Sanjay Rane & Associates LLP

CHARTERED ACCOUNTANTS

Phone : +91 (22) 4919 8585
Email : admin@ssrane.net
Website : www.ssraneandco.com
LLP IN : ABZ-0863

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, 2023 and other documents/ records furnished by the company based on such verification of the information and explanations given to us, we certify that the disclosures made in this addendum dated April 12, 2024 to the disclosure document dated March 20, 2024 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

Abhijeet Arun Deshmukh
Digitally signed by Abhijeet Arun Deshmukh
Date: 2024.04.12 14:53:41 +05'30'

CA Abhijeet Deshmukh
Partner
Membership No: 129145

Place: Mumbai
Date: April 12, 2024

UDIN: 24129145BKAJQU8681

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA

(PORTFOLIO MANAGERS) REGULATIONS, 2020

(Regulation 22)

Portfolio Manager: Avendus Wealth Management Private Limited

Date: -April 12, 2024

We confirm that:

I. This addendum to the Disclosure Document forwarded to the SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the SEBI from time to time.

II. the disclosures made in this addendum to the Disclosure 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. This addendum to 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 April 12, 2024. A copy of the certificate issued by the said Chartered Accountant certifying the disclosures made in this addendum to the Disclosure Document is enclosed with this letter.

For **Avendus Wealth Management Private Limited**

Saurabh Rungta

Saurabh Rungta
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 1404
Fax no: +91 22 6648 1440
Email address: saurabh.rungta@avendus.com

ADDENDUM

Addition of Investment Approach

On account of addition of Investment Approach, this addendum is in addition to the contents of Section IV- Details of the Services being offered, Non-Discretionary services, Annexure A of the Disclosure Document dated March 20, 2024, of the Portfolio Manager.

Below are the details of Investment approach:

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	• 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* –
	  o REITs & InvITs
	  o Gold or Silver or any other commodity based Mutual funds units, ETFs, Sovereign Gold Bonds, having a pay off on commodities
	  o Units of AIFs (Category I,II, III)
	• Any other securities as allowed under SEBI Portfolio Manager regulation and amendments thereof
	
	*Investment in unlisted securities are subject to regulatory restrictions

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 Securities: upto 25%
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	• 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

This addendum will form an integral part of the Disclosure Document and all other documentation of Portfolio Management Services. All other terms & conditions of the Disclosure Document and other documents read with other addendums if any remain unchanged.

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Sanjay Rane & Associates LLP

CHARTERED ACCOUNTANTS

Phone : +91 (22) 4919 8585
Email : admin@ssrane.net
Website : www.ssraneandco.com
LLP IN : ABZ-0863

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, 2023 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 February 29 2024 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

Abhijeet Arun Deshmukh
Digitally signed by Abhijeet Arun Deshmukh
Date: 2024.03.20 19:32:43 +05'30'

CA. Abhijeet Deshmukh
Partner
Membership No: 129145

Place: Mumbai
Date: March 20, 2024

UDIN: 24129145BKAJQF5011

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA

(PORTFOLIO MANAGERS) REGULATIONS, 2020

(Regulation 22)

Portfolio Manager: Avendus Wealth Management Private Limited

Date: - March 20, 2024

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 March 20 , 2024. 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, IndiaTel 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.

CONTENTS

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;

Explanation.—For the purposes of this clause,—

(a) the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;

(b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;]

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 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 Avendus 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; any body corporate whose board of directors, managing director or manager

(vi) 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 Avendus Capital Private Limited commenced its Wealth Management Business as a division of Avendus 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 Avendus Capital Private Limited had transferred the Wealth Management Business into a separate subsidiary wholly owned by Avendus Capital Private Limited named Avendus Wealth Management Private Limited 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. The Portfolio Manager also acts as an Investment manager to a Category III Alternative Investment Fund i.e. Avendus Equity Opportunities Fund which is registered with SEBI and is an AMFI-registered Mutual Fund Distributor with ARN 86906.

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

A. Promoters

The Portfolio Manager is a subsidiary of Avendus Capital Private Limited ('ACPL). Mr. Ranu Vohra, Mr. Kaushal Kumar Aggarwal and Mr. Gaurav Deepak are the promoters of Avendus Capital Private Limited, who collectively hold 17.14% of the equity (voting) share capital and 16.65% of the equity (voting+ non-voting) share capital of ACPL as on March 31, 2023 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 Avendus Wealth Management Private Limited (Portfolio Manager)

- **MR. GAURAV DEEPAK, DIRECTOR**

Mr. Gaurav Deepak, 49 years, is a Director of the Portfolio Manager and designated as Managing Director by the Board of Directors w.e.f. August 1, 2023. He is also a Co-founder and Director of Avendus Capital Private Limited. Gaurav spearheads Avendus' 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 18 years of global experience in investment banking and is based in Mumbai.

Prior to co-founding Avendus, 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, 50 years, oversees the credit solutions and wealth management businesses at Avendus. He was also instrumental in creating the investment banking business for the firm and has over 20 years of global experience in financial services. He is based in Mumbai.

Prior to co-founding Avendus, 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 Avendus, 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**

  Mr. Saurabh Rungta is a qualified Chartered Accountant and holds a Master's degree in Commerce.

  He is a trading and investment professional with around 20 years of experience across multiple asset classes in both Indian as well as offshore markets.

  Prior to joining Avendus Wealth Management Private Limited, he was Senior Managing Partner and Chief Investment Officer for Nuvama Wealth Management Ltd from October 2018 to November 2023. He was associated with Kotak Wealth Management as Head of Products from June 2012 to September 2018. Mr. Rungta was also the Head of International Products at IIFL Wealth Management between February 2010 to May 2012 where he helped in setting up their international investment platform. His earlier stints were with the ICICI Group and Citi group.

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

  He is based in Mumbai, has 25 years of rich experience in Institutional equities/ Portfolio Management.

  At Avendus, Anirudh heads the Equities Advisory desk where his primary responsibility includes expanding the NDPMS Direct Equities offering for clients.

  Prior to joining Avendus 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 Bachelor's in Business Studies (BBS) from Delhi University and holds a Master of Finance & Control (MBA - Finance.) degree from Delhi University.

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

  Shravan Sreenivasula has completed a post-graduation program in Management from ISB - Hyderabad and a B. Tech. from IIT - Kharagpur. He is also a CFA Charter holder. He has experience of over 20 years out of which 14 years are in Wealth and Asset management businesses.

  At Avendus, 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 joining Avendus in 2018, 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.

