

**ALPHAGREP INVESTMENT MANAGEMENT PRIVATE LIMITED (IFSCA BRANCH)**

**DISCLOSURE DOCUMENT**

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**I. DECLARATION**

- a) The Disclosure Document (hereinafter referred as the “Document”) required as per Regulation 74 of the International Financial Services Centres Authority (Fund Management) Regulations, 2025 (“Regulations”).
- b) The purpose of this disclosure document (hereinafter referred as the “Disclosure Document” or “Document”) is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making informed decision for engaging “AlphaGrep Investment Management Private Limited (formerly known as ‘Alphamine Investment Management Private Limited’) (IFSC Branch)” (hereinafter referred as the “Portfolio Manager”) as the portfolio manager.
- c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the Document for future reference.
- d) The name, phone number, e-mail address of the Principal Officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

<b>PRINCIPAL OFFICER</b>	<b>PORTFOLIO MANAGER</b>
<b>Name : Mr. Piyush Gupta</b>	AlphaGrep Investment Management Private Limited <i>(formerly known as ‘Alphamine Investment Management Private Limited’)</i> (IFSC Branch)
<b>E-Mail : compliance.in@alphagrepim.com</b>	<b>GIFT City / IFSCA Branch Address:</b> Unit No. 1128 B, 11th Floor, Signature, 13 B, Unit Zone-1 GIFT SEZ, Gandhinagar-382 050, Gujarat, India.  <b>Registered Office Address:</b> Unit No.12, A-05, 13 Floor, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.

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#### 1. Disclaimer

- a) Particulars of this Document have been prepared in accordance with Fund Management Regulations as amended till date.
- b) This Document has neither been approved nor disapproved by IFSCA nor has IFSCA certified the accuracy or adequacy of the contents of the Document.
- c) 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.

#### 2. Definitions

In this Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

- (a) **Accredited Investor:** means any person who fulfils the eligibility criteria as specified by IFSCA.
- (b) **Agreement:** means the portfolio management services agreement and/or advisory services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- (c) **Applicable Laws:** means any applicable statute, law, ordinance, regulations including the Fund Management Regulations, circulars, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India (including IFSC), as is in force from time to time.
- (d) **Capital Contribution:** means the sum of money or Securities or combination thereof, contributed by the Client for investments in accordance with the terms of the Fund Management Regulations and this Agreement from time to time during the Term.
- (e) **Capital Market Regulations:** means IFSCA (Capital Market Intermediaries) Regulations, 2025.
- (f) **Client / Investor:** means such person(s) including Accredited Investors whose money or Portfolio is advised or directed or managed by the Portfolio Manager and is specified in Schedule I of the Agreement.
- (g) **Custodian:** means one or more custodian appointed by the Portfolio Manager, from time to time, for maintaining custody of funds and/or Securities of the Client.
- (h) **Disclosure Document or Document:** means this document issued to the Client as required under the Fund Management Regulations and as may be amended by the Portfolio Manager from time to time.
- (i) **Depository Account or DP Account:** means one or more demat accounts opened, maintained, and operated by the Portfolio Manager in the name of the Client or a pool demat account in the name of the Portfolio Manager to keep the securities of all clients, where the securities of each of the Clients would be separately identified for the purpose of the Portfolio Management Services.
- (j) **Eligible Investor:** means individuals, company, body corporate, partnership firm, association of persons, limited liability partnership, trust, Hindu undivided family including multi-family office and such other persons as the Portfolio Manager may determine in accordance with the Fund Management Regulations, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.
- (k) **Exit Load:** means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

- (l) **Fund Management Regulations:** means International Financial Services Centres Authority (Fund Management) Regulations, 2025 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.
- (m) **GIFT City:** means the Gujarat International Finance Tech City.
- (n) **High Water Mark Principle:** means the highest value that the Portfolio/account has reached. Value of the Portfolio for computation of high watermark shall be taken to be the value on the date when Performance Fees are charged. For the purpose of charging Performance Fee, the frequency shall not be less than quarterly and/or such other timeline as may be agreed in the Agreement.
- (o) **IFSC:** shall mean the International Financial Services Centre set up in GIFT City, Gandhinagar.
- (p) **IFSCA:** shall mean the International Financial Services Centres Authority established under sub-section (1) of Section 4 of the of the International Financial Services Centres Authority Act, 2019.
- (q) **Investment Approach:** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current investment approach or such investment approach that may be introduced by the Portfolio Manager, from time to time.
- (r) **Management Fee:** means the management fees payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (s) **Performance Fee:** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (t) **Portfolio or Client Portfolio:** means the total holdings of Securities and goods belonging to the Client in accordance with the Agreement.
- (u) **Portfolio Entity:** means companies, enterprises, bodies corporate, or any other entities in the Securities of which the monies from the Client Portfolio are invested subject to Applicable Laws.
- (v) **Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the Client under the PMS from time to time.
- (w) **Portfolio Manager:** means AlphaGrep Investment Management Private Limited (*formerly known as Alphamine Investment Management Private Limited*) (IFSC Branch), registered with IFSCA as a registered fund management entity under the Fund Management Regulations bearing registration no. IFSCA/FME/II/2022-23/044 and having its registered office at Unit No.12, A-05, 13 Floor, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India and IFSCA branch office at Unit No. 1128 B, 11th Floor, Signature, 13 B, Unit Zone-1 GIFT SEZ, Gandhinagar-382 050, India which pursuant to a contract or arrangement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of Securities or the funds of the Client/Investor, as the case may be.
- (x) **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.
- (y) **PMS:** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws.
- (z) **PMLA Laws:** means International Financial Services Centres Authority notified Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer Guidelines, 2022.

- (aa) **Securities:** shall mean and include securities listed or to be listed or traded on a recognized stock exchanges, money market instruments, units of investment scheme issued in IFSC, India or Foreign Jurisdiction or such other securities as specified by IFSCA from time to time.
- (bb) **Set-Up Fees:** means the set-up fees payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (cc) **Term:** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

Any term used in this Document but not defined herein (but defined in the Fund Management Regulations) shall have the same meaning as assigned to them in the Fund Management Regulations.

### 3. Description

#### (i) History, Present Business and Background of the Portfolio Manager

The head office of the Portfolio Manager is a private limited company incorporated under the provisions of the Companies Act, 2013 on March 30, 2021, at Mumbai. It is registered with Securities and Exchange Board of India as a portfolio manager bearing registration no. INP00007401 and offers discretionary portfolio management services, non-discretionary portfolio management services, and advisory services to high net-worth individuals (HNIs), institutional clients, corporates and other permissible class of investors. Further, it also acts as an investment manager to a Category III Alternative Investment Fund named 'Alphamine AIF' bearing registration no. IN/AIF3/21-22/0948.

The Portfolio Manager is a registered fund management entity bearing registration no. IFSCA/FME/II/2022-23/044, registered with IFSCA under the Fund Management Regulations.

