any of the units is ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored is deemed to be the cost of acquisition of such additional units as are held by him on the date of sale or transfer of original units.

The provisions are also applicable to shares and units of infrastructure Investment Trust or Real Estate Investment Trust or Alternative Investment Funds (AIFs) in the anti-avoidance provisions of the IT Act related to bonus stripping.

4.23 Income Stripping

As per Section 94(1) of the IT Act, where any person owning securities sells or transfers the same or similar securities and buys back or reacquires those securities and the result of the transaction is that any interest becoming payable in respect of the securities is receivable otherwise than by such owner, the said interest payable, whether it would or would not have been chargeable to income tax apart from the provisions of Section 94(1) of the IT Act, would be deemed to be the income of the owner of the securities and not to be the income of any other person subject to certain specified conditions.

As per Section 94(2) of the IT Act, where any person has had at any time during any previous year any beneficial interest in any securities, and the result of any transaction relating to such securities or the income thereof is that, in respect of such securities within such year, either no income is received by him or the income received by him is less than the sum to which the income would have amounted if the income from such securities had accrued from day to day and been apportioned accordingly, then the income from such securities for such year shall be deemed to be the income of such person.

4.24 Carry-forward of losses and other provisions (applicable irrespective of the residential status)

As per the provisions of the IT Act, short term capital loss can be set off against both short term capital gains and long-term capital gains but long-term capital loss can be set off only against long term capital gains. The unabsorbed short term and long-term capital loss can be carried forward for subsequent 8 assessment years.

4.25 Explanation of credits in the financial statements

As per the provisions of section 68 of IT Act, in case the Portfolio Vehicle is unable to explain to the tax authorities the nature and source of share application, share capital, share premium, etc., such amounts may be taxed as income in the hands of the Portfolio Vehicle. In this regard, the Portfolio Vehicle may require certain details from its shareholders.

4.26 Expenditure incurred in relation to income not includible in the total income

As per the provisions of section 14A of the IT Act read with Rule 8D of the Income Tax Rules, 1962, if any income of the taxpayer does not form part of the total income or is exempt under the provisions of the IT Act, then any expenditure incurred by the taxpayer, directly or indirectly, in relation to such income will not be allowed as deduction for the purpose of calculating the total taxable income of the taxpayer.

4.27 Transfer Pricing ('TP') provisions

As per the provisions of the IT Act, any international transaction between two associated enterprises should be subject to transfer pricing provisions under the IT Act. In addition, thereto, there could be

certain transactions with non-associated enterprises which can be deemed to be international transaction where the prescribed conditions are met and subject to transfer pricing provisions.

Non-filing of Transfer Pricing report as well as non-maintenance of Transfer documentation could trigger penalty implications under IT Act.

4.28 Proposed change in the India tax regime

The Government of India intends to replace the current Income-Tax Act, 1961. It has proposed new Income Tax Bill 2025 ('ITB 2025') in consonance with the economic needs of the country. Further, the CBDT issued Press release on 18 March 2025 seeking stakeholder's input for drafting Income-tax Rules and related forms consequent to the ITB 2025. At this stage, the provisions of ITB 2025 are required to be evaluated separately for the Portfolio Manager and its investors.

4.29 STT:

The Scheme is liable to pay STT on the transactions entered on a recognized stock exchange in India. STT is applicable on various transactions as follows:

- (i) 0.10% on the purchase of equity shares in a company and units of business trust on a recognised stock exchange in India where the contract for purchase is settled by the actual delivery or transfer of shares or units;
- (ii) 0.10% on the sale of equity shares in a company or sale of units of a business trust on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of shares or units;
- (iii) 0.001% on the sale of units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of units
- (iv) 0.025% on the sale of equity shares in a company or units of equity oriented funds or units of a business trust on a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of shares or unit;
- (v) 0.0125% on the sale of futures in securities;
- (vi) 0.0625% on the sale of options in securities;
- (vii) 0.125% where the options are exercised;
- (viii) 0.001% on the sale of units of equity oriented fund to the Mutual Fund;
- (ix) 0.2% on sale of unlisted equity shares under an offer for sale;
- (x) 0.2% on sale of unlisted units of a business trust under an offer for sale; and
- (xi) 0.001% on sale or surrender or redemption of a unit of an equity-oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after 1 February 2021.

