DISCLOSURE DOCUMENT

(As per the requirement of the Fifth Schedule of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulation 2020).

A. This Disclosure Document pertains to the disclosures hereby made by Marcellus Investment Managers Private Limited (the "**Company**/**Portfolio Manager**"). This Disclosure Document is filed with the Securities Exchange Board of India ("**SEBI**") along with the certificate set out at Schedule 1 of this Disclosure Document, in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

B. The purpose of this Disclosure Document is to provide essential information about the Portfolio Management Services to assist and enable investors in making informed decisions prior to engaging the Portfolio Manager.

C. The Disclosure Document sets forth necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the Disclosure Document for future reference.

D. The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Name of the Principal Officer	Saurabh Mukherjea
Phone	0806-9199-400
Email	saurabh@marcellus.in
Registered / Corporate Office Address	Boston House, 102 First Floor, Suren Road, Near WEH Metro Station, Andheri East, Chakala MIDC, Mumbai- 400093, Maharashtra, India

Securities & Exchange Board of India
(Portfolio Managers) Regulations 2020,

Regulation 22

Name of the Portfolio Manager	Marcellus Investment Managers Private Limited
Registered and Corporate office	Boston House, 102 First Floor, Suren Road, Near WEH Metro Station, Andheri East, Chakala MIDC, Mumbai- 400093, Maharashtra, India
Telephone	0806-9199-400
Email	saurabh@marcellus.in

We confirm that:

i) The Disclosure Document forwarded to the Securities & Exchange Board of India (SEBI) is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time in this regard;

ii) The disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of their portfolio to us/ investment in the Portfolio Management Services;

iii) The Disclosure Document has been duly certified by an independent Chartered Accountant - Kamdar Desai & Patel LLP, Chartered Accountants, having membership No W100805 and office at 296, Sumati Smruti CHS, Old Cadell Road, Opposite Catering College, Dadar West, Mumbai - 400028 on July 18, 2024.

For and on behalf of Marcellus Investment Managers Private Limited

SAURABH MUKHERJEA
Digitally signed by SAURABH MUKHERJEA
Date: 2025.05.23 19:03:18 +05'30'

Saurabh Mukherjea
Principal Officer

Date: 23rd May 2025
Place: Mumbai

Contents of the Disclosure Document:

1. Disclaimer

The particulars set out in this Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended till date and filed with SEBI. This Disclosure Document has neither been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Disclosure Document.

2. Definitions

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:

(i) **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

(ii) **"Account Activation Date"** means the date on which a unique Client code is generated by the Portfolio Manager.

(iii) **"Account Activation Anniversary Date"** means the 12 (twelve) month anniversary of the Account Activation Date and every 12 (twelve) month anniversary, thereafter.

(iv) **"Agreement"** means this Discretionary Portfolio Investment Management Service (DPMS) Agreement executed between the Portfolio Manager and the Client in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 issued by the Securities and Exchange Board of India & includes any amendment thereto made in writing upon mutual consent of the Parties hereto and also includes the account opening form and schedules to this DPMS agreement provided that a Client request via its registered email address regarding change in information submitted by the client at the time of account opening with portfolio manager, fees, top up or redemption that has been accepted by the Portfolio Manager via its registered email address shall be considered as a valid amendment to this Agreement.

(v) **"Applicable Laws"** means any applicable local or national statute, regulation, notification, circular, ordinance, requirement, directive, guidance or announcement issued by any Authority.

(vi) **"Application"** means the application made by the Client to the Portfolio Manager to invest its monies and/or Securities as mentioned therein with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

(vii) "**Assets**" means (i) the Portfolio and/or (ii) the Funds and (iii) all accruals thereto, and (iv) expenses due from the Client's portfolio, payable by the Client as applicable.

(viii) "**Authority**" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to the government including but not limited to the SEBI or the Reserve Bank of India.

(ix) "**Bank Account**" means one or more omnibus bank accounts opened, maintained and operated by the Portfolio Manager in the name of the Client or pool account managed in the name of the Portfolio Manager for the purpose of managing funds on behalf of the Client with any of the Scheduled Commercial Banks.

(x) "**Board**" means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

(xi) "**Body Corporate**" shall have the meaning assigned to it in or under clause (11) of Section 2 of the Companies Act, 2013.

(xii) "**BPS**" means basis point.

(xiii) "**Chartered Accountant**" means a chartered accountant as defined in Clause (b) of Sub-Section (1) of Section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who holds a certificate of practice under the provisions therein.

(xiv) "**Client**" means the person who enters into an Agreement with the Portfolio Manager for managing its Portfolio and /or Funds.

(xv) "**Client Bank Account**" means one or more bank accounts opened, maintained and operated by the Portfolio Manager for the purpose of managing funds on behalf of the Client with any Scheduled Commercial Bank.

(xvi) "**Client Depository Account**" means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.

(xvii) "**Corpus Investment Value**" shall mean monies given and value of securities at the time of initial funding or subsequent top-up of DPMS account, by the client and included by the Portfolio Manager in its Assets under Management or Assets under Advisory in accordance with SEBI PMS regulations.

(xviii) "**Custodian**" means an entity that has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.

(xix) "**Depository**" means Depository as defined in Depositories Act, 1996 (22 of 1996).

(xx) "**Depository Account**" means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.

(xxi) "**Derivatives**" shall have the definition as per the Securities Contract Regulation Act, 1956.

(xxii) "**Disclosure Document**" shall mean this disclosure document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from to time pursuant to the Regulations.

(xxiii) "**Discretionary Portfolio Management Services**" (DPMS) means the portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in the Agreement and in accordance with the various provisions of the Act, Rules and Regulations and/or other applicable laws in force and amendments made from time to time, where under the Portfolio Manager exercises discretion as to the investment and the management of the Assets of the client entirely at the Client's risk, in such manner as the Portfolio Manager may deem fit in accordance with the terms of this Agreement.

(xxiv) "**Discretionary Portfolio Manager**" means a Portfolio Manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the Client, as the case may be.

(xxv) "**Financial Year**" means the year starting from April 1 and ending on March 31 of the following year.

(xxvi) "**Fixed Fee**" means a fixed fee payable by the Client to the Portfolio Manager for DPMS Services, as further specified in the Fee Schedule.

(xxvii) "**Fixed Fee Billing Period**" means the frequency at which the Fixed Fees will be payable by the Client to the Portfolio Manager as set out in the Fee Schedule".

(xxviii) "**Funds**" means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, withdrawals, expenses and accruals so long as the same is managed by the Portfolio Manager in accordance with the provisions of the Agreement. "High Water Mark" shall mean the higher of either 'corpus investment value' or 'highest NAV (before charging Performance Fee)' on which client has paid a Performance Fee to the Portfolio Manager'.

(xxix) **“Hurdle Rate of Return”** shall mean a certain agreed level of return (as specified in the Fee Schedule) achieved in a Performance Fee Billing Period calculated on the relevant Performance Fee Billing Period’s opening NAV.