#### (ii) Promoters of the Portfolio Manager, directors, key managerial personnel and their background

##### A. Directors of the Portfolio Manager

Mr. Jignesh Modi, Independent

- a) Mr. Jignesh Modi is a seasoned professional with over 25 years of experience, including 17 years in the financial services industry, where he has specialized in regulatory compliance, corporate governance, and legal advisory functions. He holds a Bachelor of Commerce degree, an Associate Company Secretary qualification from the Institute of Company Secretaries of India (ICSI), and a Bachelor of Law (General) degree from Mumbai University. Throughout his career, Mr. Modi has played a pivotal role in ensuring adherence to regulatory frameworks such as SEBI Mutual Fund Regulations, SEBI Portfolio Management Services Regulations, SEBI Alternative Investment Fund Regulations, SEBI Investment Advisor Regulations, SEBI Custody Regulations, FPI Regulations and IFSCA Regulations applicable to Fund Management Entities in GIFT City. He has held leadership positions in prominent organizations including 360 ONE Asset Management Company, L&T Investment Management, SBI SG Global Securities Services, and Canara Robeco AMC, where he consistently served as the designated Compliance Officer. In these roles, he managed group-level and mutual fund compliances, advised on regulatory matters, and contributed to key regulatory committees and reinforcing governance standards across the institutions he has been associated with.

- b) Mr. Ajay Seth, Independent Director

Mr. Ajay Seth is a highly accomplished financial expert, being Chartered Accountant and a B.Com (Hons) from Delhi university. Mr. Seth's professional experience, spanning over four decades is primarily with Maruti Suzuki India limited, JCB India limited and Escorts limited.

He served as the chief financial officer and a member of Executive board at Maruti Suzuki during his tenure from April 2005 to February 2025, where he was responsible for the entire finance and strategy role. His significant achievements during his tenure included managing a huge treasury portfolio, leading two major mergers, driving digital and operational transformation, managing investor relations and increasing the company market capitalisation. Since March 2025 he has acted as a principal consultant advising on M&A, cost optimisation, sustainability projects (including carbon net-zero strategies) and providing advisory to impact fund along with training on financial prudence.

c) Bhautik Ambani, Associate Director & Chief Executive Officer

Mr. Bhautik Ambani currently serves as the CEO and Director of the Company, where he is responsible for the firm's strategic direction, operations, investments, and business growth. Prior to joining AlphaGrep, Mr. Bhautik was the Executive Director at Avendus Capital Public Markets Alternate Strategies LLP. Being a founding member of the team, he was responsible for fund raising and strategy. At Avendus, he was instrumental in growing the business to the largest onshore hedge funds in India. He was recognized as one of the most promising professionals in India in the "40 under 40" category by IAAIF and AIWMI. He was also associated with Ambit Capital, Kotak Wealth Management, and Mirae Asset, in various capacities and positions of leadership. He holds an MBA in Finance from SP Jain Institute of Management and a Bachelor of Management Studies.

d) Mr. Praveen Kumar, Associate Director

Mr. Praveen Kumar is BTEch from IIT Kharagpur and Postgraduate from IIM Calcutta. He is a highly experienced professional in the finance and financial services sector, recognized as one of the most promising professionals in India in the "40 under 40" category by IAAIF and AIWMI. He has over 17 years of experience in quantitative finance, including a significant tenure at Edelweiss Securities Private Limited where he was instrumental in setting up and scaling the proprietary quantitative trading team, and an Associate Director role at Edelweiss Asset Management Limited, where he focused on incorporating quantitative techniques across MFs and AIFs. Since December 2020, he has been with AlphaGrep entities, currently serving as a Director at AlphaGrep Investment Management Private Limited. He is responsible for designing investment products, strategies, and designing risk frameworks for various products.

**B. Key managerial personnel**

The FME has appointed the key managerial personnel to assist in the administration and the functioning of the Fund.

**(a) Mr. Piyush Gupta, Principal Officer**

Mr. Piyush is Principal Officer of the Portfolio Manager. Prior to AlphaGrep, Piyush worked extensively for over 9 years on quant and macro research working with Morningstar & CRISIL. During his tenure, he published several research papers in esteemed finance journals, focusing on innovative performance attribution models for portfolio managers. He also applied advanced machine learning techniques to financial datasets. At Morningstar, Piyush played a pivotal role in designing and constructing multi-factor and smart beta indexes. At IFSC branch of the AlphaGrep, he oversees investment and risk management function. The profile of Mr. Piyush Gupta are set out below:

Name and place of the Organisation	Details of registration of the organisation with any financial regulator	Position held	Period From-To (DD-MM-YYYY)	Detailed Description of Job
AlphaGrep Investment Management Private Limited	IFSCA registered Fund Management Entity (Registration no. IFSCA/FME/II/2022-23/044)  SEBI registered Portfolio Manager (Registration no. INP000007401)	Fund Manager	April 2024 – Present	Leveraging various financial techniques and technology to create and innovate new signals to incorporate in overall long-short fund and thus enhancing its overall management, efficiency and profitability.

Morningstar India Private Limited	--	Principal Quant Analyst	May 2021 – March 2024	<p>Launched and maintained vital customized indexes using python for clients incorporating diverse factors under critical deadlines, contributing to the client fund's strategic management.</p> <p>Designed and structured a QA platform that automated strategy replication and reconstitution reducing index construction time, increasing the operational efficiency of the client funds.</p> <p>Played pivotal role in designing, constructing and implementing multi-factor and single factor indexes using optimization, thus improving the performance of the fund.</p> <p>Conducted methodology reviews and attribution analysis for several smart-beta indexes, including various thematic indexes.</p>
CRISIL Limited	SEBI registered Research Analyst (Registration no. INH00000785)	Senior Analyst	February 2016 – January 2021	Researched on performance attribution models for portfolio managers globally, created new signals for investing using alternative datasets which contributed towards improving the strategic management of the fund.

**(iii) Details of the services being offered: Discretionary, Non-Discretionary and Advisory**

The Portfolio Manager proposes to primarily carry on discretionary portfolio management services and if opportunity arises thereafter, then it also proposes to render non-discretionary portfolio management services and advisory services.

The key features of all the said services are provided as follows:

**(a) Discretionary Services:**

Under the discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Portfolio Manager shall deploy the Capital Contribution by investing or divesting suitably in the Securities as per the Applicable Laws. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager shall be acting in a fiduciary capacity, as a trustee, with regard to the Client's account consisting of investments, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value). The Portfolio Manager will provide discretionary PMS which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the Portfolio, buying and selling the securities, keeping safe custody of the

securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's 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 fraud, malafide intent or gross negligence as determined by the final non-appealable order of the highest court of competent jurisdiction.

This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws in force from time to time, including the Fund Management Regulations. Periodical statements in respect of the Client's assets under management shall be sent to the respective Clients.

**(b) Non-Discretionary Services:**

Under the non-discretionary PMS, the investments/assets are managed as per the requirements of the Client after due consultation with the Client. The role of the Portfolio Manager apart from adhering to investments or divestments upon instructions of the Client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the Client to take appropriate investment decisions in accordance with Applicable Laws. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager inter alia manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client. For the purpose of acting on the Client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as e-mail, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the Portfolio, buying and selling the Securities, keeping safe custody of the Securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite described period, entirely at the Client's risk.

**(c) Advisory Services:**

The Portfolio Manager may provide investment advisory services, in terms of the Fund Management Regulations, Capital Market Regulations and/or guidelines and/or directives issued by the regulatory authorities and/or the Client, from time to time, and which shall include the responsibility of advising on the portfolio strategy and investment and divestment decisions of individual securities on the Client's Portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk; to all eligible category of Investors who can invest in Indian market.

The investment advisory services may be provided for investment in Securities in accordance with the provisions of Fund Management Regulations. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment / divestment of Securities and / or any administrative activities/decisions on the Client's Portfolio. The Portfolio Manager shall act in a fiduciary capacity towards its Client and shall maintain arms-length relationship with its other activities. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the Client, from time to time, in this regard. Advisory services shall be provided to a Client with assets of not less than USD 75,000 and/or such other limits as may be prescribed under the Fund Management Regulations.