The Finance Act, 2024 has amended to increase the STT rates with effect from 1st October 2024 for the following categories:

- (i) 0.1% on sale of options in securities; and
- (ii) 0.02% on sale of futures in securities.

4.30 Goods and Services Tax

From July 1, 2017, onwards, India has introduced Goods and Service Tax ('GST'). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST should be applicable on services provided by the Portfolio Manager. GST rate on such services is currently 18%.

13. ACCOUNTING POLICY / VALUATIONS

The Portfolio Manager shall keep and maintain proper books of accounts, records and documents, for each Client so as to explain transactions for each Client and to disclose at any point of time the financial positions of each of the Client and in particular to give a true and fair view of the state of affairs of the Portfolio of each Client.

The valuation methodology for different asset classes would be as stated under:

SR. NO.	ASSET CLASS/ TYPE	METHOD
1.	Listed Equity Shares / REITs	<p>Traded Equity shall be valued at the last quoted closing price on NSE daily. If no trade is reported on NSE on a particular valuation date, securities shall be valued at the last quoted closing price on BSE. If on a valuation day, the security is not traded on either of the exchanges, closing price on any other exchange where the security is traded would be considered.</p> <p>When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE or BSE or any other stock exchange, in that specific sequence, on the previous day and so on shall be considered.</p>
2.	Unlisted Equity Shares / REITs	<p>Unlisted Equity Shares of a company shall be valued based on the International Private Equity and Venture Capital (IPEVC) Valuation guidelines. An independent valuer shall be appointed for the valuation of the said security on a semi-annual basis.</p> <p>When a security is added to the universe for the first time, the security shall be valued at cost of acquisition by the client from the purchase date till the next independent valuation date. In case of an existing security, the last valuation available in the system shall be considered.</p>

SR. NO.	ASSET CLASS/ TYPE	METHOD
3.	Futures and Options	Valued at the settlement price of the day on the respective exchange where it has traded.
4.	Rights Issue	<p>There would be no valuation of Rights Entitlement from Ex Rights date till the exercise of Rights Shares. Where renunciations are being listed & traded, the rights entitlement should be valued at the renunciation value. Upon making the application, the shares applied (against rights entitlement) shall be valued at closing price on stock exchange. Application for additional shares, if any, will be valued at cost.</p> <p>Post allotment, if the shares acquired as part of rights issue are traded separately, then the closing price shall be used for valuation. Where these shares are not treated pari passu with the existing shares, suitable adjustment should be made to the value of these shares.</p> <p>If the shares acquired as rights are non-traded shares or unlisted shares, these shall be valued by an independent valuer.</p>
5.	Corporate Actions	<p>Demerger: If both the shares are traded immediately on de-merger, both the shares are valued at last quoted closing price of respective stocks. If shares of only one company continue to be traded on de-merger, traded shares shall be valued at last quoted closing price of the respective exchanges and the other security is to be valued at last quoted closing price on the day before the demerger less opening value of the shares of de-merged company immediately post de merger.</p> <p>Merger/Amalgamation/Scheme of Arrangement: Until the shares of the resulting Company commence trading, value of the shares will be decided on a case-to-case basis depending on the terms of merger/amalgamation/scheme of arrangement. In case of a complex situation, an independent valuer may be engaged as required as per the discretion of CIO, AWMPL and in his absence CEO, AWMPL.</p> <p>Shares tendered for Buyback / Open Offer: Valued at the closing price on the respective Stock Exchange. On acceptance of offer from the Company, the quantity accepted would be removed from holding by way of sale entry.</p> <p>Dividend: Dividend income shall be accrued on the date of the security being quoted on an ex-dividend basis. For unlisted investments, dividend income would be recognized on the date of receipt.</p>