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

Ashish Parmar has completed master's in financial management from Mumbai University. He has experience of over 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 Avendus 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, 2023

The details of the key entities of Avendus 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	Avendus Capital Private Limited (ACPL)	901, Platina, 9th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel2 :-+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	Avendus Finance Private Limited	901, Platina, 9th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel2 :-+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 in addition to Central Depository Services Limited.	Gaurav Deepak and Kaushal Kumar Aggarwal are common directors of the Company	Wholly owned subsidiary of Avendus 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
3	Avendus Capital INC. (Avendus US)	445 Park Avenue, 19th Floor, New York, NY 10022 call+1 646 707 0789	Avendus US is registered with Financial Industry Regulatory Authority in the US and provides investment banking services. In addition, Avendus US is also registered with the State Securities Boards of New York, New Jersey, California and Texas to act as a Registered Investment Advisor. It is a registered Broker Dealer in US.	No common Director	Subsidiary of Avendus Capital Private Limited
4	Avendus Capital Public Markets Alternate Strategies LLP (ACPMAS LLP)	901, Platina, 9th 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 and provides discretionary Portfolio Management Services under SEBI (Portfolio Managers) Regulations, 2020.	No common Director	Wholly owned subsidiary of Avendus Capital Private Limited
5	Spark Institutional Equities Private Limited (Considered after 19th December 2022 only as that is the acquisition date)	901, Platina, 9th 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	Wholly owned subsidiary of Avendus Capital Private Limited
6	Avendus PE Investment Advisors Private Limited (APE)	901, Platina, 9th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel :- +91 22 66480050	APE acts as an Investment Manager to Category II Alternative Investment Fund registered under SEBI (Alternative Investment Funds) Regulations, 2012.	No common Director	Wholly owned Subsidiary of Avendus Capital Private Limited
7	Ocean Dial Asset Management Limited (OD UK)	3rd Floor, 13-14 Buckingham Street, London WC2N 6DF,	OD UK is authorized and regulated by the Financial Conduct Authority, UK for undertaking investment management activity.	No common Director	Wholly owned step down Subsidiary of Avendus 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
		Tel no: +44 20 7068 9873			
8	Ocean Dial Asset Management India Private Limited (ODAMIPL)	901, Platina, 9th Floor, Plot No. C-59, Bandra-Kurla Complex, Bandra East, Mumbai 400051 Tel :- +91 22 66480050	ODAMIPL provides Discretionary Portfolio Management services under SEBI (Portfolio Managers) Regulations, 2020. Pursuant to the Portfolio Management license, the Company also provides investment advisory services to its onshore and offshore associate entities.	No common Director	Wholly owned Subsidiary of Avendus Capital Private Limited
9	Avendus Capital Pte. LTD. (Avendus Singapore)	5 Shenton Way #10-01 UIC Building, Singapore 068808	Avendus Singapore has a Capital Market Services - Fund Management license from Monetary Authority of Singapore.	No common Director	Wholly owned subsidiary of Avendus Capital Private Limited.

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

The Portfolio Manager offers Portfolio Management services under Non-Discretionary, 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.

- **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. Avendus 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 on-boarded directly, without intermediation of persons engaged in distribution services.

At the time of on boarding of clients directly, 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.

SEBI has vide letter dated August 4, 2023, issued administrative warning pursuant to inspection of PMS activities of Avendus Wealth Management Private Limited.

(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 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. Under the Non-Discretionary Portfolio Management Agreement and other documents, the 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 investment 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 investment 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.

Exculpation and Indemnification:
Each Investor is required to indemnify the Portfolio Manager, its affiliates, its and their directors, employees, agents, and representatives ("Indemnified Persons") for any tax and indemnification obligations as listed out in the Material Documents. The Non-Discretionary Portfolio Management Agreement provides for indemnification of the Indemnified Persons by the Investor for any, and all actions, suits, proceedings, claims, damages, settlement payments, losses and liabilities arising in connection with the Non-Discretionary 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, Avendus Wealth Management Private Limited, Avendus Capital Private Limited, and their respective affiliates and associates (together hereinafter referred to as "**Avendus**") 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 Avendus, the Portfolio Manager, or their respective parents, subsidiaries, or affiliates. From time to time, the Avendus 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

Avendus has, and continues to seek to develop, financial and advisory relationships with numerous Indian and non-Indian companies and governments. Avendus also advises and represents potential buyers and sellers of businesses worldwide. Certain clients of Avendus may invest in entities in which Avendus holds an interest, including, without limitation, the Portfolio, and in providing services to its clients, any member of Avendus 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.
Avendus 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 Avendus entity will be required to offer co-investment opportunities in these or other circumstances. Such relationships could influence Avendus entities to take actions, or forbear from taking actions, which an independent Portfolio Manager might not take or forbear from taking. An Avendus entity may give advice, and take action, with respect to any of Avendus' 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 averse 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 Avendus 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

Avendus 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 Avendus.

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/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* it's 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 Avendus 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, 2022, 2023 to January 31, 2024

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 Non-Discretionary portfolio management services.

(i) Details of Clients are as below:

Category of Clients	Discretionary / Non Discretionary / Advisory	29-Feb-24		31-Mar-23		31-Mar-22		31-Mar-21	
		No. of clients	Funds Managed (Rs. Cr.)	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	305	7735.08	327	4300.45	297	3262.19	303	2480.07
	Discretionary	0	0	0	0	114	303.63	134	263.88
	Advisory	0	0	0	0	3	15.51	3	31.04
Non Resident Indian	Non-Discretionary	14	100.48	18	111.25	17	41.81	18	49.17
	Discretionary	0	0	0	0	5	9.73	16	34.80
Corporate Resident	Non-Discretionary	99	6010.76	113	9342.64	93	14740.92	85	3337.14
	Discretionary	0	0	0	0	27	99.57	29	81.97
Corporate	Advisory	0	0	0	0	0	0	0	0
Associate/ Group Companies	-	0	0	0	0	0	0	0	0
Total		**418**	**13846.32**	**458**	**13754.34**	**556**	**18473.36**	**588**	**6278.07**

(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, 2023

RELATED PARTY DISCLOSURES

(a) Names of Related Parties where control exists:

Sr. No.	Name of the related party	Nature of Relationship
1	Avendus 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	Avendus Capital Private Limited
2	Subsidiary (w.e.f. March 31, 2020)	Avendus Capital Alternate Strategies Private Limited
3	Fellow Subsidiary	Avendus Finance Private Limited
4	Fellow Subsidiary	Avendus PE Investment Advisors Private Limited
5	Fellow Subsidiary	Spark Institutional Equities Private Limited
6	Fellow Subsidiary	Ocean Dial Asset Management India Private Limited
7	Limited Liability Partnership Firm where Holding Company is Partner	Avendus Capital Public Markets Alternate Strategies LLP
8	Contributory Trust in which the Company is Investment Manager	Avendus Phoenix Fund
9	Key Managerial Personnel (w.e.f. February 03, 2020)	Nitin Singh - Managing Director & 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	Sneha Das - Company Secretary (Upto of August 30, 2022)
14	Key Managerial Personnel	Priya Vyas - Company Secretary (w.e.f. February 28, 2023)

c) Details of related party transaction during the year and balances as at the period end March' 2023

(INR in Million)