**4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority against the Portfolio Manager and its Principal Officer, directors and other key managerial personnel:**

NIL except for disclosure as stated below:

- (a) Copyright infringement civil/commercial suit between WorldQuant and AlphaGrep Investment Management Private Limited (Portfolio Manager) and AlphaGrep Securities Private Limited (Holding Co.) is pending before the Delhi High Court.. Ref: CS(COMM) 901 of 2024.

## 5. Services Offered

### (i) Investment Objective

The investment objective of the Portfolio Manager is to achieve steady returns with low correlation to traditional asset classes using multiple strategy styles. The Portfolio Manager proposes to employ data driven investment strategies to make investments with the objective of delivering superior risk-adjusted returns to the Clients. The Client understands and agrees that the Portfolio Manager may use derivative instruments like stock index futures, futures on individual stocks, options on stock indices and options on individual stocks, interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time, as permitted by the Fund Management Regulations and Applicable Laws.

### (ii) Type of Securities in which the Portfolio Manager will invest

- The Portfolio Manager may invest Capital Contributions in Securities and any other permissible securities/instruments/products as per the Applicable Laws, in such manner and through such markets as it may deem fit in the interest of the Client. The investment in Securities shall primarily comprise including but not limited to following securities:
  - a) listed equity and preference shares of companies listed in India and other jurisdictions;
  - b) listed debentures/ bonds and portfolio of bonds;
  - c) units of investment schemes like mutual funds, alternative investment funds, ETFs in India and other jurisdictions;
  - d) derivatives strategies including equity derivatives, IRS, swaps, commodity derivatives etc. as may be permitted under the Applicable Laws;
  - e) listed InVITs and REITs;
  - f) money market instruments such as certificate of deposit, units of investment schemes such as overnight, liquid or money market schemes, money market instruments, bank deposits;
  - g) listed options, futures, swaps and such other derivatives as may be permitted from time to time; and
  - h) such other securities/instruments and financial products as specified by IFSCA from time to time.
- Under the non-discretionary PMS, the Capital Contribution of the Client shall be invested in listed and/or unlisted securities and shall be managed in consultation with the Client and in accordance with the Fund Management Regulations.

### (iii) Investment Approach of the Portfolio Manager

Please refer to **Annexure I** for more details.

### (iv) Accredited Investor Framework

Regulation 2(1)(b) of Fund Management Regulations defines “*accredited investor*” as any person who fulfils the eligibility criteria provided by IFSCA. IFSCA has prescribed the following criteria for accreditation:

Category of persons seeking recognition as ‘accredited investor’	Criteria
1) Individuals, One Person Companies, Family Trusts and Sole Proprietorships	<p>) <b>Income criteria:</b> Annual income in the preceding financial year <math>\geq</math> USD 200,000 (United States Dollar Two Hundred Thousand) with a reasonable expectation of reaching similar income level in the current financial year. The ‘<i>financial year</i>’ shall be considered to be the financial year as per India or the home jurisdiction of the investor; OR</p> <p>) <b>Net assets criteria:</b> Net asset <math>\geq</math> USD 1 Million (United States Dollar One Million), out of which at least USD 500,000 (United States Dollar Five Hundred Thousand) is in the form of financial assets. The net assets shall be</p>

	<p>based on an individual's financial position on a date not older than 6 months.</p> <p>The determination of the financial assets and net assets of the individual shall be in accordance with the IFSCA circular titled '<i>Accredited Investors in IFSC</i>' dated January 25, 2024;</p> <p><b>Joint investment criteria:</b> Provided that in case of joint investments by (i) parent(s) and their child(ren), or (ii) spouses, such investments may be considered to have been made by Accredited Investors if the following conditions are met:</p> <p>a) Where the joint investments are made by parent(s) and their child(ren) (including stepchildren, adopted children, ex nuptial children), at least one person should independently fulfill the eligibility criteria and such person should be responsible for making investment decisions.</p> <p>b) Where the joint investments are made by spouses, their combined income/ net worth should meet the eligibility criteria.</p>
<p>3) <b>Hindu Undivided Families</b></p>	<p>Hindu Undivided Families (HUFs) in India and similar such family structures in India and foreign jurisdictions, which are created solely for the benefit of the members of a single family, which meet the eligibility criteria specified at sub-clauses 1(i) or 1(ii) above.</p> <p><i>'Single family'</i> shall have the same meaning as defined under the Fund Management Regulations and circulars issued thereunder from time to time.</p>
<p>4) <b>Partnership Firms</b></p>	<p><b>Partner Criteria:</b> Each partner has to independently meet the criteria for accreditation as set out above; or</p> <p><b>Net worth Criteria:</b> Net worth <math>\geq</math> USD 5 Million and the partner(s) responsible for making investment decisions for the partnership firm meet the eligibility criteria of Accredited Investors.</p>
<p>j) <b>Trusts (other than family trusts)</b></p>	<p><b>Net worth criteria:</b> Net worth <math>\geq</math> USD 5 million and the person(s) responsible for making investment decisions for the trust meet the eligibility criteria of Accredited Investors; or</p> <p><b>Beneficiary criteria:</b> All the beneficiaries of the trust independently meet the applicable eligibility criteria of Accredited Investors.</p>

<p><b>j) Body Corporates (include Limited Liability Partnerships)</b></p>	<p><b>Net worth criteria:</b> Net worth <math>\geq</math> USD 5 million; or</p> <p><b>Constituent criteria:</b> All the constituents of the body corporate independently meet the applicable eligibility criteria of Accredited Investors. ‘Constituent’ shall mean shareholders in case of a company, partners in case of a limited liability partnership, etc. Further, in verifying the eligibility of a body corporate under the ‘Constituent Criteria’, if either the immediate constituent (shareholder / partner) or the ultimate constituent meets the applicable eligibility criteria of Accredited Investor, such body corporate may be considered to be an Accredited Investor.</p>
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Notwithstanding the criteria for determining the accredited investor provided above, the following entities shall be deemed to be Accredited Investors:

- i. Government and Government related investors of India and foreign jurisdictions, such as central banks, sovereign wealth funds or agencies including entities controlled or at least 75% directly or indirectly owned by such Government and Government related investor(s).
- ii. Multilateral agency, supranational agency or any international organization of similar nature;
- iii. University funds, pension funds and provident funds set up in IFSC, India or foreign jurisdiction;
- iv. University related endowments of such universities that have been in existence for more than five years;
- v. Venture capital schemes, restricted schemes, retail schemes, exchange traded funds and investment trusts in IFSC. Any such schemes or funds in India or foreign jurisdiction which are regulated in their jurisdiction and wherein no single investor holds more than 33% beneficial interest;
- vi. Family investment funds set up in IFSC and similar regulated vehicles set up in India or foreign jurisdictions;
- vii. A body corporate, when acting on its own account or on account of its clients who are Accredited Investors, which is licensed, authorised, recognised or registered by IFSCA as any of the following; or an entity, when acting on its own account or on account of its clients who are Accredited Investors, which is permitted by a financial sector regulator of India or of a foreign jurisdiction to carry out a financial activity which corresponds to the activities permitted by IFSCA to the following:
  - a) banking unit,
  - b) broker dealer,
  - c) clearing corporation,
  - d) clearing member,
  - e) credit rating agency,
  - f) custodian,
  - g) debenture trustee,
  - h) depository,
  - i) depository participant,
  - j) finance company or finance unit,
  - k) fund management entity,
  - l) global regional corporate treasury center,
  - m) insurance offices,
  - n) investment adviser,
  - o) investment bank,
  - p) stock exchange, and
  - q) any other entity, as may be specified by IFSCA.