SR. NO.	ASSET CLASS/ TYPE	METHOD
		<p>Bonus:</p> <p>Bonus units shall be accrued on the date of the security being quoted on an ex-bonus basis. For unlisted investments, bonus units would be recognized on the date of receipt.</p>
6.	Valuation of Debt Securities (including Money Market, Government Securities, SGBs, Unlisted Debt)	<p>Valued at security level prices obtained from Independent Valuer (valuation agencies) daily.</p> <p>In case security level prices given by Independent Valuer (valuation agencies) are not available for a new security then such security may be valued at cost of acquisition on the date of allotment / purchase.</p> <p>Capital Gains Bond, also known as Sec 54 EC Bonds, shall be valued at cost (face value).</p>
7.	Bank Fixed Deposits	Bank Fixed Deposits will be valued on cost plus accrual basis.
8.	Debentures (ELDs / MLDs)	<p>Prices will be sourced from publicly available value of the securities as published by valuation agencies or issuer on their respective websites at a frequency of once a month. In case of new security / primary issuance, the security will be valued at cost till such valuation is received.</p>
9.	Domestic Mutual Fund Units / Exchange Traded Funds (ETFs)	Units of Mutual Funds / ETFs shall be valued based on the latest declared NAV per unit by the respective fund houses daily.
10.	Third Party Products	<p>Third-party products including AIF managed by various Investment Managers shall be valued as per the valuation provided by the manufacturer as soon as received. If the latest valuation is not available, the same will be valued at last available price.</p>

NOTES:

- a) First In First Out (FIFO) method shall be followed to determine the holding cost of investments and profit / loss on sale of investments except third party products.
- b) In case a portfolio is brought by the client as Corpus-In, the value of listed securities shall be derived based on above mentioned methodology and the value of unlisted securities shall be determined based on cost of acquisition as may be available or provided by the client. In absence of the cost, the unlisted security shall be valued at face value. The cost of investments shall include all such costs incurred (if available) for effecting such purchase.
- c) A detailed valuation policy is also available on our website <https://www.avendus.com/Upload/Misc/awm-valuation-policy.pdf>.
- d) The above policy would at all times be subject to methodologies prescribed under the SEBI (PMS Regulations), 2020.

14. INVESTOR SERVICES

A. Contact information

Name, address and telephone number of the investor relations officers who shall attend to the investor queries and complaints.

Name : Ms. Palak Furia, Compliance Officer
Address : Aventus Wealth Management Private Limited
901, Platina, 9th Floor, Plot No. C-59,
Bandra Kurla Complex, Bandra (E),
Mumbai-400 051, India
Tel: +91 22 6648 1295
Email: awmplig@avendus.com

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that these officials are vested with the necessary authority, independence, and the wherewithal to handle investor complaints.

For operational queries or other issues, you may also write to AWMcare@avendus.com

B. Grievance Redressal and Dispute Settlement Mechanism

The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms:-

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with and subject to the provisions of The Arbitration and Conciliation Act 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit. The Arbitration proceedings shall be conducted in English.

Client can also login on SCORES (SEBI Grievances handling website) and register his/her complaints, if any, against the Portfolio Manager on <https://scores.sebi.gov.in/>

After exhausting all aforementioned options for resolution, if the client is not satisfied with the outcome, they can initiate dispute resolution through the Online Dispute Resolution Portal (ODR) at <https://smartodr.in/login>, subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force.

15. DETAILS OF INVESTMENTS IN THE SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER.

Sr. No	Related parties or associates	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
Refer Annexure C					

16. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER.

The Portfolio Manager offers Discretionary and Non-Discretionary Services, the diversification of the portfolio will be carried out in accordance with the requirements of the client and as per Investment approach selected by the client.