(xxx) **“Lock-in period”** shall mean the time period during which withdrawal of investment by the client from Portfolio Management Services shall be subject to penal charge in the form of ‘exit load’ being levied by the Portfolio Manager on such withdrawal. Such exit load would be mentioned in the schedules to this agreement and shall be levied in accordance with the terms agreed upon between client and the Portfolio Manager.

(xxxi) **Net Asset Value**” The Net Asset Value in respect of a particular quarter shall be determined based on daily average AUM (Assets under Management) over the course of the quarter. The Net Asset Value for any given day will be calculated by aggregating the following:

i. The total market value of all Securities as on the end of the day,
ii. Cash/Bank balance as at the end of the day,
iii. All income (dividend, interest, etc.) accrued on the investments over the course of the day.
iv. And reducing from this aggregate the charges, fees, expenses and other costs.
v. All receivables and payables due from / to the client at the end of the day.

(xxxii) “**Minimum Investment**” for the purpose of compliance with SEBI’s PMS Regulations shall be computed by aggregating the market value of all securities and cash/bank balance of Client which are being managed by the Portfolio Manager at the time of such computation. Client has to adhere to minimum investment requirement specified by SEBI or the Portfolio Manager, whichever is higher.

(xxxiii) “**Non-discretionary Portfolio Management Services**” **(NDPMS)** means a portfolio management services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, for an agreed fee structure and for a definite described period, invests in respect of the Client’s account in any type of security entirely at the Client’s risk and ensure that all benefits accrue to the Client’s Portfolio.

(xxxiv) “**Parties**” means the Portfolio Manager and the Client; and “Party” shall be construed accordingly.

(xxxv) “**Performance Fee**” shall mean a performance linked fee payable by the Client to the Portfolio Manager for the PMS Services, as further specified in the Fee Schedule that will be payable if the Portfolio Manager achieves a rate of return that is greater than the Hurdle Rate of Return for the relevant Performance Fee Billing Period subject to the High Water Mark for the relevant Performance Fee Billing Period.

(xxxvi) “**Performance Fee Billing Period**” means a 12-months period from the Account Activation Date or Account Activation Anniversary Date, as the case may be.

(xxxvii) “**Person**” includes an individual, a Hindu Undivided Family, a corporation, Company (as defined in section 2(20) of the Companies Act, 2013), a Body Corporate as defined in section 2 (11) of the Companies Act, 2013, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.

(xxxviii) “**Portfolio**” means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes any Securities mentioned in the Application and any further Securities placed by the Client with the Portfolio Manager for being managed from time to time, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares or otherwise in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

(xxxix) “**Portfolio Manager**” shall have the same meaning as given in regulation 2(o) of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

(xl) “**Portfolio Management Services**” means the Discretionary Portfolio Management Services or Non-Discretionary Portfolio Management Services or Advisory Services, as the context may be and may include services such as advisory, investment management, custody of securities and keeping track of corporate benefits associated with the securities.

(xli) “**Power of Attorney**” means the power of attorney to be executed by the Client is favor of the Portfolio Manager in the format specified by the Portfolio Manager, including any additional powers of attorney from time to time, in favor of the Portfolio Manager.

(xlii) “**Principal Officer**” means a senior employee or director of the Portfolio Manager who assumes responsibility for the activities of the Portfolio Manager and who has been designated as such by the Portfolio Manager.

(xliii) “**Regulations**” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time.

(xliv) “**Related Party”** in relation to a portfolio manager means—(i) a director, partner or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, partner, manager or his relative is a partner; (iv) a private company in which a director, partner or manager or his relative is a member or director; (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two percent of its paid-up share capital; (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager; (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any body corporate which is (a) a holding, subsidiary or an associate company of the portfolio manager; or (b) a subsidiary of a holding company to which the portfolio manager is also a subsidiary; (c) an investing company or the venturer of the portfolio manager;

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

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

(xlv) **"Schedule to the Agreement"** means the schedules to this Discretionary Portfolio Investment Management Service Agreement which have been filled, signed and executed by the Client for the purpose of availing portfolio management services from the portfolio manager in accordance with terms of this Agreement & includes any amendment thereto made in writing upon mutual consent of the Parties hereto. These schedules could be executed at the time of signing of this Agreement or at any date subsequent to date of execution of this Agreement and it is hereby understood between parties that if Portfolio Manager accepts Client's request received from Client's email address registered with the Portfolio Manager provided such request is regarding change in fees, top up, redemption or alteration of terms and details listed in schedules to this Agreement then it shall be considered as a valid amendment to this Agreement and schedules thereto.

(xlvi) "**Scheduled Commercial Bank**" means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

(xlvii) "**SEBI**" means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act 1992 as amended from time to time.

(xlviii) "**Securities**" includes: "Securities" as defined under the Securities Contracts (Regulation) Act, 1956 as amended from time to time and includes:

(a) "Securities" as defined under the Securities Contracts (Regulations) Act, 1956;
(b) Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or a pooled investment vehicle or other Body Corporate;
(c) derivative;

(d) units or any other instrument issued by any collective investment scheme to the investors in such schemes;
(e) security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
(f) units or any other such instrument issued to the investors under any mutual fund scheme;
(g) units or any other instrument issued by any pooled investment vehicle
(h) any certificate or instrument (by whatever named called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt;
(i) Government securities;
(j) such other instruments as may be declared by the Central Government to be securities;
(k) rights or interest in securities;
(l) Exchange Traded Funds; and
(m) Liquid Funds

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

3. Description

(a) History, Present, and Background of the portfolio manager

The Company, having Corporate Identification Number (CIN) U66301MH2018PTC312571, was incorporated on 7th August 2018 and has its registered and corporate office at Boston House, 102 First Floor, Suren Road, Near WEH Metro Station, Andheri East, Chakala MIDC, Mumbai- 400093, Maharashtra, India. The Company was incorporated with the objective of carrying out portfolio management, investment management and advisory services. Marcellus has been registered as a Portfolio Manager with SEBI on October 22, 2018 vide registration No: INP000006183 under SEBI (Portfolio Managers) Regulations, 1993.

(b) Promoters of the portfolio manager, directors and their background

The promoters of the Company have 14 years of experience in investment research and asset management. The details of the promoters and the directors of the portfolio manager are as below:

Name	Qualification	Brief Experience
Saurabh Mukherjea	Saurabh holds a BSc & MSc in Economics from the London School of Economics and is also a CFA charter holder.	Saurabh Mukherjea is a current Director of the Company. He was previously the chief executive officer of Ambit Capital Private Limited ("Ambit"), which is a SEBI registered institutional broker and wealth management firm, for a duration of 2 (two) years and has worked at Ambit for a total period of 8 (eight) years.
Sudhanshu Nahta	Sudhanshu holds a B. Com from Mumbai University and is a qualified Chartered Accountant.	Sudhanshu Nahta is a current Director of the Company. He was previously working with the institutional equities strategy team of Ambit.
Pramod Gubbi	Pramod is CFA charter holder with a B. Tech from Regional Engineering College, Surathkal and a Post-graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.	Pramod Gubbi is currently a Director of the Company. He was previously the Managing Director & Head of Institutional Equities of Ambit Capital for two years (2016-2018). Prior to that, he served as the head of Ambit's Singapore office from 2013-2016.
Rakshit Ranjan	Rakshit has a B.Tech from Indian Institute of Technology (Delhi) and is a CFA charter holder.	Rakshit Ranjan is currently a Director of the Company. Since 2011, Rakshit led Ambit Capital's consumer research franchise. He launched Ambit's Coffee Can PMS in March 2017 and managed it till December 2018.
Manish Hemnani	Manish holds an MBA from University of Warwick – Warwick Business School (UK).	Manish is one of the Founders of Marcellus. Manish comes from quantitative data analytics and research background and has more than 12 years of experience working with banks and financial institutions across east-Asia, India and Europe. Prior to founding Marcellus, he founded