Particulars	Avendus Capital Private Limited	Avendus PE Investment Advisors Private Limited	Avendus Finance Private Limited	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
Transactions during the year										
Remuneration Paid *										
March 31 , 2023	-	-	-	-	-	-	-	-	46.86	46.86
March 31 , 2022	-	-	-	-	-	-	-	-	39.47	39.47
Director Sitting Fees										
March 31 , 2023	-	-	-	-	-	-	-	-	0.40	0.40
March 31 , 2022	-	-	-	-	-	-	-	-	0.63	0.63
Contribution from Holding Company										
March 31 , 2023	50.44					-		-		50.44
March 31 , 2022	29.40					-		-		29.40
Cost Sharing Expenses										
March 31 , 2023	224.52	-	-	-	-	-	-	-	-	224.52
March 31 , 2022	166.35	-	-	-	-	-	-	-	-	166.35
Reimbursement of Expenses - Paid										
March 31 , 2023	-	-	-	-	-	-	-	-	-	-
March 31 , 2022	-	-	0.09	-	-	-	-	-	-	0.09

Particulars	Avendus Capital Private Limited	Avendus PE Investment Advisors Private Limited	Avendus Finance Private Limited	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
Advisory Fees & Other Expenses - Paid										
March 31 , 2023	-	-	-	-	-	3.00	-	-	-	3.00
March 31 , 2022	-	-	-	-	-	-	-	-	-	-
Advisory Fees & Other Income Earned										
March 31 , 2023	-	84.15	49.16	11.67	52.26		-	0.06	-	197.29
March 31 , 2022	5.81	413.79	94.63	11.42	42.26	-	-	0.06	-	567.97
Balances outstanding at the end of the year										
Closing Balances - Debit										
March 31 , 2023	-	98.86	15.00	5.75	13.19	-	-	0.04	-	132.83
March 31 , 2022	6.27	445.69	24.01	10.82	23.12	-	-	0.01	-	509.92
Closing Balances- Credit										
March 31 , 2023	40.61	-	-	-	-	32.40	-	-	-	73.01
March 31 , 2022	59.22	-	-	-	-	-	-	-	-	59.22

* 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		
	2022-23	2021-22	2020-21
Total Income	14958	18965	8394
Profit / (Loss) after Tax	-815	3304	-397
Paid up Capital	1,062	1,062	1,062
Reserves & Surplus (Including ESOP Outstanding)	4769	5080	1482
Net worth	**5,831**	**6142**	**2,543**

The net worth of the portfolio manager is. Rs. 58. 31 crores as on 31-03-2023 based on audited accounts of Avendus 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	YTD (April-23 – Jan 24)	FY-22-23	FY 21-22	FY20-21	FY 19-20
Avendus Alpha Growth*	Portfolio Performance of Portfolio manager (%)	-	-	-	91.67%	-27.7%
NIFTY MID SMALLCAP 400	Benchmark Index -	-	-	-	105.09%	-34.3 %
Avendus Alpha Large Cap*	Portfolio Performance of Portfolio manager (%)	-	-	-	69.74%	-22.5 %
Nifty 50	Benchmark Index	-	-	-	70.87%	-26.0 %
Avendus Emerging Business Opportunities*	Portfolio Performance of Portfolio manager (%)	-	-	-	103.3%	-26.1 %
BSE Small Cap	Benchmark Index	-	-	-	114.9%	-36.1 %
Avendus India Alpha Fund *	Portfolio Performance of Portfolio manager (%)	-	-	-	86.19%	-29.5 %
NIFTY MID SMALLCAP 400	Benchmark Index	-	-	-	105.09%	-34.3 %

Investment Approach	Particulars	YTD (April-23 – Jan 24)	FY-22-23	FY 21-22	FY20-21	FY 19-20
Avendus India Discovery Portfolio #	Portfolio Performance of Portfolio manager (%)	-	-	37.65%	123.1%	-32.6 %
BSEMIDCAP	Benchmark Index	-	-0.38%	19.46 %	90.93%	-31.7 %
Avendus Select Sector Portfolio *	Portfolio Performance of Portfolio manager (%)	-	-	-	-	-30.3 %
BSEMIDCAP	Benchmark Index	-	-	-	-	-31.7 %
Avendus Special Situation Value *	Portfolio Performance of Portfolio manager (%)	-	-	-	42.78%	-34.6 %
BSEMIDCAP	Benchmark Index	-	-	-	90.93%	-31.7 %

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	YTD (April 2023 – Dec 2023)	FY 22-23	FY 21-22	FY 20-21
1	**Debt Conservative**	Portfolio Performance of Portfolio manager (%)	3.79	4.43	8.25	20.46
	CRISIL Composite Bond Index	Benchmark Index	5.46	3.80	4.48	7.69
2	**Debt Ultra Conservative**	Portfolio Performance of Portfolio manager (%)	5.35	4.99	4.33	6.24
	CRISIL Composite Bond Index	Benchmark Index	5.46	3.80	4.48	7.69
3	**Debt Moderate**	Portfolio Performance of Portfolio manager (%)	1.86	--	--	--
	CRISIL Composite Bond Fund Index	Benchmark Index	2.96	--	--	--

Sr. No	Investment Approach Name and Benchmarks	Particulars	YTD (April 2023 – Dec 2023)	FY 22-23	FY 21-22	FY 20-21
4	**Diversified Equity-Diversified**	Portfolio Performance of Portfolio manager (%)	33.02	17.66	60.58	69.75
	S&P BSE 500 TR	Benchmark Index	34.14	-0.91	22.26	78.63
5	**Hybrid Aggressive**	Portfolio Performance of Portfolio manager (%)	18.75	4.54	23.14	31.37
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	18.18	1.82	12.77	39.21
6	**Hybrid Balanced**	Portfolio Performance of Portfolio manager (%)	4.38	3.70	24.96	18.44
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	18.18	1.82	12.77	39.21
7	**Hybrid Conservative**	Portfolio Performance of Portfolio manager (%)	6.86	2.75	9.36	14.98
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	18.18	1.82	12.77	39.21
8	**Hybrid Growth**	Portfolio Performance of Portfolio manager (%)	9.60	1.90	18.91	34.47
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	18.18	1.82	12.77	39.21
9	**Hybrid Moderate**	Portfolio Performance of Portfolio manager (%)	10.30	2.18	-4.87	20.81
	CRISIL Hybrid 50+50 - Moderate Index	Benchmark Index	18.18	1.82	12.77	39.21
10	**Managed Direct Equity-Diversified**	Portfolio Performance of Portfolio manager (%)	34.77	0.95	22.20	26.31
	S&P BSE 500 TR	Benchmark Index	34.14	-0.91	22.26	78.63