17. GENERAL

The Portfolio Manager and the client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement, subject to SEBI (Portfolio Management Services) Regulations, 2020.

Approved by the Directors of Aventus Wealth Management Private Limited

SR. No.	Name of the Director	Signature
1	Mr. Apurva Sahijwani	
2	Mr. Kaushal Kumar Aggarwal	

Date: May 30, 2025

Place: Mumbai

Annexure A

Following are the Investment Approaches for non-discretionary portfolio management services. These Investment Approaches are in line with the SEBI circular No. SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022, and further updates received from SEBI and the Association of Portfolio Managers in India.

Strategy 1: Equity

Investment Approach name	Managed Direct Equity - Diversified
IA Code	Equity 001
Investment Objective	Investment objective is to achieve long term capital appreciation by investing in stocks of strong businesses that can provide superior return on investment (aims to generate absolute returns over 2-5 years investment timeframe)
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs, REITs, InvITs etc.) Fixed Income Securities (Including listed bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. (used for temporary deployment of cash)
Basis of selection of such types of securities as part of the investment approach	Based on fundamental research
Allocation of portfolio across types of securities	Equity & Equity Related Securities: 0 - 100% Fixed Income Securities: 0 - 100%
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 TRI - As portfolio may be diversified across market caps, a diversified benchmark is chosen
Indicative tenure or investment horizon for each investment allocation	2-5 Years
Risk associated with Investment Approach	Risk of underperformance vs benchmark, loss of capital, liquidity & credit risk

Investment Approach name	Diversified Equity – Diversified
IA Code	Equity 002

Investment Objective	Investment objective is to achieve long term capital appreciation by investing in equity instruments
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs, REITs, InvITs etc), units of mutual funds and AIFs Fixed Income Securities (Including listed bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. (used for temporary deployment of cash)
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Equity & Equity Related Securities: 0 - 100% Fixed Income Securities: 0 - 100%
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 TRI - As underlying portfolio may be diversified across market caps, a diversified benchmark is chosen
Indicative tenure or investment horizon for each investment allocation	3-5 Years
Risk associated with Investment Approach	Risk of underperformance vs benchmark, loss of capital, liquidity & credit risk

Investment Approach name	NDPMS AI Managed Direct Equity - Diversified
IA Code	Equity 003
Investment Objective	Investment objective is to achieve long term capital appreciation by investing in stocks of strong businesses that can provide superior return on investment (aims to generate absolute returns over 2-5 years investment timeframe)
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs, REITs, InvITs etc.) Fixed Income Securities (Including listed bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. (used for temporary deployment of cash)
Basis of selection of such types of securities as part	Based on fundamental research

of the investment approach	
Allocation of portfolio across types of securities	Equity & Equity Related Securities: 0 - 100% Fixed Income Securities: 0 - 100%
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 TRI - As portfolio may be diversified across market caps, a diversified benchmark is chosen
Indicative tenure or investment horizon for each investment allocation	2-5 Years
Risk associated with Investment Approach	Risk of underperformance vs benchmark, loss of capital, liquidity & credit risk

Strategy 2: Debt

Investment Approach name	Ultra Conservative
IA Code	Debt 001
Investment Objective	Investment objective is to protect capital and generate stable returns through accrual by investing in fixed income instruments
Description of Type of Security	Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Bonds are selected based on fundamental research (covering sector, management, ownership, governance, and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 0-100%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index - Underlying securities could be mix of debt instruments of various tenors
Indicative tenure or investment horizon for	0-3 years

each investment allocation	
Risk associated with Investment Approach	Liquidity risk, interest rate risk, credit risk, reinvestment risk

Investment Approach name	Conservative
IA Code	Debt 002
Investment Objective	Investment objective is to protect capital and generate stable returns through accrual by investing in fixed income instruments
Description of Type of Security	Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Bonds are selected based on fundamental research (covering sector, management, ownership, governance, and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 0-100%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index - Underlying securities could be mix of debt instruments of various tenors & credit ratings
Indicative tenure or investment horizon for each investment allocation	>1 year
Risk associated with Investment Approach	Liquidity risk, interest rate risk, credit risk, reinvestment risk

Investment Approach name	Moderate
IA Code	Debt 003
Investment Objective	Investment objective is to protect capital and generate stable returns by investing in fixed income instruments which may entail some credit & duration risk.