		Crosstab Limited (2011), a London based quantitative data analytics outfit. Prior to that he worked with a Mumbai based boutique analytics consulting firm.
Ashvin Shetty	Ashvin is a B.com graduate from Narsee Monjee College (Mumbai). He is a qualified Chartered Accountant (ICAI India) and Chartered Financial Analyst (CFA Institute, USA).	Ashvin has more than 10 years of experience in equity research. He led the coverage on automobile sector at Ambit Capital from 2010 to 2017. He thereafter worked as a senior analyst for Ambit's Mid and Small cap PMS funds till November 2018. Prior to joining Ambit, he worked with Execution Noble as an analyst covering consumer and media space. He has also worked with KPMG's and Deloitte's statutory audit departments from 2004 to 2007 gaining extensive experience across Indian accounting standards and financial statement analysis.
Nitesh Bhadani	Nitesh is a Chartered Accountant and MBA from the Indian School of Business – Hyderabad.	Nitesh worked across Institutional Equities and Investment Banking division of the firm in his 6 years stint in Ambit Private Ltd. Prior to that Nitesh worked in the investment team of private equity firm SAIF Partners in Gurgaon. Before joining SAIF, Nitesh worked as equity research analyst in CRISIL and used to track Indian Telecom & Cement sector.

(c) Group company information

Marcellus Investment Managers Pvt Ltd ('Marcellus') has majority interest in Marcellus Capital Partners LLP,Marcellus Distributors LLPMarcellus International Investment Managers LLC. Marcellus Capital Partners LLP is a registered Investment Advisor under the SEBI (Investment Advisor) Regulation 2013. Marcellus is an Investment Manager and Sponsor of Marcellus Capital Trust, a SEBI registered category III Alternate Investment Fund. Further, Marcellus Distributors LLP has invested in Marcellus' Curation Investment Approach.

Marcellus has registered with the US Securities and Exchange Commission ("US SEC") as an Investment Advisor. Marcellus has also obtained an exemption from the adviser registration requirement under the Securities Act (Ontario Province of Ontario, Canada).

(d) Details of the services being offered by the Portfolio Manager

The Portfolio Manager intends to offer services of discretionary portfolio management, non-discretionary portfolio management and that of investment advisory as set out in the details provided below. All clients will have the option to be onboarded directly to avail these services, without intermediation of persons engaged in distribution services.

(i) *Discretionary Services*:

Under these services, the choice as well as the timings of the investment decisions would 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 Securities to be invested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's fund's is absolute and final and can never be called in question or be open to review at any time during the currency of the Agreement or at any time thereafter except on the ground of fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, guidelines and notifications in force from time to time. Statements in respect to Client's Portfolio shall be sent to the respective Client at a frequency not less than as determined by law.

(ii) Non – Discretionary Services:

Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client and in accordance with the instructions of the Client under Strategies as prescribed by SEBI. Under this service, the Assets will be managed as per express prior instructions issued by the Client from time to time. The Client will have complete discretion to decide on the investment (Stock Quantity and Price or amount). In this case, the Portfolio Manager shall be responsible for *inter alia* managing transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

(iii) Advisory Services:

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Clients and agreed upon in the Client agreement. The Portfolio Manager will render the best possible advice to the Client having regard to the Client's needs and the environment, the same can be binding or non – binding in nature in accordance with the terms mentioned in the Agreement. For such services, the Portfolio Manager shall charge the Client a fee for services rendered as mentioned in the Agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry / exit timing, execution and settlement are solely the Client's responsibility.

4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:

(i) All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made there under relating to Portfolio Management Services.

None

(ii) The nature of the penalty/direction.

None

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

None

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

None

(v) Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency in relation to Portfolio Management Services for which action may have been taken or initiated.

On December 02, 2019, in response to Company's filing an intimation with SEBI for an inter se transfer of Company's shares between shareholders, SEBI had issued a caution letter advising the Company to take prior approval before making any such transfer in future.

SEBI had conducted inspection of books of accounts and records of MIPL, for the period April 2021 to June 2022. SEBI through letter dated August 02, 2023 identified few deficiencies and advised MIPL to exercise caution. MIPL based on the observation has taken corrective measures. The matter is closed.

SEBI had conducted inspection of books accounts and other records of MIPL, for the period April 01, 2022 to September 30, 2023. SEBI through letter dated September 03, 2024 identified one deficiency and advised MIPL to exercise caution. MIPL based on the observation has taken corrective measures. The matter is closed.

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

Securities Exchange Board of India (SEBI) has issued a Show cause notice: SEBI/HO/EAD-3/JS/OW/P/13577/1/2019 dated 29th May 2019 in respect of Mr. Saurabh Mukherjea (in the capacity of the CEO of Institutional Equities, Ambit) in the matter of Mannapuram Finance Ltd. Under Rule 4(1) of the SEBI (Procedure for holding Inquiry and Imposing Penalties by Adjudication Officer) Rules, 1995 and Rule 4(1) of Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005. On 23rd July, 2019 Mr. Saurabh Mukherjea filed an Application for Settlement ("Consent Application") in connection with Show Cause Notice bearing reference no. SEBI/HO/EAD-3/JS/OW/P/13577/1/2019 dated 29th May 2019 ("Notice") issued by the Securities and Exchange Board of India ("SEBI") to Saurabh Mukherjea ("Applicant"). On 29th September 2020, SEBI accepted the Settlement Application filed by Mr. Saurabh Mukherjea.

5. Services offered / proposed to be offered:

5.1. The Portfolio Management Services to be offered shall be as per the following Investment Approaches under Equity Strategy:

(i) Investment approach – Consistent Compounders

1. Investment Objective – To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.

2. Description of Securities – Under Consistent Compounders, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Consistent Compounders investment approach is based on generating returns by investing in participating instruments of companies which have a proven track record of steady growth in revenues alongside the ability to consistently deliver a return on capital employed in excess of the cost of capital. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Equity and equity linked instruments	=>70%
Money market funds / Liquid funds / Bank balance	up to 30%

5. Appropriate Benchmark to compare performance – Nifty 50 Total Return Index

6. Basis for choice of benchmark – Most of the portfolio companies fall in large-cap category based on market Capitalization. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, Nifty 50 Total Return Index has been selected as the benchmark for comparing performance.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Consistent Compounders Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment.