The provision of minimum investment of at least USD 75,000 (United States Dollars Seventy Five Thousand) is not applicable to Accredited Investors.

## 6. Risk Factors

### a. General Risk:

- Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.
- Without prejudice to the above, the past performance of the Portfolio Manager does not indicate its future performance.
- Any act, omission or commission of the Portfolio Manager undertaken in good faith under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager as determined by the final non-appealable order of the highest court of competent jurisdiction.
- The Client Portfolio may be affected by settlement periods and transfer procedures.
- The PMS is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.
- If there will be any transactions of purchase and/or sale of securities by the Portfolio Manager and employees who are directly involved in investment operations that conflicts with transactions in any of the Client Portfolio, the same shall be disclosed to the Client.
- The Client Portfolio may have a limited number of investments and, as a consequence, the aggregate returns realized by the Client may be adversely affected by the unfavorable performance of a small number of such investments. The investments may also involve geographic concentration and hence an inability to diversify risk. The Portfolio Manager would strive to diversify the Portfolio, as much as possible, in order to mitigate the concentration risk.
- The group companies of Portfolio Manager may offer services in the nature of consultancy, sponsorship etc., which may be in conflict with the activities of PMS.
- The provisions of the services as agreed under the Agreement and the principal and returns on the Securities subscribed by the Portfolio Manager may be subject to force majeure and external risks such as war, natural calamities, pandemics, policy changes of local / international markets and such events which are beyond the reasonable control of the Portfolio Manager. Any policy change / technology updates / obsolescence of technology would affect the investments made by the Portfolio Manager.
- The performance of the Client Portfolio may be adversely affected by developments in specific industries or sectors in which the Portfolio has concentrated exposure. Changes in government policy, regulatory restrictions, duties, foreign direct investment caps, or global trade restrictions may directly impact particular industries or sectors. Such developments may result in substantial declines in the value of the securities issued by companies operating within the affected industries.

Other risks arising from the investment objectives, investment strategy, Investment Approach and asset allocation are stated as under:

### b. Risks associated with investments in equity and equity linked securities

- Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- In various securities markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.

- In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
- The value of the Client Portfolio, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
- Client may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

**c. Risk factors associated with investments in derivatives**

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of such strategies to be persuaded by the Portfolio Manager involve uncertainty and decisions of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments.
- As and when the Portfolio Manager on behalf of Clients would trade in the derivatives market there are risk factors and issues concerning the use of derivatives that the Client should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "counterparty") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- Derivative trades involve execution risks, whereby there is an adverse price impact resulting from a change in the fundamental value of the security.
- The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.
- Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets.
- The Portfolio Manager intends to actively 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. Moreover, it may

not be possible for the Strategy to hedge against a fluctuation at a price sufficient to protect the Strategy's assets from the decline in value of the Portfolio positions anticipated as a result of such fluctuations. Given that the underlying investments is in cash equity and equity derivatives, the market movements will affect the performance of the Strategy accordingly.

- The prices of many derivative instruments, including many options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities, currencies or other assets underlying them. The PMS is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other securities, currencies or other assets.

Following are the risks associated with the investment in options:

- Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.
- If a put or call option purchased under the strategy and are permitted to expire without being sold or exercised, the Client would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying security, currency or other asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying security, currency or other asset would then be sold to the Client at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying security, currency or other asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying security, currency or other asset would then be sold by the Client at a lower price than its current market value.
- Purchasing and writing put and call options and, in particular, writing "uncovered" options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security, currency or other asset above the exercise price of the option. This risk is enhanced if the security, currency or other asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The securities, currencies or other assets necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities, currencies or other assets to satisfy the exercise of the call option can itself cause the price of the securities, currencies or other assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the Client of all or a substantial portion of its assets.

**d. Risks associated with investments in fixed income securities/products and Money market securities**

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

- **Interest Rate Risk:** As with all debt securities, changes in interest rates affects the valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of Portfolios.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.

- **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Due to this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Rating Risk:** Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.
- **Price Volatility Risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these securities may be less liquid than that for other higher rated or more widely followed securities.
- **Portfolio Rebalancing:** If market conditions do not permit to rebalance the portfolio, portfolio performance may get affected.
- **Pre-payment Risk:** Certain debt securities may provide issuers with the right to prepay obligations prior to maturity, especially during periods of declining interest rates. Such prepayments may result in reinvestment of proceeds at lower prevailing yields, thereby adversely affecting overall returns on the Client Portfolio.

*Investment and Liquidity Risks:* There may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client Portfolio. Such investments may be of a medium-to-long term nature. There are a variety of methods by which unlisted investments may be realized, such as the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant approvals. However, there can be no guarantee that such realizations shall be achieved, and the Portfolio's investments may remain illiquid.

Since the Portfolio Manager may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the PMS.

*Identification of Appropriate Investments:* The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India or such other foreign jurisdiction where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

**e. Management and Operational risks**

**Reliance on the Portfolio Manager**

- The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time. The Portfolio Manager relies on one or more key personnel and any change/removal of such key personnel may have material adverse effect on the returns of the Client.
- The investment decisions made by the Portfolio Manager may not always be profitable.

- Investments made by the Portfolio Manager are subject to risks arising from the investment objectives, Investment Approach, investment strategy and asset allocation.
- Exit Load: Client may have to pay a high Exit Load to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client). In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Fund Management Regulations. In case of investments made in AIFs and mutual funds, any redemption shall be subject to Exit Load / exit charge of such investments.
- Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments.
- No Guarantee: Investments in Securities are subject to market risks and the Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as delisting of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- Key individuals: The Portfolio Manager will be selecting suitable Portfolio investments. A material adverse effect on the returns of the investment may be created by the loss of one or more key personnel of the Portfolio Manager who are responsible for managing Portfolios. In case of loss of one or more key personnel of the Portfolio Manager, the Portfolio Manager would endeavor to introduce a competent person.
- Ongoing risk profiling risk: The Client would be subject to ongoing risk profiling in accordance with the Fund Management Regulations. If in case during such ongoing risk profiling, it is found that the Client is not suitable for the investments in Securities or doesn't have risk appetite, the Portfolio Manager may terminate the Agreement with the Client.

**f. Concentration of investments**

Portfolio may at certain times hold relatively few investments or have a significant exposure to a single issuer, counterparty, or asset. A 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 or counterparty. Additionally, historical correlations may undergo dramatic change due to micro and macro elements, thereby reducing expected diversification protection.

**g. Gold ETFs and Alternate Investment Risk**

Investments made in Gold Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), and similar alternate investment options are subject to unique risk factors including, but not limited to, global supply-demand dynamics, changes in interest rates, foreign exchange rate fluctuations, changes in indirect tax regimes, political and economic instability, regulatory restrictions, and liquidity constraints. Such factors may adversely affect the returns generated by such instruments.

**h. Counterparty Risks**

The Portfolio will also be exposed to a counterparty risk in relation to the brokers, vendors, and other parties with whom they transact.

**i. Pricing and Valuation Risks**

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 may follow 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 transaction / valuation 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 portfolio 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.

**j. Model risk**

The Portfolio Manger will test the robustness of any model used and will suitably adapt it, if required. Any change in the factors initially considered by the Portfolio Manager for constructing the models could have a negative impact.