Description of Type of Security	Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Bonds are selected based on fundamental research (covering sector, management, ownership, governance, and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 0-100%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index - Underlying securities could be mix of debt instruments of various tenors & credit ratings
Indicative tenure or investment horizon for each investment allocation	>2 years
Risk associated with Investment Approach	Liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital

Strategy 3: Hybrid

Investment Approach name	Conservative
IA Code	Hybrid 001
Investment Objective	Investment objective is mainly to preserve capital. Hence only a small portion is allocated to growth assets through Equity oriented instruments. Majority of the allocation is made to income generating assets through fixed income instruments.
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)

Allocation of portfolio across types of securities	Fixed Income Securities: 80-100% Equity & Equity Related Securities: 0-20%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Hybrid 50+50 - Moderate Index: Portfolio is a combination of Fixed Income & Equity instruments; hence a hybrid index is chosen
Indicative tenure or investment horizon for each investment allocation	3-5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> Fixed Income related risk - Liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital Equity related risk - price risk, loss of capital

Investment Approach name	Moderate
IA Code	Hybrid 002
Investment Objective	Investment objective is to have some capital appreciation and stable income generation by investing in both fixed income & equity assets. However, share to fixed income assets will be higher.
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 60-80% Equity & Equity Related Securities: 20-40%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Hybrid 50+50 - Moderate Index: Portfolio is a combination of Fixed Income & Equity instruments; hence a hybrid index is chosen
Indicative tenure or investment horizon for	3-5 Years

each investment allocation	
Risk associated with Investment Approach	<ul style="list-style-type: none"> Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital Equity related risk - price risk, loss of capital

Investment Approach name	Balanced
IA Code	Hybrid 003
Investment Objective	Investment objective is to have a balance between debt for income generation & equity for growth of capital. Portfolio aims to achieve capital growth over the medium to long term.
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 40-60% Equity & Equity Related Securities: 40-60%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Hybrid 50+50 - Moderate Index: Portfolio is a combination of Fixed Income & Equity instruments; hence a hybrid index is chosen
Indicative tenure or investment horizon for each investment allocation	3-5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital Equity related risk - price risk, loss of capital

Investment Approach name	Growth
IA Code	Hybrid 004

Investment Objective	Investment objective is to focus on wealth accumulation over time through price appreciation, rather than income generation. Portfolio could have price volatility risk associated with higher equity exposure in order to achieve higher growth.
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 20-40% Equity & Equity Related Securities: 60-80%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Hybrid 50+50 - Moderate Index: Portfolio is a combination of Fixed Income & Equity instruments; hence a hybrid index is chosen
Indicative tenure or investment horizon for each investment allocation	>5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital Equity related risk - price risk, loss of capital

Investment Approach name	Aggressive
IA Code	Hybrid 005
Investment Objective	Investment objective is to achieve above average growth over time with little focus on income generation. Portfolio could have higher levels of risk. There can be wide variance in results from one year to the other in pursuit of longer-term goals. Fluctuation in capital is for the greater potential of wealth accumulation.
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc.