8. Indicative tenure or investment horizon – 3 years – 20 years

9. Minimum tenure – not applicable under this investment approach.

10. Lock-in period – DPMS Investments managed under Consistent Compounders Investment Approach shall not be subject to any lock-in period.

11. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.

12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use

derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

14. Risks associated with the investment approach – Please refer the clause 6 on Risk Factors.

(ii) Investment approach: Little Champs

1. Investment Objective – To preserve the purchasing power of the client's capital whilst providing sustainable returns over long periods of time.

2. Description of Securities – Under Little Champs, client monies would primarily be invested in equity shares and equity linked instruments issued by companies with proven corporate governance and capital allocation track record and which dominate specific niches of the Indian economy through sustainable competitive advantages built around brands, business processes and strategic assets. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Little Champs investment approach is based on generating returns by investing in participating instruments of companies with proven corporate governance and capital allocation track record and which dominate specific niches of the Indian economy through sustainable competitive advantages built around brands, business processes and strategic assets. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India and which generally have market capitalization of up to Rs.20,000 crores on the date of first investment. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities

   Client monies would primarily be invested in equity shares and equity linked instruments issued by Indian companies. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account as per the discretion of the Fund Manager.

5. Appropriate Benchmark to compare performance – S&P BSE 500 Total Returns Index

6. Basis for choice of benchmark – Most of the portfolio companies under LCP Investment Approach are small-mid caps, generally having market

capitalisation of upto Rs.20,000 crores on the date of first investment. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, S&P BSE 500 TRI was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Little Champs Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than Rs. 50,00,000 (Rupees fifty lakhs) or any other amount as may be stipulated by the Regulations. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment.

8. Indicative tenure or investment horizon – 3 years to 10 years

9. Minimum tenure – 3 years.

10. Lock-in period – DPMS Investments managed under Little Champs Investment Approach shall be subject to lock in period of three years, which shall apply from the date of the placement (i.e. date on which the investments/funds are accepted). If the client wishes to withdraw investments before the expiry of lock-in period, portfolio manager shall be entitled to charge exit load specified in clause 11 of this schedule. The Client will be at liberty to withdraw full/partial Funds/Securities at any time after the lock-in-period and/or minimum period. Non-withdrawal of Funds/Securities as mentioned above will be deemed to be continuance of the agreement for managing the Funds/securities portfolio.

11. Exit loads – Exit load shall be levied in following manner – (i) 3% of AUM withdrawn if investments are withdrawn within 1 year from date of investment, (ii) 2% of AUM withdrawn if investments are withdrawn within 2 years from date of investment, and (iii)1% of AUM withdrawn if investments are withdrawn within 3 years from date of investment.

12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, exit load (if any) and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

14. Risks associated with the investment approach – Please refer clause 6 on Risk Factor.

(iii) Investment Approach – Kings of Capital

1. Investment Objective – To preserve the purchasing power of the client's capital whilst providing sustainable returns over long periods of time.

2. Description of Securities – Under Kings of Capital, client monies would primarily be invested in equity shares and equity linked instruments issued by companies in operating in India's financial sector with proven corporate governance and capital allocation track record. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Kings of Capital investment approach is based on generating returns by investing in participating instruments of companies operating in India's financial sector with a proven corporate governance and capital allocation track record. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Equity and equity linked instruments	=>70%
Money market funds / Liquid funds / Bank balance	up to 30%

5. Appropriate Benchmark to compare performance – Nifty 50 Total Return Index

6. Basis for choice of benchmark – All the portfolio companies will be operating in the Indian financial services industry. Further, the portfolio managers reinvest the dividends received. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, Nifty 50 TRI was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Kings of Capital Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any other amount as may be stipulated

by the Regulations. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – 3 years to 10 years

9. Minimum tenure – Not applicable under this investment approach

10. Lock-in period – DPMS Investments managed under Kings of Capital Investment Approach shall not be subject to any lock in period.

11. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.

12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

14. Risks associated with the investment approach – Please refer the clause 6 Risk Factor

(iv) Investment Approach – Marcellus' Curation

1. Investment Objective – To preserve the purchasing power of the client's capital whilst providing sustainable returns over long periods of time.

2. Description of Securities – Under Marcellus' Curation, client monies would primarily be invested in equity shares and equity linked instruments issued by companies operating in India with proven corporate governance and capital allocation track record. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Marcellus' Curation investment approach is based on generating returns by investing in participating instruments of companies operating in companies which have a proven track record of corporate governance and generating return on capital in excess of

their cost of capital. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Equity and equity linked instruments	=>70%
Money market funds / Liquid funds / Bank balance	up to 30%

5. Appropriate Benchmark to compare performance – S & P BSE 500 Total Return Index.

6. Basis for choice of benchmark – The portfolio will consist of a combination of large cap and small cap companies. Further, the portfolio managers reinvest the dividends received. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, S&P BSE 500 TRI was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Marcellus' Curation Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than Rs. 50,00,000 (Rupees fifty lakhs) or any other amount as may be stipulated by the Regulations. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – 3 years to 10 years

9. Minimum tenure – Not applicable under this investment approach

10. Lock-in period – DPMS Investments managed under Marcellus' Curation Investment Approach shall not be subject to any lock in period.

11. Exit loads – Exit loads on withdrawal of monies being managed under this approach shall be agreed upon with each client and specified in more detail in the Marcellus DPMS agreement.

12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

14. Risks associated with the investment approach – Please refer the clause 6 Risk Factor.

(v) Investment approach: Rising Giants

1. Investment Objective – To generate returns for the Investors through capital appreciation of the stocks held over a period of time. The objective of the Fund will be to generate returns over the medium term, with a moderated volatility while primarily investing in listed equities and also investing in other permissible securities/products in accordance with the Regulations.

2. Description of Securities – Client monies would primarily be invested in equity shares and equity linked instruments issued by Indian companies. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Rising Giants approach intends to invest primarily in high quality mid-sized companies (<INR 75,000 crores market capitalisation, predominantly in INR 7,000 crores – INR 75,000 crores range) with: 1) Well moated dominant franchise in niche segments not yet well discovered by the market participants; 2) Demonstrated track record of prudent capital allocation with high reinvestment in the core business and continuous focus on adjacencies for growth; and 3) Clean accounts and impeccable corporate governance. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities.
   Client monies would primarily be invested in equity shares and equity linked instruments issued by Indian companies. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account as per the discretion of the Fund Manager.

5. Appropriate Benchmark to compare performance – S & P BSE500 Total Returns Index.

6. Basis for choice of benchmark – Most of the portfolio companies are primarily high quality small-mid-sized companies (<INR75,000 crores market-capitalization, predominantly in INR 7,000 crores – INR 75,000 crores range and most fall in the small-mid cap range. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, S&P BSE 500 TRI was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Rising Giants Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than Rs. 50,00,000 (Rupees fifty lakhs) or any other amount (subject to regulatory minimums), at the discretion of the Portfolio Manager. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment.