Sr. No	Investment Approach Name and Benchmarks	Particulars	YTD (April 2023 – Dec 2023)	FY 22-23	FY 21-22	FY 20-21
11	**Multi-Asset Aggressive**	Portfolio Performance of Portfolio manager (%)	-24.17	-1.72	54.28	42.22
	NSE Multi Asset Index 2	Benchmark Index	19.20	1.13	15.06	43.01
12	**Multi-Asset Balanced**	Portfolio Performance of Portfolio manager (%)	9.82	4.19	11.62	19.96
	NSE Multi Asset Index 2	Benchmark Index	19.20	1.13	15.06	43.01
13	**Multi-Asset Conservative**	Portfolio Performance of Portfolio manager (%)	6.07	9.68	8.57	30.91
	NSE Multi Asset Index 2	Benchmark Index	19.20	1.13	15.06	43.01
14	**Multi-Asset Growth**	Portfolio Performance of Portfolio manager (%)	16.67	3.67	22.71	33.73
	NSE Multi Asset Index 2	Benchmark Index	19.20	1.13	15.06	43.01
15	**Multi-Asset Moderate**	Portfolio Performance of Portfolio manager (%)	7.63	5.26	11.39	11.71
	NSE Multi Asset Index 2	Benchmark Index	19.20	1.13	15.06	43.01

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:

1. *In the first year of investment, maximum of 3% of the amount redeemed.*
2. *In the second year of investment, maximum of 2% of the amount redeemed.*
3. *In the third year of investment, maximum of 1% of the amount redeemed.*
4. *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

The general information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Services of the Company. 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.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Company to induce any client, prospective or existing, to invest in the portfolio management schemes of the Company. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. The Client 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 individual nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the Client is advised to best consult its or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by the Company.

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 investments.

The following summary is based on the law and practice of the Income-tax Act, 1961 (the "IT Act"), the Income-tax Rules, 1962 (the "IT Rules") and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects changes to the date. The tax rates as per the Finance Act 2023 are mentioned. The rates are inclusive of surcharge and health and education cess and are stated at the highest applicable rates. The rates are inclusive of surcharge and health and education cess (unless stated otherwise) and are stated at the highest applicable slabs

- The applicable rate of surcharge in case of foreign companies is 2% where the income exceeds INR 1 crore but is less than or equal to INR 10 crore and is 5% where the income exceeds INR 10 crore. In case of resident companies having total income exceeding INR 1 crore but not exceeding INR 10 crore, surcharge of 7% on income tax is applicable. In case of resident companies having total income exceeding INR 10 crore, surcharge of 12% is applicable. In case of domestic companies opting for special tax rate under Section 115BAA and

Section 115BAB of the IT Act, surcharge of 10% is applicable. In case of firms having total income exceeding INR 1 crore, surcharge of 12% is applicable. Surcharge rate for resident and non –resident assessee other than one mentioned above (individuals, HUFs, AOP, BOI)

Level of Income	Surcharge on Income tax
Less than INR 50 lakhs	Nil
INR 50 lakhs to INR 1 crore	10%
INR 1 crore to INR 2 crore	15%
INR 2 crore to INR 5 crore	25% (Note 1 and 2)
More than INR 5 crore	37% (Note 1, 2 and 3)

Note 1: The surcharge rate in case of income chargeable under section 111A, 112 and 112A of the ITA and in case of dividend income (for other than certain category of non-resident investor) shall not exceed 15%.

Note 2: In case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of Income-tax shall not exceed 15%.

Note 3: As per the Finance Act 2023, in case of the Individual/HUF/AOP (other than co-operative)/ BOI/ Artificial Juridical Person ('AJP') taxable under the new tax regime prescribed under section 115BAC of the ITA, the surcharge on the amount of income-tax shall not exceed 25% where taxable income exceeds INR 2 Crores.

- Further, Health and Education Cess ('HEC') is levied (irrespective of the level of income) at the rate of 4% on aggregate of tax and surcharge.

The Finance Act 2023 has extended the option to apply for lower tax regime slab rates under section 115BAC to AOPs (other than co-operative society), BOIs and artificial juridical person with effect from FY 2023-24. Further, the Finance Act 2023, has also amended the income-tax slab rates under section 115BAC of the ITA as per the table below.

Total Income	Tax rates
Up to INR 3,00,000	Nil
From INR 3,00,001 to INR 6,00,000	5%
From INR 6,00,001 to INR 9,00,000	10%
From INR 9,00,001 to INR 12,00,000	15%
From INR 12,00,001 to INR 15,00,000	20%
Above INR 15,00,000	30%

The new income-tax regime provided under section 115BAC will be the default income-tax regime from FY 2023-24 onwards. However, the taxpayers will have the option to opt out of new tax regime and pay be taxed on its total income as per the tax rates under the old tax regime., provided he/she chooses the same.

The Finance Act 2023 amended Section 87A to further provide that where an Individual / HUF / AOP / BOI apply for lower slab rates provided under section 115BAC, a rebate shall be provided on tax to the extent of an amount equal to 100% of such income-tax or an amount of INR 25,000 (whichever is less) on total income where total income does not exceed INR 7,00,000.

I. Taxation in hands of Clients

A. Characterization of income

Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in 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.

Regarding characterization of income from transactions in listed shares and securities, the Central Board of Direct Taxes ("CBDT") had issued a clarificatory Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as its stock-in-trade and transfer thereof as its business income.

In the context of transfer of unlisted shares, the CBDT has issued a clarification *vide* Instruction No. F.No. 225/12/2016/ ITA.II dated May 2, 2016, stating that income arising from transfer of unlisted shares would be considered under the head 'Capital Gains' irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach. However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

B. Taxation of Resident clients

The tax implications in the hands of resident clients on different income streams are discussed below:

a) Dividend income

Prior to the amendments by the Finance Act 2020, dividends declared by an Indian company were exempt in the hands of all shareholders, irrespective of their residential status. However, the Indian company declaring, distributing, or paying the dividends was required to pay a Dividend Distribution Tax ('DDT') of 15% (exclusive of surcharge and health and education cess).

As per the amendments made by the Finance Act 2020, the Indian Company declaring dividend on or after 1 April 2020, would not be required to pay any DDT on dividend distributed/ paid/ declared to its shareholders. The dividend income shall be 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 (except where DDT and tax under section 115BBDA of the IT Act has been paid). Further, the taxpayer can claim a deduction of interest expenditure under section 57 of the IT Act against such dividend income up to 20% of the dividend income.

Section 80M is introduced by the Finance Act 2020. As per Section 80M, in case any Indian company receives dividend from another Indian company or foreign company or business trust and the dividend is distributed by the first mentioned Indian company before the specific due date (i.e. one month prior to the date of filing tax return under section 139 of the IT Act), then deduction can be claimed by such Indian company of so much of dividend received from such another Indian company or foreign company or business trust.
The Indian Company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors) and at rates in force (in case of payment to non-resident investors). The provisions of the ITA would apply 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 investors to the extent of availability of Tax Treaty benefits to the non-resident investors.
As per the amended provisions, the dividend income (net of deductions, if any) shall be taxable at the following rates:

Resident investors

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	34.944%
Firms / LLPs	34.944%
Individual/HUFs (Refer Note 3)	As per applicable slab rates and surcharge being restricted to 15%, maximum being 35.88%

1. The Finance Act, 2023 has reduced tax rate to 25% (plus applicable surcharge and HEC) in case of domestic companies having total turnover or gross receipts not exceeding INR 400 crore in the Financial Year 2021-22 (Assessment Year 2022-23).