	<ul style="list-style-type: none"> Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 0-20% Equity & Equity Related Securities: 80-100%
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Hybrid 50+50 - Moderate Index: Portfolio is a combination of Fixed Income & Equity instruments; hence a hybrid index is chosen
Indicative tenure or investment horizon for each investment allocation	>5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital Equity related risk - price risk, loss of capital

Strategy 4: Multi-Asset

Investment Approach name	Conservative
IA Code	Multi-Asset 001
Investment Objective	Investment objective is mainly to preserve capital. Hence only a small portion is allocated to growth assets through Equity oriented instruments. Majority of the allocation is made to income generating assets through fixed income instruments.
Description of Type of Security	<ul style="list-style-type: none"> Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. Alternate Assets including <ol style="list-style-type: none"> REITs & InvITs Gold or Silver or any other commodity based Mutual fund units, ETFs, Sovereign Gold Bonds, having a pay off on commodities Units of AIFs (Category I, II, III)

Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities : 80-100% Equity & Equity Related Securities: 0-20% Alternate Assets: 0-10%
Appropriate benchmark to compare performance and basis for choice of benchmark	NSE Multi Asset Index 2: Portfolio is a combination of Fixed Income & Equity instruments, and can also have some allocation alternate assets like REITs, InvITs, Gold, Silver, hence a Multi-Asset index is chosen
Indicative tenure or investment horizon for each investment allocation	3-5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> • Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital • Equity related risk - price risk, loss of capital • Alternate Assets Risks - price risk, risk of reduction in distributable surplus, loss of capital, underperformance risk, cyclical performance risk

Investment Approach name	Moderate
IA Code	Multi-Asset 002
Investment Objective	Investment objective is to have some capital appreciation and stable income generation by investing in both fixed income & equity assets. However, share to fixed income assets will be higher.
Description of Type of Security	<ul style="list-style-type: none"> • Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. • Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. • Alternate Assets including <ul style="list-style-type: none"> a) REITs & InvITs b) Gold or Silver or any other commodity based Mutual funds units, ETFs, Sovereign Gold Bonds, having a pay off on commodities c) Units of AIFs (Category I, II, III)

Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 60-80% Equity & Equity Related Securities: 20-40% Alternate Assets: 0-10%
Appropriate benchmark to compare performance and basis for choice of benchmark	NSE Multi Asset Index 2: Portfolio is a combination of Fixed Income & Equity instruments, and can also have some allocation alternate assets like REITs, InvITs, Gold, Silver, hence a Multi-Asset index is chosen
Indicative tenure or investment horizon for each investment allocation	3-5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> • Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital • Equity related risk - price risk, loss of capital • Alternate Assets Risks - price risk, risk of reduction in distributable surplus, loss of capital, underperformance risk, cyclical performance risk

Investment Approach name	Balanced
IA Code	Multi-Asset 003
Investment Objective	Investment objective is to have a balance between debt for income generation & equity for growth of capital. Portfolio aims to achieve capital growth over the medium to long term.
Description of Type of Security	<ul style="list-style-type: none"> • Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. • Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. • Alternate Assets including <ul style="list-style-type: none"> a) REITs & InvITs b) Gold or Silver or any other commodity based Mutual funds units, ETFs, Sovereign Gold Bonds, having a pay off on commodities c) Units of AIFs (Category I, II, III)

Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 40-60% Equity & Equity Related Securities: 40-60% Alternate Assets: 0-20%
Appropriate benchmark to compare performance and basis for choice of benchmark	NSE Multi Asset Index 2: Portfolio is a combination of Fixed Income & Equity instruments, and can also have some allocation alternate assets like REITs, InvITs, Gold, Silver, hence a Multi-Asset index is chosen
Indicative tenure or investment horizon for each investment allocation	3-5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> • Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital • Equity related risk - price risk, loss of capital • Alternate Assets Risks - price risk, risk of reduction in distributable surplus, loss of capital, underperformance risk, cyclical performance risk

Investment Approach name	Growth
IA Code	Multi-Asset 004
Investment Objective	Investment objective is to focus on wealth accumulation over time through price appreciation, rather than income generation. Portfolio could have price volatility risk associated with higher equity exposure in order to achieve higher growth.
Description of Type of Security	<ul style="list-style-type: none"> • Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. • Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. • Alternate Assets including <ul style="list-style-type: none"> a) REITs & InvITs b) Gold or Silver or any other commodity based Mutual funds units, ETFs, Sovereign Gold Bonds, having a pay off on commodities c) Units of AIFs (Category I, II, III)

Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 20-40% Equity & Equity Related Securities: 60-80% Alternate Assets: 0-20%
Appropriate benchmark to compare performance and basis for choice of benchmark	NSE Multi Asset Index 2: Portfolio is a combination of Fixed Income & Equity instruments, and can also have some allocation alternate assets like REITs, InvITs, Gold, Silver, hence a Multi-Asset index is chosen
Indicative tenure or investment horizon for each investment allocation	>5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> • Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital • Equity related risk - price risk, loss of capital • Alternate Assets Risks - Price risk, risk of reduction in distributable surplus, loss of capital, underperformance risk, cyclical performance risk

Investment Approach name	Aggressive
IA Code	Multi-Asset 005
Investment Objective	Investment objective is to achieve above average growth over time with little focus on income generation. Portfolio could have higher levels of risk. There can be wide variance in results from one year to the other in pursuit of longer-term goals. Fluctuation in capital is for the greater potential of wealth accumulation.
Description of Type of Security	<ul style="list-style-type: none"> • Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. • Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. • Alternate Assets including <ul style="list-style-type: none"> a) REITs & InvITs b) Gold or Silver or any other commodity based Mutual funds units, ETFs, Sovereign Gold Bonds, having a pay off on commodities

	c) Units of AIFs (Category I,II, III)
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Fixed Income Securities: 0-20% Equity & Equity Related Securities: 80-100% Alternate Assets: 0-20%
Appropriate benchmark to compare performance and basis for choice of benchmark	NSE Multi Asset Index 2: Portfolio is a combination of Fixed Income & Equity instruments, and can also have some allocation alternate assets like REITs, InvITs, Gold, Silver, hence a Multi-Asset index is chosen
Indicative tenure or investment horizon for each investment allocation	>5 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> • Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital • Equity related risk - price risk, loss of capital • Alternate Assets Risks - Price risk, risk of reduction in distributable surplus, loss of capital, underperformance risk, cyclical performance risk

Investment Approach Name	Plus
IA Code	Multi-Asset 006
Investment Objective	Investment objective is to achieve above average growth/income over time. Portfolio could have higher levels of risk. There can be wide variance in results from one year to the other in pursuit of longer-term goals. Fluctuation in capital is for the greater potential of wealth accumulation.
Description of Type of Security	<ul style="list-style-type: none"> • Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc. • Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. • Alternate Assets including listed or unlisted* – <ul style="list-style-type: none"> ○ REITs & InvITs ○ Gold or Silver or any other commodity based Mutual funds units, ETFs, Sovereign Gold Bonds, having a pay off on commodities

	<ul style="list-style-type: none"> ○ Units of AIFs (Category I,II, III) • Any other securities as allowed under SEBI Portfolio Manager regulation and amendments thereof <p>*Investment in unlisted securities are subject to regulatory restrictions</p>
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	<p>Equity & Equity Related Securities: upto 100%</p> <p>Fixed Income Securities: upto 100%</p> <p>Alternate Assets: upto 100%</p> <p>Unlisted Securities: upto 25%</p>
Appropriate benchmark to compare performance and basis for choice of benchmark	NSE Multi Asset Index 2: Portfolio is a combination of Fixed Income & Equity instruments, and can also have some allocation of alternate assets like REITs, InvITs, Gold, Silver, hence a Multi-Asset index is chosen
Indicative tenure or investment horizon for each investment allocation	>1 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> • Equity related risk - price risk, loss of capital • Fixed Income related risk - liquidity risk, interest rate risk, credit risk, reinvestment risk, loss of capital • Alternate Assets Risks - Price risk, risk of reduction in distributable surplus, loss of capital, underperformance risk, cyclical performance risk

Investment Approach Name	NDPMS AI
IA Code	Multi-Asset 007
Investment Objective	Investment objective is to achieve above average growth/income over time. Portfolio could have higher levels of risk. There can be wide variance in results from one year to the other in pursuit of longer-term goals. Fluctuation in capital is for the greater potential of wealth accumulation.
Description of Type of Security	<ul style="list-style-type: none"> • Equity & Equity Related Securities (Including ETFs), units of mutual funds, units of Equity AIFs etc.