8. Indicative tenure or investment horizon – 3 years to 10 years.

9. Minimum tenure/ Lock-in period – DPMS Investments managed under Rising Giants Investment Approach shall be subject to lock in period of 15 months, which shall apply from the date of the placement (i.e. date on which the investments/funds are accepted). If the client wishes to withdraw investments before the expiry of lock-in period, portfolio manager shall be entitled to charge exit load specified in clause 10 of this schedule. The Client will be at liberty to withdraw full/partial Funds/Securities after the lock-in-period. Non-withdrawal of Funds/Securities as mentioned above will be deemed to be continuance of the agreement for managing the Funds/securities portfolio.

10. Exit load shall be levied in following manner – Exit loads on withdrawal of monies being managed under this approach shall be agreed upon with each client and specified in more detail in the Marcellus DPMS agreement.

11. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, exit load (if any) and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

12. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use

derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

13. Risks associated with the investment approach – Please refer clause 6 on Risk Factors.

(vi) Investment approach: MeritorQ

1. Investment Objective – To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.

2. Description of Securities – Under MeritorQ client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – MeritorQ's investment approach is based on generating returns by investing in companies which are both profitable as well as relatively mispriced in a rules-based manner. Selected companies are also required to pass the Marcellus's quantitative forensic accounting framework and are also screened for low leverage and consistent profitability. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities.

Type of security	**Allocation in portfolio**
Equity and equity linked instruments	=>70%
Money market funds / Liquid funds / Bank balance	up to 30%

5. Appropriate Benchmark to compare performance – S & P BSE 500 Total Returns Index.

6. Basis for choice of benchmark – For MeritorQ, the universe from which stocks are selected, is the S&P BSE 500 Index. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, S&P BSE 500 TRI was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under MeritorQ Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than Rs. 50,00,000 (Rupees fifty lakhs) or any other amount (subject to regulatory minimums), at the discretion of the Portfolio Manager. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment.

8. Indicative tenure or investment horizon – 3 years to 10 years.

9. Minimum tenure/ Lock-in period/Exit loads – Minimum tenure not applicable under this investment approach / DPMS Investments managed under MeritorQ Investment Approach shall not be subject to any lock-in period / There shall be no levy of exit load on withdrawal of monies being managed under this approach.

10. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, exit load (if any) and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

11. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

12. Risks associated with the investment approach –

    Specific Risk: - In case your date of investment is close to the rebalancing date, your portfolio may run higher costs for the sale transactions undertaken during the rebalancing. Please refer clause 6 Risk Factors for other Risk.

(vii) Non-Discretionary Investment Approach

1. Investment Objective – To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.

2. Description of Securities – Under Non-Discretionary Portfolio, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Non-Discretionary Portfolio investment approach is based on generating returns by investing in participating instruments of companies which have a proven track record of steady growth in revenues alongside the ability to consistently deliver a return on capital employed in excess of the cost of capital. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities.

Type of security	Allocation in portfolio
Equity and equity linked instruments	>70%
Money market funds / Liquid funds / Bank balance	up to 20%

5. Appropriate Benchmark to compare performance – S & P BSE 500 Total Returns Index.

6. Basis for choice of benchmark – The portfolio companies will be a combination of large cap and small cap companies. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, S&P BSE 500 TRI was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Non-Discretionary Portfolio Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than Rs. 50,00,000 (Rupees fifty lakhs) or any other amount as may be stipulated by the Regulations. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – 3 years to 20 years.

9. Minimum tenure/ Lock-in period/Exit loads – Minimum tenure not applicable under this investment approach. Non-Discretionary Investment Approach shall not be subject to any lock-in period and no levy of exit load on withdrawal of monies being managed under this approach.

10. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, exit load (if any) and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

11. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Negative security list and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

12. Risks associated with the investment approach – Please refer clause 6 Risk Factors for other Risk.

(viii) Investment Approach – Marcellus' Curation – I

1. Investment Objective – To preserve the purchasing power of the Investment Portfolio whilst providing sustainable returns over long periods of time.

2. Description of Securities – Under Marcellus' Curation – I, client monies would primarily be invested in equity shares issued by companies operating in India with proven corporate governance and capital allocation track record. Some part of client monies might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Marcellus' Curation – I investment approach is based on generating returns by investing in participating instruments of companies operating in companies which have a proven track record of corporate governance and generating return on capital in excess of their cost of capital. Hence, under this investment approach, investments are primarily made in equity shares issued by companies listed in India. Some part of client monies might be retained as bank balance in bank account.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Equity	=>95%
Bank balance	up to 5%

5. Appropriate Benchmark to compare performance – S & P BSE 500 Total Return Index.

6. Basis for choice of benchmark – The portfolio will consist of a combination of large cap and small cap companies. Further, the portfolio managers reinvest the dividends received. SEBI has prescribed the Portfolio Managers to choose

benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, S&P BSE 500 TRI was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Marcellus' Curation – I Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than Rs. 50,00,000 (Rupees fifty lakhs) or INR equivalent in Canadian Dollar or any other amount as may be stipulated by the Regulations. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule by giving a prior written notice of 10 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/it deems fit.

8. Indicative tenure or investment horizon – 3 years to 10 years.

9. Minimum tenure – not applicable under this investment approach.

10. Risks associated with the investment approach – Please refer clause 6 Risk Factors for other Risk.

5.2 The Portfolio Management Services to be offered shall be as per the following Investment Approaches under Debt Strategy:

(i) Investment Approach – Liquid STP

1. Investment Objective – To invest the client's capital in liquid or overnight funds.

2. Description of Securities – Under Liquid STP, client monies would primarily be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Liquid STP investment approach is based on investing money in units of liquid funds / overnight funds / debt oriented funds/ money market funds or simply as bank balance till the funds are invested in one of the other investment approaches of Marcellus.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Money market funds / Liquid funds / Gilt schemes/ Debt oriented schemes/ Bank balance	100%

5. Appropriate Benchmark to compare performance – Crisil Composite Bond Fund Index.

6. Basis for choice of benchmark – The portfolio will consist of units of money market and liquid funds. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty Medium to Long Duration Debt Index, CRISIL Credit Index $, CRISIL Composite Bond Fund Index. Out of the options available under regulations, CRISIL Composite Bond Fund Index was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Liquid STP Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – Not applicable under this approach

9. Minimum tenure – Not applicable under this investment approach

10. Lock-in period – DPMS Investments managed under Liquid STP Approach shall not be subject to any lock in period.

11. Exit loads – Exit loads on withdrawal of monies being managed under this approach shall be agreed upon with each client and specified in more detail in the Marcellus DPMS agreement.

12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

14. Risks associated with the investment approach – Please refer the clause 6 Risk Factor.

5.3 The Portfolio Management Services to be offered shall be as per the following Investment Approaches under Multi Asset Strategy:

(i) Investment Approach – Multi Asset Balanced*

1. Investment Objective – To dynamically allocate across range of asset class through a systematic approach to maximize risk adjusted returns.