2. Further, the tax rates for certain domestic companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% and 15% respectively (plus fixed surcharge at the rate of 10% and HEC at the rate of 4%), subject to permissibility and fulfilment of conditions prescribed therein.

3. The Finance Act, 2020 had inserted a new section 115BAC in the ITA. As per the said section, individuals and HUFs will have an option to pay tax on its total income at the reduced tax rates. The income would however have to be computed without claiming prescribed deductions or exemptions. However, this rate shall be subject to the tax rate specified in the Tax Treaties of the respective jurisdictions of the clients and subject to applicable conditions.

b) Interest income

Under the IT Act, interest income should be taxable in the hands of the resident clients as under:

Interest income received by	Tax Rate for the domestic clients
Resident companies (Refer Note 1 and 2)	34.944%
Firms	34.944%
Individual/HUFs (Refer Note 3)	As per applicable slab rates, maximum being 42.744%

4. The Finance Act, 2023 has reduced tax rate to 25% (plus applicable surcharge and HEC) in case of domestic companies having total turnover or gross receipts not exceeding INR 400 crore in the Financial Year 2021-22 (Assessment Year 2022-23).

5. Further, the tax rates for certain domestic companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% and 15% respectively (plus fixed surcharge at the rate of 10% and HEC at the rate of 4%), subject to permissibility and fulfilment of conditions prescribed therein.

6. The Finance Act, 2020 had inserted a new section 115BAC in the ITA. As per the said section, individuals and HUFs will have an option to pay tax on its total income at the reduced tax rates. The income would however have to be computed without claiming prescribed deductions or exemptions. However, this rate shall be subject to the tax rate specified in the Tax Treaties of the respective jurisdictions of the clients and subject to applicable conditions.

c) The income would, however, have to be computed without claiming prescribed deductions or exemptions.

d) Capital gains.
Assuming the gains arising from sale of capital assets such as shares and securities of the Indian portfolio companies is characterized as capital gains in hands of the resident Client, such Client be liable to pay taxes on capital gains income as under:

i. Period of holding
Capital assets are classified as long-term assets ("LTCA") or short-term assets ("STCA"), based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the listed shares and securities are held, the gains would be taxable as short-term capital gains ("STCG") or long term capital gains ("LTCG"). This is discussed below:

Nature of asset	STCA	LTCA
For assets being shares in a company or any other security (other than units) listed on a recognised stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets being shares of a company (other than shares listed on a recognised stock exchange in India) and immovable property being land or building	Held for not more than 24 months	Held for more than 24 months
Other securities (including unit of a debt-oriented Fund) (Refer Note 1)	Held for not more than 36 months	Held for more than 36 months

The Finance Act 2023 has inserted a new section 50AA in the ITA. As per the said section, the capital gains on transfer/redemption/maturity of Market Linked Debenture or a Specified Mutual Fund shall be deemed to be capital gains arising from short-term capital asset (irrespective of the period of holding). 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. Also "Specified Mutual Fund" means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

ii. Taxation of capital gains

Depending on the classification of capital gains, the resident clients would be chargeable to tax as per the IT Act as under:

Type of instrument	Long-term capital gains (tax rates excluding Surcharge and education cess)	Short-term capital gains (tax rates excluding Surcharge and education cess)
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 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.	10% (without indexation) Gains up to INR 1 lakh is exempt from tax	15%
Listed bonds or listed debentures (Other than Market Linked Debentures and units of Specified Mutual Fund)	10% (without indexation)	30%

Listed securities (other than units of mutual funds, listed bonds and debentures, Market Linked Debentures and units of Specified Mutual Fund) and STT has not been paid	10% (without indexation) or 20% (with indexation) whichever is lower	30%
Unlisted securities (other than unlisted bonds and unlisted debentures, units of mutual fund, Market Linked Debentures, and units of Specified Mutual Fund)	20% (with indexation)	30%
Units of mutual fund (other than equity-oriented fund on which STT is paid and units of Specified Mutual Fund)	20% (with indexation)	30%
Unlisted bonds or unlisted debentures (Other than Market Linked Debentures)	20% (without indexation)	30%
Market Linked Debenture	NA	30%
Units of Specified Mutual Fund	NA	30%

C. Taxation of Non-resident clients

A non-resident investor would be 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.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management ("**POEM**") is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. 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 as a whole are, in substance made.

The CBDT had *vide* its Circular dated January 24, 2017 issued guiding principles for determination of POEM of a company ("**POEM Guidelines**"). The POEM Guidelines lays 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 would not apply to companies having turnover or gross receipts less than Rs 50 crore during the Financial Year.

Non-Resident Investors

Type of instrument	Long-term capital gains (tax rates excluding Surcharge and education cess)	Short-term capital gains (tax rates excluding Surcharge and education cess)
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 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.	10% (without indexation) Gains up to INR 1 lakh is exempt from tax	15%
Listed bonds or listed debentures (Other than Market Linked Debentures and units of Specified Mutual Fund)	10% (without indexation)	30%
Listed securities (other than units of mutual funds, listed bonds and debentures, Market Linked Debentures and units of Specified Mutual Fund) and STT has not been paid	10% (without indexation) or 20% (with indexation) whichever is lower	30%
Unlisted securities (other than unlisted bonds and unlisted debentures, units of mutual fund, Market Linked Debentures and units of Specified Mutual Fund)	20% (with indexation)	30%
Units of mutual fund (other than equity-oriented fund on which STT is paid and units of Specified Mutual Fund)	20% (with indexation)	30%
Unlisted bonds or unlisted debentures (Other than Market Linked Debentures)	20% (without indexation)	30%
Market Linked Debenture Error! Bookmark not defined.	NA	30%
Units of Specified Mutual Fund	NA	30%

Notes:

1. The Finance Act, 2018 has withdrawn exemption from tax on LTCG arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust w.e.f. 1 April 2018. LTCG above INR 1 lakh on following transfers shall be taxable at 10% (excluding surcharge and HEC):
   - listed equity shares (STT paid on acquisition and transfer)
   - units of equity oriented mutual fund (STT paid on transfer); and
   - units of business trust (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains and the cost of acquisition of equity shares, equity oriented mutual fund or units of business trust shall be higher of:

- Actual cost of acquisition; and
- Lower of:
  - Fair market value as on 31 January 2018; and
  - Value of consideration received upon transfer

The Finance Act, 2018 has also amended that in such case where the equity shares were unlisted on 31 January 2018 and listed at the time of transfer, the Fair Market Value ('FMV') would be after considering indexation benefit on the original cost of acquisition.