**FPI Registration**

To the extent of investment in listed securities in India, the Client will need to seek registration as Foreign Portfolio Investor (FPI). The value Portfolio 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, raising funds and insider dealing. The regulations affect the pricing, cost of a transaction and the ability to conduct due diligence. SEBI and/or the Government of India may make changes to regulations which may affect the ability of the Portfolio Manager to make, or exit, investments for a Client.

Under the FPI Regulations, Foreign Portfolio Investors ("FPIs"), on their own behalf, may only invest in equity below 10% of the paid-up capital of an Indian company or 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and total holdings by all FPIs put together shall not exceed the sectoral caps applicable to the Indian company with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid up value of each series of debentures or preference shares or share warrants (in the automatic route), and 24% (twenty four percent) paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants (in the sectors where Foreign Direct Investment (FDI) is prohibited). The limit can be increased to 49% (forty nine percent) or 74% (seventy four percent) or the sectoral cap or statutory ceiling as deemed fit, if the board of directors of the Indian company approves it followed by an approval by way of special resolution of general body of the Indian company. The investment of the Client shall be accordingly restricted to that extent.

Further, for investment in debt securities, the FPI will need to bid for corporate debt limit when utilization has exceeded 95% (ninety five percent) of the corporate debt investment limits as announced by RBI from time to time, otherwise its available on tap, and investments in debt securities shall be accordingly constrained to the extent of limit available for a FPI to invest.

**Loss of FPI Registration**

The investments by the Client in India as FPI, shall be dependent upon the continued registration as an FPI. If the registration as an FPI is terminated, the Client may be forced to redeem its investments, and such forced redemption could adversely affect the returns to the Client.

Any investigations of, or actions against, the Portfolio Manager or any of its investors initiated by the SEBI or IFSCA or any other regulatory authority may impose a ban on the investment and trading activities for the Client.

**k. Currency risk**

Contributions to the Strategy will be denominated in U.S. dollars. However, the Strategy may invest in securities denominated in INR and/or such other currency. Any dividends, sale proceeds, interest and return of Capital Contributions in respect of such portfolio companies will likely be paid in INRs and subsequently converted into U.S. dollars for repatriation. A change in value of the INR against the U.S. dollar will cause a corresponding change in the U.S. dollar value of the investments that are denominated in the INR. Such changes may also affect the Client's income and profitability. Any change in trading policy by the RBI can significantly and suddenly influence exchange rates from time to time. Other factors that may affect currency values include trade balances, the level of short-term interest rates, long-

term opportunities for investment and capital appreciation and political developments. The Client may incur costs in converting from one currency to another. The Portfolio Manager may employ hedging techniques for select Clients to minimize these risks, but there can be no assurance that such strategies will be effective.

**l. Political, Economic and Social Risks**

Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of various economy. International crude oil prices and interest rates will have an important influence on various economies. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of specific jurisdictions.

Many countries experienced outbreaks of infectious illnesses in recent decades, including severe acute respiratory syndrome and the COVID-19. The COVID-19 outbreak resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The spread of the COVID-19 had and will continue to have a material adverse impact on portfolio entities, local economies and also the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. Additionally, the Portfolio Manager's operations could be disrupted if any of its member or any of its key personnel contracts the COVID-19 and/or any other infectious disease. Any of the foregoing events could materially and adversely affect the Portfolio Manager's ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences may arise with respect to other comparable infectious diseases.

**m. Regulatory risk**

The value and marketability of the Portfolio's investments may be affected by changes or developments in the legal and regulatory climate in India. IFSCA regulates the securities market in IFSC, GIFT City and legislates from time to time on matters affecting the securities market. Further, Indian market regulator, SEBI has issued regulations that affect investment in India, including regulations on takeovers, raising portfolios and insider dealing. IFSCA, SEBI and/or the Government of India may make changes to regulations which may affect the ability of the Portfolio to make, or exit, investments.

**n. 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 in excess of such amounts. Distributions in respect of Investors are not guaranteed, and 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.

**o. Legal and Tax risks:**

*Tax risks:* Clients/ Investors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Client Portfolio are subject to change, and tax liabilities could be incurred by the Clients/ Investors as a result of such change. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. The tax consequences of an investment in the Portfolio Entities are complex, and the full tax impact of an investment in the Portfolio Entities will depend on circumstances particular to each Client/ Investor. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes. Alternative tax positions adopted by the income tax authorities could also give rise to incremental tax liabilities in addition to the tax amounts

already paid by the Client/Investors. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability.

*General Anti-Avoidance Rules ("GAAR"):* The GAAR provide that an arrangement whose main purpose is to obtain a tax benefit and which also satisfies at least one of the four specified tests (i.e. arrangement is not in arm's length, misuse or abuse of tax laws, lacks or is deemed to lack commercial substance or not carried out for bonafide purpose) can be declared as an "impermissible avoidance arrangement". Further, the GAAR provisions, if invoked, could override the provisions of the applicable Double-taxation Avoidance Agreements ("DTAA").

The provisions of GAAR would be applicable to any transaction undertaken on or after April 1, 2017. There is a risk that the Indian tax authorities could challenge transactions entered into by the Client under the GAAR provisions, which could result in additional tax liabilities to the Client.

*Multilateral Convention to implement DTAA related measures to prevent Base Erosion and Profit Shifting ("MLI"):* Client should be aware that on 7 June 2017, several countries signed a multilateral convention implementing tax treaty related measures arising from the OECD's "Action Plan on Base Erosion and Profit Shifting" or "BEPS" initiative. The effect of the multilateral convention will be to amend the terms of existing bilateral tax treaties between the signatory states (once ratified domestically by the relevant states) to introduce either a "principal purpose" or "limitation on benefits" restriction (or, in some cases, both) into the existing tax treaties in force between the signatory states. This could result in additional reporting and disclosure obligations for Client and/or the Portfolio Manager and/or additional tax being suffered by the Client, which may adversely affect the returns for the Client.

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.

*Change in Regulation:* Any change in the Fund Management Regulation and/or other Applicable Laws or any new direction of IFSCA may adversely impact the operation of the PMS.

*Bankruptcy of Portfolio Entity:* Various laws enacted for the protection of creditors may operate to the detriment of the PMS if it is a creditor of a Portfolio Entity that experiences financial difficulty. For example, if a Portfolio Entity becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Portfolio Investment to other creditors. If the PMS/Client holds equity securities in any Portfolio Entity that becomes insolvent or bankrupt, the risk of subordination of the PMS's/Client's claim increases.

*Diverse Interest:* 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 by a Portfolio, the structuring or the acquisition of investments and the timing of disposition of investments. Consequently, conflicts of interest may arise in connection with decisions made by the Portfolio Manager that may be more beneficial for one investor than for another investor, especially with respect to any Investor's individual tax situation.

**p. Cyber security risks:**

The Portfolio Manager 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, administrator or depository 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 portfolio; 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.

*Prospective clients should review/study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.*

**7. Conflict of Interest**

AlphaGrep team manages multiple portfolios as a Portfolio Manager, thereby presenting possibility of conflict of interest arising in several situations, including in allocating investment opportunities amongst the various portfolios, or its actions vis-à-vis third parties. The Portfolio Manager will endeavour to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each portfolio. The Portfolio Manager shall ensure fit treatment in an arms-length transaction towards all its clients and shall also specifically ensure that the interests of the Client are not prejudiced.