	<ul style="list-style-type: none"> Fixed Income Securities (Including listed & unlisted bonds & debentures, ETFs), units of fixed income mutual funds, fixed deposits etc. Alternate Assets including listed or unlisted – <ul style="list-style-type: none"> REITs & InvITs Gold or Silver or any other commodity based Mutual funds units, ETFs, Sovereign Gold Bonds, having a pay off on commodities Units of AIFs (Category I,II, III) Unlisted securities Any other securities as allowed under SEBI Portfolio Manager regulation and amendment thereof.
Basis of selection of such types of securities as part of the investment approach	Selection process that analyses each fund based on qualitative parameters (pedigree of fund manager, team size, team quality, governance etc.) & quantitative parameters (like past performance, risk, AUM, expense charged, exit loads etc.). Stocks and bonds are selected based on fundamental research (covering sector, management, ownership, governance and business metrics)
Allocation of portfolio across types of securities	Equity & Equity Related Securities: upto 100% Fixed Income Securities: upto 100% Alternate Assets: upto 100% Unlisted funds & Securities: upto 100%
Appropriate benchmark to compare performance and basis for choice of benchmark	NSE Multi Asset Index 2: Portfolio is a combination of Fixed Income & Equity instruments, and can also have some allocation of alternate assets like REITs, InvITs, Gold, Silver, hence a Multi-Asset index is chosen
Indicative tenure or investment horizon for each investment allocation	>2 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> Equity related risk - Price risk, Loss of capital, Liquidity risk Fixed Income related risk - Liquidity risk, Interest Rate risk, Credit risk, Reinvestment risk, Loss of capital Alternate Assets related risks - Price risk, Risk of reduction in distributable surplus, Loss of capital, Underperformance risk, Cyclical performance risk

Note: Each Investment Approach listed above has defined indicative asset allocations to achieve the stated objective. However, the portfolio manager may or may not be able to deploy funds as per the defined asset allocation immediately at inception due to various factors such as economic outlook,

interest rate movements, investee company outlook, etc. The asset allocation may be achieved over a reasonable period of time subject to the discretion of the client.

Annexure B

Following are the Investment Approaches for discretionary portfolio management services. These Investment Approaches are in line with the SEBI circular No. SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022, and further updates received from SEBI and the Association of Portfolio Managers in India.

Investment Approach Name	Gems
IA Code	DPMS_01
Investment Objective	Investment objective is to achieve long term capital appreciation by investing in stocks of strong businesses that can provide superior return on investment [Aim to generate an alpha over 1-3 years investment timeframe].
Description of Type of Security	<ul style="list-style-type: none"> • Equity & Equity Related Securities (Including ETFs, REITs, InvITs etc.) • Fixed Income Securities (Including ETFs, units of liquid/overnight funds) for temporary deployment of cash • Invest in Options for the sole purpose of hedging
Basis of selection of such types of securities as part of the investment approach	<ul style="list-style-type: none"> • Fundamental Research • Technical Analysis
Allocation of portfolio across types of securities	Equity & Equity Related Securities: 0 - 100% Fixed Income Securities: 0 - 100% Option for hedging : 0 – 20%
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 TRI - As portfolio may be diversified across market caps, a diversified benchmark is chosen
Indicative tenure or investment horizon for each investment allocation	2-3 Years
Risk associated with Investment Approach	<ul style="list-style-type: none"> • Risk of underperformance vs benchmark, loss of capital, liquidity & credit risk

Annexure C
As on March 31, 2025

Sr. No	Related parties or associates	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	% of Grand Total
NIL					