The CBDT has issued a notification No 60/2018 to specify the transactions where the condition of payment of STT on acquisition would not apply for applying tax rate of 10% on transfer of listed equity shares.

2. The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and HEC) without indexation on long-term capital gains arising on sale of listed bonds and debentures.

3. The Finance Act, 2023 has reduced the tax rate to 25% (excluding HEC and surcharge) in case of domestic companies having total turnover or gross receipts not exceeding INR 400 Crores in the financial year 2021-22 (Assessment Year 2022- 23)

4. The tax rates for domestic companies exercising the option under section 115BAA of the ITA shall be 22% (plus fixed surcharge at the rate of 10% and HEC at the rate of 4%), subject to permissibility and fulfilment of conditions prescribed therein. Further, section 115BAB of the ITA also provides for a tax rate of 15% (plus fixed surcharge at the rate of 10% and HEC at the rate of 4%) for short term capital gains on non-depreciable capital assets in case of domestic manufacturing companies subject to permissibility and fulfilment of conditions prescribed therein.

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

6. In case, the investments are made by a Foreign Portfolio Investor, the tax rates need to be evaluated separately.

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

Tax Treaty Benefits

As per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("**Tax Treaty**") between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore clients. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

Tax Residency Certificate ("TRC")

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.

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 additional information prescribed above may not be required to be provided if it already forms a part of the TRC.

The taxability of income of the offshore investor, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, would be as per the provisions of IT Act as discussed below:

a) Dividend Income

As per the amendments in The Finance Act 2020, the dividend income would be taxable directly in the hands of investors. Deduction of interest expense should be allowed under section 57 of IT Act against such dividend income, with overall capping of 20% of dividend income. Such net dividend income should be chargeable to tax at the rate of 20% as per the provisions of the IT Act.

However, if treaty benefits are available, gross amount of dividend should be chargeable to tax at the rates stated in treaty.

Prior to Finance Act, 2020, dividends declared by a mutual fund were exempt in the hands of all clients under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the dividends has paid a DDT at rates prescribed under section 115R of the IT Act on the dividends distributed, declared or paid. With effect from 01 April 2020, dividends from mutual fund shall be taxable at applicable rates.

b) Interest

- Under the IT Act, interest income should be taxable in the hands of the non-resident clients as under:

Interest income received by	Tax Rate for the clients
Foreign companies	43.68%
Firms	34.944%
Individual and HUF's	As per applicable slab rates, maximum being 42.744%

The above rates would be subject to availability of Tax Treaty benefits, if any.

- In case the investments are made by the non-resident Indian ('NRI') Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act, the interest income from specified assets should be taxable at the rate of 28.496% on gross basis. 'Specified asset' means shares in an Indian Company, debentures issued by an Indian public Company, deposits with an Indian public Company and any security of the Central Government as defined in Public Debt Act.

- As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to FPI (incorporated as Company) would be subject to tax at the rate of 5.46% if following conditions are satisfied:

  - Such interest is payable on or after 1 June 2013 and before 1 July 2023
  - Rate of interest does not exceed the rate notified by Central Government

  If the above concessional tax rate is not available, then then the interest income would be subject to tax rate at the rate of 21.84% for FPI clients.

D. Other relevant provisions for resident as well as non-resident clients under the IT Act

a) If gains are categorized as business income

If the gains are categorized as business income, it shall be taxable at the slab rate highest being 42.744% in case of clients beings individual/HUF/AOP/BOI (resident as well as non-resident), for a foreign company it shall be taxed at the rate of 43.68% and at the rate of 34.944% in case of resident and non-resident clients other than stated above.

b) Proceeds on buy-back of shares by company

As per the Section 10(34A) of the IT Act, gains arising on buy-back of shares (both listed and unlisted) are exempt in the hands of clients. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.296% is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act, 2013. Such distribution tax should be payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, CBDT notified final buyback rules by inserting new Rule 40BB to IT Rules for determining the amount received by the Indian company in respect of issue of shares.

c) Deemed Sale Consideration on sale of unquoted shares

As per Section 50CA of 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 would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued rules for computation of FMV for the purpose of section 50CA of the IT Act. The taxability of such gains would be as discussed above.

As per the Finance (No. 2), Act, 2019 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 may be prescribed. Notification in this regard is awaited.

d) Deemed income on investment in shares / securities of unlisted companies in India

Section 56(2)(x),provides that any assessee receives any property (including shares, debentures etc.) without consideration or for inadequate consideration in excess of INR 0.005 crore as compared to the FMV shall be taxable in the hands of the recipient as Income from Other Sources.

Rule 11UA provides mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.

As per the Finance (No. 2), Act, 2019, the above provision shall not apply to any sum of money or any property received from such class of persons and subject to fulfilment of conditions as may be prescribed. Notification in this regard is awaited.

Such income is categorised as other income, it shall be taxable at the slab rate highest being 42.744% in case of clients beings individual/HUF/AOP/BOI (resident as well as non-resident), and at the rate of 34.944% in case of resident and non-resident clients other than stated above. For a foreign company it shall be taxable at the rate of 43.68%.

e) Issue of shares at a premium by a private company

In case, a resident subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the face value of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as income from other sources. The same would be subject to tax in the hands of the investee companies under section 56(2)(viib) of the IT Act.

For the above purposes, the FMV of shares would be determined as per detailed rules prescribed or as may be substantiated by the Company to the satisfaction of the tax officer based on the value of assets and liabilities, whichever is higher.

f) Redemption premium

There are no specific provisions under the IT Act, with regard to the characterisation of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as 'interest' or as 'capital gain'. The characterization of premium on redemption of securities as interest or a capital gain has to be decided based on factors surrounding the relevant case. Taxability of 'interest' and 'capital gains' in the hands of the investors is provided in earlier paragraphs.

g) Dividend stripping

In terms of Section 94(7) of the IT Act, losses arising on sale of securities or units of a mutual fund purchased within a period of 3 months prior to the record date for entitlement of exempt dividends and sold within a period of 3months (or 9 months in case of units of mutual funds) after such record date, is to be ignored to the extent of the dividend received or receivable on such securities or units for the purpose of computing the taxable income.

h) Bonus stripping

In terms of Section 94(8) of the IT Act, where additional units of mutual fund have been issued to any person without any payment, on the basis of existing units held by such person, the loss on sale of the original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within a period of 3 months prior to the record date fixed for the receipt of additional units and sold within 9 months from such record date. However, the loss so ignored shall be considered as the cost of acquisition of all or any of the additional units held on the date of sale of such units.

i) Minimum Alternate Tax

The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable under normal provisions in a financial year. This credit should be eligible to be carried forward for 15 years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year.

As per the Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019, MAT should not apply in case of domestic companies exercising option under section 115BAA and section 115BAB of the Act.