2. Description of Securities – Under Multi Asset, client monies would primarily be invested in Mutual funds, ETF, Direct Equities, REITs, INVITs. Debentures, Non-Convertible Debentures and Government Bonds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Multi Asset Balanced investment approach is based on past performance, risk as well as suitability to overall asset allocation scheme.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Open-ended Mutual Funds (Direct Schemes only), ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash	Equity and Equity linked instrument - 0-100%, Gold ETFs - 0-40%, REITs/InVITs- 0-40%, Debt, Debt MF - 0-90%, Bonds/debentures/NCDs - 0-90%,

5. Appropriate Benchmark to compare performance – NSE Multi Asset Index 1 TRI.

6. Basis for choice of benchmark – Investment approach is a Multi Asset Balanced strategy investing through units Mutual Funds, ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash. SEBI has prescribed the Portfolio Managers to choose benchmarks from NSE Multi Asset Index 1, NSE Multi Asset Index 2 and CRISIL Multi Asset Index 3. Out of the options available under regulations, NSE Multi Asset Index 1 was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Multi Asset Balanced Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time. The uninvested amounts forming part of the

Client's Assets may be at the discretion of the Portfolio Manager held in cash. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – Investment horizon will be 5-7 years for investors with a moderate risk appetite

9. Minimum tenure – Not applicable under this investment approach

10. Lock-in period – DPMS Investments managed under Multi Asset Investment Approach shall not be subject to any lock-in period.

11. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.

12. Redemptions / Partial withdrawals – The minimum amount of partial withdrawals shall be at the discretion of the portfolio manager and shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in the Minimum investment clause in this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client’s portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client’s portfolio.

    Risks associated with the investment approach – Specific Risk - In case of Investment in mutual fund, there exist risk of fund redemption when the fund temporarily stops accepting redemption requests due to lack of liquidity in underlying securities. Please refer clause 6 Risk Factors for other Risk.

    Note: - *The name of the Investment Approach has been changed from Multi Asset to Multi Asset Balanced.

(ii) Investment Approach – Multi Asset Conservative

1. Investment Objective – To dynamically allocate across range of asset class through a systematic approach to maximize risk adjusted returns.

2. Description of Securities – Under Multi Asset, client monies would primarily be invested in Mutual funds, ETF, Direct Equities, REITs, INVITs. Debentures, Non-Convertible Debentures and Government Bonds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Multi Asset Conservative investment approach is based on past performance, risk as well as suitability to overall asset allocation scheme.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Open-ended Mutual Funds (Direct Schemes only), ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash	Equity and Equity linked instrument - 0-80%, Gold ETFs - 0-40%, REITs/InVITs- 0-40%, Debt, Debt MF - 0-90%, Bonds/debentures/NCDs - 0-90%,

5. Appropriate Benchmark to compare performance – NSE Multi Asset Index 1 TRI.

6. Basis for choice of benchmark – Investment approach is a Multi Asset Conservative strategy investing through units Mutual Funds, ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash. SEBI has prescribed the Portfolio Managers to choose benchmarks from NSE Multi Asset Index 1, NSE Multi Asset Index 2 and CRISIL Multi Asset Index 3. Out of the options available under regulations, NSE Multi Asset Index 1 was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Multi Asset Conservative Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – Investment horizon will be 5-7 years for investors with a moderate risk appetite

9. Minimum tenure – Not applicable under this investment approach

10. Lock-in period – DPMS Investments managed under Multi Asset Investment Approach shall not be subject to any lock-in period.

11. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.

12. Redemptions / Partial withdrawals – The minimum amount of partial withdrawals shall be at the discretion of the portfolio manager and shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in the Minimum investment clause in this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

14. Risks associated with the investment approach – Specific Risk - In case of Investment in mutual fund, there exist risk of fund redemption when the fund temporarily stops accepting redemption requests due to lack of liquidity in underlying securities. Please refer clause 6 Risk Factors for other Risk.

(iii) Investment Approach – Multi Asset Aggressive

1. Investment Objective – To dynamically allocate across range of asset class through a systematic approach to maximize risk adjusted returns.

2. Description of Securities – Under Multi Asset, client monies would primarily be invested in Mutual funds, ETF, Direct Equities, REITs, INVITs. Debentures, Non-Convertible Debentures and Government Bonds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Multi Asset Aggressive investment approach is based on past performance, risk as well as suitability to overall asset allocation scheme.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Open-ended Mutual Funds (Direct Schemes only), ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash	Equity and Equity linked instrument - 0-100%, Gold ETFs - 0-40%, REITs/InVITs- 0-40%, Debt, Debt MF - 0-80%, Bonds/debentures/NCDs - 0-90%,

5. Appropriate Benchmark to compare performance – NSE Multi Asset Index 1 TRI.

6. Basis for choice of benchmark – Investment approach is a Multi Asset Aggressive strategy investing through units Mutual Funds, ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash. SEBI has prescribed the Portfolio Managers to choose benchmarks from NSE Multi Asset Index 1, NSE Multi Asset Index 2 and CRISIL Multi Asset Index 3. Out of the options available under regulations, NSE Multi Asset Index 1 was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Multi Asset Aggressive Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – Investment horizon will be 5-7 years for investors with a moderate risk appetite

9. Minimum tenure – Not applicable under this investment approach

10. Lock-in period – DPMS Investments managed under Multi Asset Aggressive Investment Approach shall not be subject to any lock-in period.

11. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.

12. Redemptions / Partial withdrawals – The minimum amount of partial withdrawals shall be at the discretion of the portfolio manager and shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in the Minimum investment clause in this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client’s portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule 2 and the Portfolio Manager would be barred from using derivatives in the client’s portfolio.

14. Risks associated with the investment approach – Specific Risk - In case of Investment in mutual fund, there exist risk of fund redemption when the fund temporarily stops accepting redemption requests due to lack of liquidity in underlying securities. Please refer clause 6 Risk Factors for other Risk.

(iv) Investment Approach – Multi Asset Income

1. Investment Objective – To generate income by investing dynamically across range of asset classes.

2. Description of Securities – Under Multi Asset, client monies would primarily be invested in Mutual funds, ETF, Direct Equities, REITs, INVITs . Under Multi Asset, client monies would primarily be invested in Mutual funds, ETF, Direct Equities, REITs, INVITs. Debentures, Non-Convertible Debentures and Government Bonds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Multi Asset investment approach is based on past performance, risk as well as suitability to overall asset allocation scheme.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Open-ended Mutual Funds (Direct Schemes only), ETFs, Direct Equities, REITs, INVITs and Cash Open-ended Mutual Funds (Direct Schemes only), ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash	Equity and Equity linked instrument - 0-20%, REITs/InVITs- 0-50%, Debt, Debt MF - 0-90%, Bonds/debentures/NCDs - 0-90%

5. Appropriate Benchmark to compare performance – NSE Multi Asset Index 1 TRI.

6. Basis for choice of benchmark – Investment approach is an Income strategy investing through units Mutual Funds, ETFs, Direct Equities, REITs, INVITs, Debentures, Non-Convertible Debentures and Government Bonds and Cash. Because the strategy would predominantly invest in debt or debt like income generating assets, Nifty medium to long term debt index was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Multi Asset Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule.