The Portfolio Manager also acts as the investment manager to the schemes of Alphamine AIF and also undertakes the Portfolio Manager Services under the SEBI (Portfolio Managers) Regulations, 2020. Conflict of interest may arise between its activities as the Portfolio Manager and as the Investment Manager. It is intended for such conflicts to be managed primarily by complying with the applicable law, acting in good faith to develop equitable resolutions of known conflicts and developing policies to reduce the possibilities of such conflict and proper and adequate disclosure to Clients. The Portfolio Manager shall endeavour to ensure that these conflicts do not work to the detriment of the interests of the Client; however, there can be no assurance that they will be able to do so in all instances.

**8. Client Representation & Performance of Portfolio Manager**

Head Office of the Portfolio Manager also undertakes PMS and is registered with SEBI. Further, it also acts as an investment manager to a Category III Alternative Investment Fund (AIF) and manages assets of ~ INR 1056 Crores.

**9. The Financial Performance of Portfolio Manager (based on audited financial statements)**

Financial performance of Portfolio Manager (Head Office) FY 25-26 :

Conversion rate: @94.6543

**Rupees  
in Thousands**

Gross Income	2282.58
Profit Before Tax	(517.10)
Profit After Tax	(374.14)

**10. Audit Observations for preceding three years**

There has been no audit observations in the preceding three years.

**11. Nature of expenses**

The following are the general costs and expenses to be borne by the Clients availing the services of the Portfolio Manager. However, the exact nature of expenses relating to each of the following services is annexed to the Agreement in respect of each of the services provided.

**i. Management Fee:**

The Management Fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed as agreed in the Agreement.

**ii. Set Up Fee/ Onboarding Fee:**

The Set -Up Fee relates to set up the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed as agreed in the Agreement. The Set Up Fee will include the cost of onboarding investor if any and other ancillary charges for transfer of investment amount, if any.

**iii. Advisory fee:**

The advisory fee relates to the advisory services offered by the Portfolio Manager to the client. The advisory fee may be a fixed charge or a percentage of the quantum of the funds being advised as agreed in the Agreement.

**iv. Performance fee:**

The Performance Fee relates to the share of profits charged by the Portfolio Manager, subject to hurdle rate and High Water Mark Principle as per the details provided in the Agreement.

**v. Exit Load:**

The Portfolio Manager may charge early withdrawal fee as a percentage of the value of the Portfolio /withdrawn Portfolio as per the terms and conditions of a particular product as agreed in the Agreement

**vi. Other fees and expenses:**

The Portfolio Manager may incur the following expenses which shall be charged on the actuals to the Client:

- (a) Transaction expenses including, but not limited to, statutory fees, documentation charges, statutory levies, stamp duty, registration charges, commissions, charges for transactions in Securities, custodial fees, fees for fund accounting, valuation charges, audit and verification fees, depository charges, and other similar or associated fees, charges and levies, legal fees, incidental expenses etc.;
- (b) Brokerage shall be charged at actuals;
- (c) Legal and statutory expenses including litigation expenses, if any, in relation to the Portfolio and/or in relation to the portfolio management services being provided under the license;
- (d) Statutory taxes and levies, if any, payable in connection with the Portfolio;
- (e) Valuation expenses, valuer fees, audit fees, levies and charges; and
- (f) All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above, whether agreed upon in the Agreement or not, arising out of or in the course of managing or operating the Portfolio.

The Portfolio Manager may charge any up-front fees, costs and expenses attributable to the Client in terms of the Agreement.

**12. Taxation**

The general information stated below is based on the general understanding of the provisions of the Income tax Act, 1961, in force in India as of the date of the Disclosure Document and is provided only for general information to the Investor only vis-à-vis the investments made through the Portfolio Management Services of the Portfolio Manager. This information gives the direct tax implications on the footing that the securities are/will be held for the purpose of investments. In case the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case to case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment shall endure indefinitely.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest in the portfolio management schemes.

Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. The Investor 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 Investor 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 Portfolio Manager.

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 units. The Portfolio Manager accepts no responsibility for any loss suffered by any client as a result of current taxation law and practice or any changes thereto. Clients should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the client is advised to best consult their own tax consultant, with respect to specific tax implications arising out of their portfolio managed by the Portfolio Manager.

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 the amendments enacted in the Finance Act, 2020 and the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020.

The Tax Rates for different entities for the Financial Year 25-26 (Assessment Year 2026-27) are as follows.. You are required to consult your tax advisor for calculation of taxes:

### **Taxation for Non-Resident Investors**

Section 115A to 115AD prescribes tax rates for various types of investment income of different NonResident Entities. However, if the non-resident is covered by a particular DTAA, he may apply the rates prescribed under that DTAA, if beneficial, without considering any surcharge and education cess

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 February 23, 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 500 million during the Financial Year.

### **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:

#### **Dividend Income:**

Before April 1, 2020, Indian companies were required to pay Dividend Distribution Tax at an effective rate of 20.56 percent on dividends declared and distributed by them. Consequently, the dividend was exempt in the hands of the shareholder—residents as well as non-residents. From a compliance perspective, the government was able to collect dividend tax from one source i.e. companies and even for companies it was not a compliance burden at all.

However, Indian Finance Act 2020 has abolished Dividend Distribution Tax and, with effect from April 1, 2020, dividends declared by Indian companies would be taxable in the hands of shareholders. For nonresident shareholders—foreign shareholders, portfolio and institutional investors and even individuals (including NRIs)—the said dividend would be taxable in India either at the rates prescribed under the Indian tax laws or relevant tax treaties, whichever is beneficial to the taxpayer.

As per the current law, a tax rate of 20 percent (plus applicable surcharge and cess) is provided under the Indian local laws for dividends paid to non-residents or foreign companies. However, the tax treaties provide for lower rates, depending on the shareholding percentage and country of the investor.

The Indian Companies declaring dividend would be required to deduct tax at rates in force (in case of payment to non-resident).

Further, it is inserted that the taxpayer can claim a deduction of interest expenditure under section 57 of the IT Act if such income is offered to tax under the head 'income from Other sources' against such dividend income upto 20% of the dividend income

Section 80M was introduced by the Finance Bill, 2020. As per Section 80M, in case any Indian company receives dividend from another Indian company 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

Accordingly, as per the amended provisions, the dividend income (net of deductions, if any) will be taxable at the rates mentioned above.

#### **Interest Income:**

Interest income would be subject to tax at the rate of 40% (plus applicable surcharge and cess) for beneficiaries who are non-resident companies. For beneficiaries being non-resident firms / company, interest income would be subject to tax at the rate of 30% (plus applicable surcharge and cess). For other non-resident beneficiaries, interest income would be subject to tax at the rate of 30% (plus applicable surcharge and cess). The above rates would be subject to availability of Tax Treaty benefits, if any.

Non-resident Indian ("NRI") Investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, the interest income from specified assets (which includes debentures issued by public companies) should be taxable at the rate of 20% (plus applicable surcharge and cess) on gross basis.

As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to Foreign Portfolio Investor ("FPI") would be subject to tax at the rate of 5% (plus applicable surcharge and cess) if following conditions are satisfied:

- Such interest is payable on or after 1 June 2013 and 1 July 2020; and
- Rate of interest does not exceed the rate notified by Central Government

If the above concessional tax rate is not available, then the interest income would be subject to tax rate at the rate of 20% (plus applicable surcharge and cess) for FPI investors.