If MAT is held to be applicable to the clients, then income receivable by such clients from their investment in the Fund shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

j) Capital Gains Tax implications on conversion of convertible debentures

Conversion of debentures of a company into shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the Fund on conversion of convertible debentures of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible debenture would be deemed to be the cost of acquisition of such equity shares. Further, the holding period of the equity shares would commence from the date of subscription of debentures irrespective of date of conversion.

k) Capital Gains Tax implications on conversion of preference shares

Conversion of preference shares of a company into equity shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the Fund on conversion of convertible preference shares of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible preference shares would be deemed to be the cost of acquisition of such equity shares. Further, the period of holding of the convertible preference shares will be considered for determining the period of holding of the resultant equity shares.

l) Taxability of income arising on transfer of units of the Specified Mutual Fund/ Market Linked Debenture

The Finance Act 2023 has inserted a new section 50AA in the ITA. As per the said section, the capital gains on transfer/redemption/maturity of Market Linked Debenture or a Specified Mutual Fund shall be deemed to be capital gains arising from short-term capital asset (irrespective of the period of holding).

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.

Also "Specified Mutual Fund" means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies. Based on the plain reading of the provision, all pooling vehicles including AIFs may be covered within the meaning of the term 'Specified Mutual Fund'. Since these provisions are new and untested, the applicability of the provisions to AIFs needs to be evaluated.

II. Securities Transaction Tax

Transactions/Particulars	Payable by Purchaser	Payable by Seller
Delivery based purchase/sale transaction in equity shares or a unit of business trust entered into in a recognised stock exchange	0.1%	0.1%
Non-delivery based sale transaction in equity shares or units of equity oriented fund or unit of a business trust entered in a recognised stock exchange	N.A.	0.025%
Delivery based sale transaction of unit of equity-oriented fund	N.A.	0.001%
Sale of options in securities	0.125% of the difference between the strike price and settlement price of the option (In case option is exercised)	0.05%
Sale of futures in securities	N.A.	0.01%
Sale of unlisted shares under an offer for sale to the public	N.A.	0.2%
Sale of a unit of an equity-oriented fund to the Mutual Fund	N.A.	0.001%
Sale of unlisted units of a business trust under an offer for sale	N.A.	0.2%

III. Withholding at a higher rate

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 higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

1. Name, e-mail id, contact number.
2. Address in the country or specified territory outside India of which the deductee is a resident.
3. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
4. Tax identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Tax Deduction at Source (TDS) on purchase of goods

The Finance Act, 2021, inserted a new a section 194Q to provide for TDS by person responsible for paying any sum to any resident for purchase of goods at the rate of 0.1%. The tax is required to be deducted by those person (i.e —buyer) whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out. Central Government is proposed to be empowered by notification in the Official Gazette to exempt a person from obligation under this section on fulfilment of conditions as may be specified in that notification. Tax is required to be deducted by such person, if the purchase of goods by him from the seller is of the value or aggregate of such value exceeding fifty lakh rupees in the previous year. It is also proposed to provide that the provisions of this section shall not apply to, -
(i) a transaction on which tax is deductible under any provision of the Act; and
(ii) a transaction, on which tax is collectible under the provisions of section 206C other than transaction to which sub-section (1H) of section 206C applies.

This means, if on a transaction a TDS or tax collection at source (TCS) is required to be carried out under any other provision, then it would not be subjected to TDS under this section. There is one exception to this general rule. If on a transaction TCS is required under sub-section (1H) of section 206C as well as TDS under this section, then on that transaction only TDS under this section shall be carried out. Board with the approval of the Central Government has been empowered to issue guidelines for removing difficulty in giving effect to the provisions of this section.

Where any sum is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person 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 and the provisions of this section shall apply accordingly.

Further, where such seller does not furnish his Permanent Account Number, tax shall be deducted at higher of (i) rate specified in 194Q; (ii) rates in force; or (iii) 5%. It should however be noted that CBDT has issued a Circular[1] clarifying various positions, inter alia clarifying that the above provisions shall not apply to:

- to transactions in shares and commodities transacted through recognised stock exchanges/ recognised clearing corporations, including those located in International Financial Service Centres;
- a non-resident purchaser whose purchase of goods from seller resident in India, is not effectively connected with the permanent establishment of such non-resident in India;
- on purchase of goods from a person, being a seller, who as a person is exempt from income tax under the ITA (like person exempt under section 10) or under any other Act passed by the Parliament (Like RBI Act, ADB Act etc.). This will not apply where only part of income of the person is exempt.

Withholding for non-filer of income-tax return at higher rates

With effect from 1 April 2021, a new section 206AB of the Act has been introduced which would apply on any sum or income or amount paid, or payable or credited, by a person (herein referred to as deductee) to a specified person[2]. This section shall not apply where the tax is required to be deducted under sections 192, 192A, 194B, 194BA[3] 194BB, 194LBC,194M or 194N of the Act. The TDS rate in this section is higher of the followings rates:

- twice the rate specified in the relevant provision of the Act; or
- twice the rate or rates in force; or
- the rate of five per cent

If the provision of section 206AA of the Act is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA of the Act.

Withholding 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. This amendment is effective from 01 July 2022.

TCS on sale of goods

The Finance Act, 2020 has made certain amendments in TCS provisions which mandates that with effect from 1 October 2020, seller of goods shall collect tax @ 0.1% (0.075% up to 31 March 2021) if the receipt of sale consideration from a buyer exceeds INR 5 million in the financial year. Further, it has been provided that the Seller would be required to collect such tax only if his total sales, gross receipts or turnover from his business exceeds

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[1] Circular No. 13/ 2021 dated 30 June 2021

2 As per section 206AB(3), a 'specified person' is defined as a person who has not furnished 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 for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of TDS and TCS in his case is rupees fifty thousand or more in the said previous year. Now, as amended by Finance Act 2023, specified person shall not include a non-resident who does not have a permanent establishment in India and a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by Central Government in Official Gazette in this behalf.

[3] As amended by Finance Act 2023.

INR 100 million during the financial year immediately preceding the financial year in which the sale of goods is carried out.

It should however be noted that CBDT[4] has issued a circular clarifying that the above provision shall not apply to transactions in shares and commodities transacted through recognized stock exchanges/ recognized clearing corporations, including those located in International Financial Service Centres. Further, the said provisions are not applicable where TDS is deductible on such transaction and taxes have been duly deducted by the buyer.

Further, where the buyer (not being a non-resident who does not have a permanent establishment in India) does not furnish his Permanent Account Number or Aadhar Number tax shall be collected at the rate of 1% under section 206CC of the ITA.

TCS on non-filer of income-tax return at higher rates

The Finance Act, 2021 has inserted a new section 206CCA of the Act which would apply on any sum or amount received by a person (herein referred to as collectee) from a specified person . The proposed TCS rate in this section is higher of the following rates:

- twice the rate specified in the relevant provision of the Act; or
- the rate of five percent

If the provision of section 206CC of the Act is applicable to a specified person , in addition to the provision of this section, the tax shall be collected at higher of the two rates provided in this section and in section 206CC of the Act.