## CAPITAL GAIN

### 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 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 Assets	STCA	LTCA
For assets being shares in a company or any other security 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 Zero Coupon Bonds	Held for not more than 12 months	Held for more than 12 months
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)	Held for not more than 24 months	Held for more than 24 months
For assets other than those specified above	Held for not more than 36 months	Held for more than 36 months

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

Nature of Income	Tax Rate* for offshore investors being Foreign Company	Tax rate* for offshore investors being Firms/LLPs/FPI	Tax rate* for any other offshore investors
	%	%	%
Short-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund, and on which STT has been paid	20	20	20
Other short-term capital gains	30	30	30
Long-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares	12.5 (without indexation)	12.5 (without indexation)	12.5(without indexation)

sold through offer for sale or (iii) units of equity oriented mutual fund and on which STT has been paid (Refer Note 1)			
Long-term capital gains on transfer of listed bonds / listed debentures or other listed securities (other than units of mutual fund) on which STT has not been paid (Refer Note 2 & 3)	12.5% (without indexation)	12.5% (without indexation)	12.5% (without indexation)
LTCG on transfer of units of mutual fund (listed or Unlisted) other than Equity Oriented Fund (with 35%-65% equity allocation)	12.5% (without Indexation)	12.5% (without Indexation)	12.5% (without Indexation)
LTCG on transfer of units of mutual fund (listed or Unlisted) other than Equity Oriented Fund (with < 35% equity allocation)	12.5% (without Indexation)	12.5% (without Indexation)	12.5% (without Indexation)
Long-term capital gains on transfer of unlisted securities	12.5% (without indexation)	12.5% (without indexation)	12.5% (without indexation)
Any other income (includes income not specifically covered elsewhere. Subject to applicable surcharge and cess	40	40	40

\*Plus, applicable surcharge and cess

**Note 1:** The Finance Act, 2018 has withdrawn exemption from tax on long-term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from April 1, 2018. As per section 112A of the IT Act, the long-term Capital Gains above INR 0.1 million on following transfers shall be taxable at 10%:

- listed equity shares (STT paid on acquisition\* and transfer); and
- units of equity oriented mutual fund (STT paid on transfer)

**Note 2:** Based on judicial precedents, non-residents may avail the concessional tax rate (as mentioned above). However, the possibility of Indian Revenue Authorities disregarding the said position and applying a tax rate of 20% (plus applicable surcharge and cess) cannot be ruled out.

\*The CBDT has issued a notification on October 1, 2018, clarifying that condition of paying STT at the time of acquisition shall not apply for all transactions of acquisition of equity shares other than the following negative list:

- where the acquisition of existing listed equity shares in a company whose equity shares are not frequently traded on a recognised stock exchange of India is made through a preferential issue, other than specified preferential issues;
- where transactions for acquisition of existing listed equity shares in a company is not entered through a recognised stock exchange, except in specified circumstances; and
- acquisition of equity share during the period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange, in accordance with the Securities Contracts (Regulation) Act, 1956 ("SCRA") read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules made thereunder.

**Note 3:** Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains

Further, the CBDT has clarified by way of FAQs that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.

NRI Clients/Investors are entitled to be governed by special tax provisions under Chapter XII-A of the ITA and if the NRI investors opt to be governed by these provisions under the ITA, (i) any long-term capital gains should be taxable at the rate of 12.5% (plus applicable surcharge and cess) and (ii) any investment income should be taxable at 20% (plus applicable surcharge and cess)

## Other Provisions

### Security Transaction Tax (“STT”)

Delivery based purchases and sales of equity shares traded on recognised Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of the purchase or sale. Further, STT at the rate of 0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange. STT is levied on the seller at the rate of 0.025% on the sale of equity share in a company or unit of an equity oriented mutual fund - transaction in a recognised stock exchange, settled otherwise than by actual delivery.

As discussed above the concessional rate for short term capital gains and long-term capital gains would be applicable only if the sale / transfer of the equity shares takes place on a recognized stock exchange in India. All transactions entered on a recognised stock exchange in India will be subject to STT levied on the transaction value at the applicable rates.

The rates of STT are as follows: -

The	Sr No	Nature of taxable securities	ST T Rates %	Pay able by
	1(a)	Purchase of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such shares	0.1	Purchaser
	1(b)	Purchase of a unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such units	NIL	Purchaser
	2(a)	Sale of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such shares	0.1	Seller
	2(b)	Sale of a unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such units	0.001	Seller
	3	Sale of an equity share in a company/ unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the contract is settled otherwise than by actual delivery or transfer of shares/ units.	0.025	Seller
	4(a)	Sale of an option in securities (STT will be payable on the option premium)	0.1	Seller
	4(b)	Sale of an option in securities where the option is exercised (STT will be payable on the settlement price)	0.125	Purchaser
	4(c)	Sale of a future in securities	0.02	Seller

amount of STT paid in respect of the taxable securities transactions entered into in the course of a business during the previous year can be claimed as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head **Profits and gains from business and profession [Section 36(1)(xv)]**.

## 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 a 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
- Arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for 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 30 million cannot be read in respect of a single taxpayer only.

**Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on residential status, the facts and circumstances of each case. The Client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his income or loss and the expenses incurred by him as a result of his investment as offered by the Portfolio Manager.**

### 13. Accounting policies

The key accounting policies shall be provided to the Client in accordance with the Applicable Laws and the IFSCA FM Regulations.

### 14. Investors Services

The Portfolio Manager seeks to provide the Clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. The Client servicing essentially involves:

- (a) Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- (b) Attending to and addressing any client query with least lead time;
- (c) Ensuring portfolio reviews at predefined frequency.

#### (i) Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints:

Name	Mr.Piyush Gupta
Address	1128 B, 11th Floor, Signature,13 B, Unit Zone-1 GIFT SEZ, Gandhinagar-382355
Telephone No.	+91 9833383828
Email id	<a href="mailto:compliance.in@alphagrepim.com">compliance.in@alphagrepim.com</a> /

**(ii) Grievance redressal and dispute settlement mechanism:**

The Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest in accordance with policies and procedures as specified under the Applicable Laws, this Document and the Agreement. The Portfolio Manager shall designate a Complaint Redressal Officer (CRO) and a Complaint Redressal Appellate Officer (CRAO) for handling of complaints and appeals respectively. For further details, Investors can refer to complaint redressal policy available at <https://www.alpha-grep.com/>. The CRO will immediately identify grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Client. Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. **Quick action** – As soon as any grievance comes to the knowledge of the aforesaid personnel, it would be identified and resolved. This will lower the detrimental effects of the grievance.
2. **Acknowledging grievance** – The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
3. **Gathering facts** – The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
4. **Examining the causes of grievance** – The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
5. **Decision making** – After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
6. **Review** – After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

If the Client still remains dissatisfied with the remedies offered or the stand taken by the compliance officer, the Client and the Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to arbitration under the Arbitration Rules of Singapore International Arbitration Centre. The Portfolio Manager and the Client shall jointly appoint a sole arbitrator mutually acceptable to them. In the event of failure to agree upon a sole arbitrator for a period of 15 (fifteen) days of receipt of notice, the arbitration shall be before 3 (three) arbitrators, where the Portfolio Manager and the Client shall appoint an arbitrator each for themselves and the third arbitrator being the presiding arbitrator appointed by the two arbitrators in accordance with the provisions of the Arbitration Rules of the Singapore International Arbitration Centre. The arbitration shall be conducted in accordance with the provisions of the Arbitration Rules of the Singapore International Arbitration Centre. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. Such arbitration proceedings shall be held at Gandhinagar, India and the language of the arbitration shall be English. The courts of Gandhinagar, India shall have the exclusive jurisdiction to adjudicate upon the claims of the parties.