IV. Carry-forward of losses and other provisions:

In terms of Section 70 read with Section 74 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

V. General Anti Avoidance Rule ("GAAR")

GAAR provisions have been introduced in chapter X-A of the IT Act (effective from Financial Year beginning on April 1, 2017), which provides that an arrangement whose main purpose is to obtain tax benefit, and which also satisfies at least one of the four specified test as mentioned below, can be declared as an 'impermissible avoidance arrangement'.

- Arrangement creates rights or obligations, which are not ordinarily created between persons dealing at arm's length price;
- Arrangement directly or indirectly results in the misuse or abuse of the provisions of the IT Act;
- Arrangement lacks commercial substance or is deemed to lack commercial substance in whole or in part; or

4 Circular No. 17/ 2020 dated 29 September 2020

- Arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed by bonafide purposes.

The GAAR provisions would 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 should not apply, have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 30 million.

On January 27, 2017, the CBDT has 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 ('LOB') 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 crore cannot be read in respect of a single taxpayer only.

VI. 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).

VII. Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting

The Organization 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 would need to analyse 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.

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.	EQUITY (LISTED/UNLISTED)	a) Where the Security (equity and equity related instrument) is traded on NSE the day's closing price on NSE will be considered for valuing Securities. If it is not traded on NSE, then the day's closing price on BSE will be considered. If the Security is not traded on either exchange on that day, then the last traded price will be considered. However, if the Security is not traded on preceding the valuation date, then the Security shall be valued at last traded price available. Purchase and sale transactions shall be recognized on the trade date and not as of the settlement date, so that all the investments made during a period are recorded and reflected in the same period. Unlisted Securities/investments will be valued as per the provisions of SEBI Circular no. SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022 on performance benchmarking and valuation and Association Of Portfolio Managers India ("APMI") Circular no. APMI/2022-23/01 dated March 23, 2023. b) Dividend income shall be tracked from the date of declaration and recognized 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. c) Bonus units shall be tracked from the date of declaration and recognized 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. d) In case of Merger/Demerger, till the shares of the demerged/merged entity are not listed / traded, then valuation of the entity will be decided on case to case basis depending on ratio of merger/demerger or based on cost ratio given by company. The last closing price of the company prior to merger will be used to derive valuation based on method mentioned.

SR.NO	ASSET CLASS/ TYPE	METHOD
		e) In case of Buy-back, all shares will be valued at the market price. On receipt of the confirmation of actual shares accepted in the offer, the buyback price will be used for valuing that accepted quantity. The balance holding, would be valued at the market price. f) Rights units shall be recognized in the client's portfolio post receipt of securities allotment from the company. Further, till the rights are listed, it will be valued at cost.
2.	MUTUAL FUNDS	a) The previous day's scheme NAVs or latest NAVs declared by Mutual Funds [as per The Association of Mutual Funds in India (AMFI) website] /subscription feeds for NAV from vendors will be used to value Mutual Fund investments. b) ETFs shall be valued at closing prices available on the stock exchange/ NAV price declared by fund house. If the said prices are not available, the latest NAV of the Fund will be considered.
3.	FIXED INCOME /DEBT/BONDS/ STRUCTURED PRODUCTS/MLD	**Investment Grade Bonds:** All types of G-Sec, SDL, T-Bill, CP, CD, Corporate Bonds, Tax Frees, Taxable Bonds, Preference Shares and Perpetual Bonds will be valued by CRISIL on all working days based on the methodology as detailed in their service contract / presentation. **Sub-Investment grade Bonds :** Sub-investment grade securities would be valued by CRISIL on "benchmark based approach" that is currently used by Asset Management Companies (AMCs). Over due course, this would shift to Loss Given Default (LGD) framework for which a separate commercial contract will be mutually agreed and signed. **Structured Products / Market Linked Debentures (MLD):** MLD prices will be sourced from the publicly available value of the securities as published by third party valuer or issuer on their respective websites. The prices would be updated at a frequency of once a calendar week or when valuation is provided by issuer.
4.	THIRD PARTY PRODUCTS	As per valuation provided by the manufacturer. If none available, to be stated at cost.
5.	OPTIONS	All traded options to be valued as per the settlement price of the day on NSE. If no trade is reported on NSE on a particular valuation date, Stock Options contracts shall be valued at the settlement price on BSE.

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.

b) In case interest is outstanding for more than 3 months then we will not accrue subsequent interest and the same will be accounted only on receipt basis.

c) The cost of investments acquired and/or purchased shall include all such costs incurred for effecting such acquisition/purchase. In respect of privately placed Securities, any front-end discount offered shall be reduced from the cost of investment. STT shall be expensed out for accounting of Equity and Option Trade.

d) A detailed valuation policy is also available on our website https://www.avendus.com/Upload/Misc/valuation-policy-for-website.pdf.

e) 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 : Mr. Anupam Mohaney, Compliance Officer
Address : Avendus 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 1418
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 www.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 B					

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

The Portfolio Manager offers 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 Avendus Wealth Management Private Limited

SR. No.	Name of the Director	Signature
1	Mr. Gaurav Deepak	Gaurav Deepak Digitally signed by Gaurav Deepak Date: 2024.03.20 19:06:45 +05'30'
2	Mr. Kaushal Kumar Aggarwal	Kaushal Kumar Aggarwal Digitally signed by Kaushal Kumar Aggarwal Date: 2024.03.20 19:07:30 +05'30'

Date: March 20,2024

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: 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	• 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: 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	• 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

Strategy 2: Debt

Investment Approach: 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 each investment allocation	0-3 years
Risk associated with Investment Approach	Liquidity risk, interest rate risk, credit risk, reinvestment risk

Investment Approach: 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: 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: 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	• 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	• 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: 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	• 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 each investment allocation	3-5 Years
Risk associated with Investment Approach	• 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: 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	• 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	• 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: 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	• 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	CRISIL Hybrid 50+50 - Moderate Index: Portfolio is a combination of Fixed Income & Equity instruments; hence a hybrid index is chosen

basis for choice of benchmark	
Indicative tenure or investment horizon for each investment allocation	>5 Years
Risk associated with Investment Approach	• 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: 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	• 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: 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	• 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: 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	• 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 a) REITs & InvITs b) Gold or Silver or any other commodity based Mutual fund 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 : 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	• 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: 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	• 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 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	• 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: 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	• 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 a) REITs & InvITs b) Gold or Silver or any other commodity bassed 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	• 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: 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	• 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 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	• 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: 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	• 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 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	• 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

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

As on December 31, 2023

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
1		Tracxn Technologies Private Limited	Tracxn Technologies Ltd	999875.99	4966995.7	100%
		Grand total				**100%**

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