**15. General**

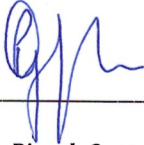
**Prevention of Money Laundering**

International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 has been notified effective October 28, 2022. These guidelines apply to every regulated entity recognized and registered with IFSCA. In accordance with the abovementioned guidelines, the Portfolio Manager shall adopt Risk-Based Approach (RBA) to identify and assess the Money Laundering (ML) and Terrorist Financing (TF) risk to which the regulated entity is exposed, depending upon its nature of business and exposure with certain types of clients and countries. The results of the risk assessment shall be used to classify the ML/TF risks as low, medium and high.

The Portfolio Manager, its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client's account/rejection of any application or mandatory repayment/returning of funds due to noncompliance with the provisions of the International Financial Services Centres

Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022. If the Portfolio Manager believes that transaction is suspicious in nature within the purview of the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022, then it will report the same to FIU-IND.

**For and on behalf of AlphaGrep Investment Management Private Limited**



**Name: Piyush Gupta**

**Designation: Principal Officer**

**Place: GIFT City, Gandhinagar**

**Date: 22/06/2026**

## Annexure I

### Investment Approach 1

**Name of the Strategy:** Alphamine Multi Strategy

**Investment objective:**

To achieve steady returns with low correlation to traditional asset classes using multiple strategy styles.

**Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.**

Under this approach, the Portfolio Manager would primarily invest in listed equities and derivatives across asset classes and opportunistically also invest in money market instruments, units of mutual funds, exchange traded fund/s or other permissible securities/products in accordance with the Applicable Laws. Investments outside India could include equities, derivatives across asset classes, ETFs and related products.

**Basis of selection of such types of securities as part of the Investment Approach:**

The Portfolio Manager seeks to generate steady returns for the Client through multiple different strategies across asset classes and styles. We will follow a systematic approach combining equity market neutral, long short, options based strategies, commodity derivative strategies, global index rebalances and spread trading. Portfolio construction will employ established quantitative and academically substantiated techniques to optimise the risk adjusted return. Holdings will be tracked on a constant basis and rebalancing wherever necessary based on the strategy and internal risk policy will be undertaken.

**Allocation of portfolio across types of securities -**

Listed equities (India and international): 0-20%; Listed derivatives (including commodity derivatives) (India): 0-100%; Listed derivatives (international): 0-20%;

**Indicative tenure or investment horizon:**

Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 6 (six) months.

**Risks associated with the Investment Approach:**

Below are select risks associated with the Investment Approach apart from those disclosed in Clause 6 of this Document. The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

**Hedging Strategies:** Hedging strategies in general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. 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.

**Regulatory risk:** Any change in margin requirements could have an adverse impact on the performance.

**Company risk:** The performance of the Investment Approach will depend upon the business performance of the Portfolio Entity and its future prospects. Portfolio Manager's may focus on studying the business and the sustainability with focus on studying the balance sheet and numbers will help the Portfolio Manager in mitigating these sector or company risks.

**Concentration Risk:** There will be concentration limits at the asset class and security level to ensure that the Portfolio is well diversified.

**Model risk:** The Portfolio Manger will test the robustness of any model used and will suitably adapt it, if required. Any change in the factors initially considered by the Portfolio Manager for constructing the models could have a negative impact.

**Currency risk:** If the portfolio comprises of international securities, the resulting fluctuation of the target currency with INR could lead to additional gains or losses.

**Derivatives risk:**

Investments in derivatives, including but not limited to, commodity derivatives, entails exposure to risks arising from fluctuations in market conditions and/or other contributing factors, since these are highly leveraged instruments, and their use requires a high degree of skill, diligence and expertise. The Portfolio Manager may employ leverage through the use of derivatives, which are subject to market volatility, margin requirements, and liquidity constraints that could impact performance.

**Investment Restrictions:**

The Sub-manager shall not utilize the client's portfolio for investments in derivatives unless the Sub-manager has obtained the client's express prior consent from the PMS Client".

The Sub-manager shall not enter into any transaction for the purchase or sale of any security that is periodically or ultimately settled otherwise than by actual delivery or transfer of such security, except in the case of transactions involving derivatives.

**Other salient features, if any:**

**Minimum investment:** USD 75,000 (United States Dollar Seventy-Five Thousand)

**Management fees:** Upto 3% of Clients daily average AUM

**Performance fees:** Upto 35% of returns generated vis-à-vis benchmark on high watermark principle

**Exit Load:** Upto 3% for less than 12 months from the date of Client Agreement of Clients' funds being provided to the portfolio manager whichever is less.

## Investment Approach 2

### **Name of the Strategy: AlphaGrep Long Equity Portfolio**

#### **Investment objective**

A diversified multi-cap equity portfolio that endeavors to generate long term capital appreciation for clients.

#### **Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.**

Under this approach, the Portfolio Manager would primarily invest in listed equities and opportunistically also invest in money market instruments, units of mutual funds, exchange traded fund/s or other permissible securities/products in accordance with the Applicable Laws.

#### **Basis of selection of such types of securities as part of the investment approach**

The Portfolio Manager seeks to generate returns for the Client through price appreciation of the stocks held over a period of time. The approach aims to adopt a strategy of stringent data driven systematic stock selection process with a medium term focus. Holdings and the sectors will be tracked on a constant basis and rebalancing wherever necessary based on revised metrics will be undertaken. Approach will be to generate returns, over the medium to long term investing predominantly in basket of listed equities across market capitalisation and opportunistically also investing in, money market instruments, units of mutual funds or other permissible securities/products in accordance with the Applicable Laws.

#### **Allocation of portfolio across types of securities**

1. Listed equities: 90-100%, and
2. Money market instruments, units of mutual funds and derivatives: 0-10%.

#### **Appropriate benchmark to compare performance and basis for choice of benchmark**

S&P BSE 500 TRI will be the relevant benchmark as the Portfolio Manager will endeavour to have more than 80% of overall equity allocation to securities that are part of this universe. Furthermore, In order to evaluate the relative performance of the Investment Approach/ Portfolio, Association of Portfolio Managers in India (APMI) has prescribed the Benchmark as mandated by SEBI.

#### **Indicative tenure or investment horizon**

Investors should invest with a 3-5 years' investment horizon.

#### **Risks associated with the investment approach**

Below are select risks associated with the investment approach apart from those disclosed in Clause 6 of this Document. The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

**Company risk:** The performance of the investment approach will depend upon the business performance of the Portfolio Entity and its future prospects. Portfolio Manager's focus on studying the business and the sustainability with focus on studying the balance sheet and numbers will help the Portfolio Manager in mitigating these sector or company risks.

**Valuation risk:** Portfolio Manager will assess the Portfolio Entities from varied valuation number, Portfolio Manager is definitely wary of overpaying and will consider various parameters in order to establish whether the valuations are reasonable while investing and reassess the same from time to time.

**Concentration Risk:** Endeavor to have adequately diversified portfolio of 25-50 stocks across market capitalization and industries. Single stock exposure will be capped at 10% of the overall portfolio.

**Model risk:** The Portfolio Manager will test the robustness of any model used and will suitably adapt it, if required. Any change in the factors initially considered by the Investment Manager for constructing the models could have a negative impact.

**Other salient features, if any:**

**Minimum investment:** USD 75,000 (United States Dollar Seventy-Five Thousand)

**Management fees:** Upto 3% of Clients daily average AUM

**Performance fees:** Upto 35% of returns generated vis-à-vis benchmark on high watermark principle

**Exit Load:** Upto 3% for less than 12 months from the date of Client Agreement of Clients' funds being provided to the portfolio manager whichever is less.