8. Indicative tenure or investment horizon – Investment horizon will be 3-4 years for investors with a conservative risk appetite.

9. Minimum tenure – Minimum tenure not applicable under this investment approach.

10. Lock-in period – DPMS Investments managed under Multi Asset Investment Approach shall not be subject to any lock-in period.

11. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.

12. Redemptions / Partial withdrawals – The minimum amount of partial withdrawals shall be at the discretion of the portfolio manager and shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in the Minimum investment clause in this schedule.

13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in the account opening form and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

14. Risks associated with the investment approach – In addition to what we have in our agreement, adding specific risk – In case of Investment in mutual fund, there exist risk of fund redemption when the fund temporarily stops accepting redemption requests due to lack of liquidity in underlying securities.

5.4 The policies for investments in associates/group companies of the Portfolio Manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ Guidelines

The Portfolio Manager will not invest the funds of the Clients in any Security of an associate or group companies of the Portfolio Manager.

5.5 Details of conflicts of interest related to services offered by group companies or associates of the portfolio manager:

Marcellus Investment Managers Pvt Ltd (Marcellus) has majority interest in Marcellus Capital Partners LLP, Marcellus Distributors LLP and Marcellus International Investment Managers LLC. Marcellus Capital Partners LLP is a registered Investment Advisor under the SEBI (Investment Advisor) Regulation 2013. Marcellus Capital Trust, a SEBI registered category III Alternate Investment Fund (where Marcellus is an Investment Manager and Sponsor) which may offer same or similar services as offered by the Company and to that extent there might be conflict to the extent investment opportunities may be limited. Further, Marcellus Distributors LLP has invested in Marcellus' Curation Investment Approach.

Marcellus has registered with the US Securities and Exchange Commission (“US SEC”) as an Investment Advisor. Marcellus has also obtained an exemption from the adviser registration requirement under the Securities Act (Ontario Province of Ontario, Canada).

6. Risk Factors

The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

(i) Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.

(ii) As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.

(iii) The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.

(iv) The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.

(v) The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.

(vi) Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.

(vii) Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

(viii) The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client’s portfolio to liquidity risks.

(ix) Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.

(x) Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.

(xi) 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 the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counter party”) 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.

(xii) Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

(xiii) There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.

(xiv) Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in a reinvestment risk.

(xv) Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well any actual event of default.

(xvi) The Net Asset Value may be affected by changes in settlement periods and transfer procedures.

(xvii) Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.

(xviii) Risks pertaining to investments in Gold ETF's will be as provided in the disclosure document of the Portfolio Management Services. However, some of the specific risks may include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.

(xix) Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.

(xx) In case of investments in mutual fund, the Client bear the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.

(xxi) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss without any indemnity for such opportunity loss by the Portfolio Manager.

(xxii) Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the Strategy accordingly.

(xxiii) Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.

(xxiv) Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned: (i) The promoter may choose not to accept the discovered prices (ii) Regulatory hurdles may delay any specific corporate action.

(xxv) Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.

(xxvi) Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.

(xxvii) Risk factors associated with 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 the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. The risks associated with the use of Derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Trading in derivatives has the following risks: (i) An exposure to Derivatives in excess of the hedging requirements can lead to losses. (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction. (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

(xxviii) The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.

(xxix) Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.

(xxx) Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.

(xxxi) Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

(xxxii) Operational and IT Risk: there may be risks related to the exposure to loss due to human error or fraud, or from a system of internal controls that fails to adequately record, monitor and account for transactions or positions. There may also be risks related to hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, cyclones or floods and other force majeure events.

(xxxiii) The Portfolio Manager has multiple Investment Approach(s), funds and advisory mandates that run simultaneously. As such there may be a risk that investment opportunities in toto may not be offered to the investors of a particular approach, fund or mandate. To that extent, potential returns from the opportunity might be curtailed. The Portfolio Manager may run the same approach in different formats for different investors and to that extent available investment opportunities might be shared with such other investors.

7. Client Representation

The client representation as on 30th April 2025

Category of client	No. of clients	Funds Managed (Rs. Cr)	Discretionary / Non-discretionary (if applicable)
Associate / Group company (Last 3 years)			
As on 31st March 2022	0	0	Discretionary
As on 31st March 2023	1	2.2	Discretionary
As on 31st March 2024	1	2.71	Discretionary
As on 31st March 2025	1	32.03	Discretionary
As on 30th April 2025	1	33.07	Discretionary
Others (Last 3 years)			
As on 31st March 2022	7,150	9,230.31	Discretionary
As on 31st March 2023	8,291	8,910.03	Discretionary
As on 31st March 2024	5,862	7,193.50	Discretionary
As on 31st March 2025	3785	4557.73	Discretionary
As on 30th April 2025	3677	4451.52	Discretionary

Category of client	No. of clients	Funds Managed (Rs. Cr)	Discretionary / Non-discretionary (if applicable)
Associate / Group company Last 3 years	NIL	NIL	Non – Discretionary
Others (last 3 years)			
As on 31st March 2022	37	141.24	Non – Discretionary
As on 31st March 2023	34	109.51	Non – Discretionary
As on 31st March 2024	17	83.51	Non – Discretionary
As on 31st March 2025	10	57.16	Non – Discretionary
As on 30th April 2025	9	57.33	Non – Discretionary

Category of client	No. of clients	Funds Managed (Rs. Cr)	Discretionary / Non-discretionary (if applicable)
Associate / Group company Last 3 years	NIL	NIL	Advisory

Others (last 3 years)			
As on 31st March 2022	03	2,089.84	Advisory
As on 31st March 2023	03	1760.43	Advisory
As on 31st March 2024	03	1,006.76	Advisory
As on 31st Marh 2025	03	266.54	Advisory
As on 30th April 2025	02	191.30	Advisory

Disclosure regarding transactions with related parties:

(a) Names of enterprises with whom significant influence is exercised:

Name of Entity	**Relationship**
Marcellus Capital Partners LLP	Subsidiary
Marcellus Distributors LLP	Subsidiary
Marcellis Rising Giants Fund	AIF

(b) Names of Key Management Personnel

Mr. Saurabh Mukherjea	Director
Mr. Sudhanshu Nahta	Director
Mr. Pramod Gubbi	Director
Mr. Rakshit Ranjan	Director
Mr. Pankaj Gupta	Chief Financial Officer
Ms. Rashmi Chauhan	Company Secretary

(c) Names of Relatives of Key Managerial Persons

Kapildev Verma	Spouse of Rashmi Chauhan
Prasanta Nirmal Mukhopadhyay and Chaitali Mukhopadhyay	Parents of Saurabh Mukherjea
Jayaprakash Gubbi and Dayamaye Prakash	Parents of Pramod Gubbi
Prashanth Gubbi	Brother of Pramod Gubbi
Kewal Krishnan Ranjan and Savita Ranjan	Parents of Rakshit Ranjan

Related party transaction with directors and KMP in the ordinary course of business:

Transaction during the period with related parties: -

Nature of Transaction	**During FY2023-2024 (Rs. in Lakhs)**	**During FY2022-2023 (Rs. in Lakhs)**
Remuneration		
Saurabh Mukherjea	111.10	222.29
Sudhanshu Nahta	73.20	73.20
Pramod Gubbi	145.02	145.02
Rakshit Ranjan	136.52	136.52
Pankaj Gupta	56.33	52.48

Rashmi Chauhan	27.19	23.65
Kapildev Verma	24.86	23.65
Reimbursement of expenses (Rs. in Lakhs)		
Saurabh Mukherjea		
Reimbursement Expenses Booked	10.69	14.89
Reimbursement Expenses Paid	9.08	14.60
Sudhanshu Nahta		
Reimbursement Expenses Booked	7.13	57.83
Reimbursement Expenses Paid	9.39	55.57
Pramod Gubbi		
Reimbursement Expenses Booked	3.44	8.71
Reimbursement Expenses Paid	3.44	8.71
Rakshit Ranjan		
Reimbursement Expenses Booked	2.13	5.11
Reimbursement Expenses Paid	2.58	4.51
Rashmi Chauhan		
Reimbursement Expenses Booked	-	-
Reimbursement Expenses Paid	-	1.14
Pankaj Gupta		
Reimbursement Expenses Booked	12.55	1.06
Reimbursement Expenses Paid	12.55	1.06
Kapildev Verma		
Reimbursement Expenses Booked	8.50	0.21
Reimbursement Expenses Paid	8.50	0.32
SAR Issued		
Pramod Gubbi	25.42	24.99
ESOP Expenses		
Saurabh Mukherjea	34.74	-
Rashmi Chauhan	3.71	2.90
Kapildev Verma	3.47	2.90
Investment in Subsidiaries Transactions		
Marcellus Capital Partners LLP (Investment)	0.00	200.00
Marcellus Distributors LLP (Investment)	1500.00	227.43
Investment Withdrawn from Subsidiaries Transactions		
Marcellus Distributors LLP (Investment)	1500.00	0.00
Payment Made on behalf of Related Parties		
Marcellus Capital Partners LLP	0.02	33.96
Marcellus Distributors LLP	3.03	0.87
Marcellus Rising Giants Funds	54.00	115.14
PMS Revenue Transaction (Rs. in Lakhs)		
Saurabh Mukherjea	0.81	0.76
Pramod Gubbi	0.56	0.45

Rakshit Ranjan	1.67	1.48
Prasanta Nirmal Mukhopadhyay and Chaitali Mukhopadhyay	0.26	0.08
Dayamaye Prakash	0.85	0.27
Prashanth Gubbi	0.66	0.11
Marcellus Distributors LLP	0.55	0.48
Marcellus Rising Giants Funds	559.74	722.93
Consultancy Expense Transaction (Rs in Lakhs)		
Sarbani Mukherjea	-	-
Sale of Laptop (Rs in Lakhs)		
Saurabh Mukherjea	0.08	0.00
Pankaj Gupta	0.08	0.00

(Receivable)/ Payable/ Investment as at Balance sheet date

Particulars	As at March 31, 2024 (Rs. in Lakhs)	As at March 31, 2023 (Rs. in Lakhs)
Directors/KMP Remuneration payable (Gross Amount)		
Rashmi Chauhan	3.62	3.15
Pankaj Gupta	7.50	6.53
Remuneration Payable to Related Party (Gross Amount)		
Kapil Verma	2.31	3.15
Reimbursement Payable		
Saurabh Mukherjea	3.23	1.62
Sudhanshu Nahta	-	2.26
Rakshit Ranjan	0.16	0.60
Unbilled Revenue		
Saurabh Mukherjea	0.21	0.19
Rakshit Ranjan	0.37	0.30
Pramod Gubbi	0.15	0.13
Marcellus Rising Giants Funds	105.36	179.48
Prasanta Nirmal Mukhopadhyay and Chaitali Mukhopadhyay	0.07	0.00
Dayamaye Prakash	0.49	0.00
Prashanth Gubbi	0.49	0.03
Marcellus Distributors LLP	0.16	0.14
ESOP Outstanding as on 31/03/2024		
Rashmi Chauhan	8.50	4.79

Kapildev Verma	8.25	4.79
Saurabh Mukherjea	34.74	0.00
Receivable from AIF (payment made on their behalf)	1.76	0.00
Receivable from Subsidiaries (Payment made on their Behalf)		
Marcellus Capital Partners LLP	48.00	33.96
Marcellus Distributors LLP	3.90	0.87
Marcellus Capital Partners LLP (Investment)	200.99	200.99
Marcellus Distributors LLP (Investment)	228.42	228.42

Note: Marcellus is an Investment Manager and Sponsor to Marcellus Capital Trust, a SEBI registered category III Alternate Investment Fund and receives the Management Fees.

8. Appointment of Custodian

The Portfolio Manager may appoint a custodian for its Portfolio Management Services. Currently, Kotak Mahindra Bank Limited, HDFC Bank Limited, ICICI Bank Limited and Axis Bank Limited are appointed as custodians.

9. Financial performance of Portfolio Manager (based on audited financial statements)

Particulars	Year ended 31-Mar-2024 (Rs. In Lakhs)	Year ended 31-Mar-2023 (Rs. In Lakhs)
Total Income	14,556.74	14,296.26
Profit / (Loss) for the year	3,078.46	3,014.34
Paid up capital	538.00	538.00
Reserves & surplus	17,991.71	14,625.25
Net worth	18,529.70	15,163.25

10. Portfolio management performance of the Portfolio Manager for the last three years, and in case of Discretionary Portfolio Manager disclosure of performance indicators calculated using ‘Time Weighted Rate of Return’ method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

1) CONSISTENT COMPOUNDERS INVESTMENT APPROACH:

Performance	From 01-04-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Consistent Compounders	-11.12%	23.73%	3.49%	3.44%
Nifty 50 Total Returns Index	0.59%	30.08%	6.65%	3.48%

#Table above shows performance of Marcellus Consistent Compounders Investment Approach calculated on TWRR basis.

2) LITTLE CHAMPS INVESTMENT APPROACH:

Performance	From 01-04-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Little Champs	-14.85%	0.29%	5.74%	0.43%
BSE S&P 500 Total Returns Index	-0.91%	40.16%	5.96%	3.18%

Table above shows performance of Marcellus Little Champs Investment Approach calculated on TWRR basis.

3) KINGS OF CAPITAL INVESTMENT APPROACH:

Performance	From 01-04-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Kings of Capital	-10.31%	19.10%	20.02%	1.89 %
Nifty 50 Total Returns Index	0.59%	30.08%	6.65%	3.48%

Table above shows performance of Marcellus Kings of Capital Investment Approach calculated on TWRR basis.

4) MARCELLUS CURATION INVESTMENT APPROACH

Performance	From 01-04-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Marcellus Curation	-15.06%	17.87%	4.36%	1.83%
BSE S&P 500 Total Returns Index	-0.91%	40.16%	5.96%	3.18%

Table above shows the performance of Marcellus Curation Investment Approach calculated on TWRR basis.

5) NON-DISCRETIONARY

Performance	From 01-04-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – NDPMS	-14.38%	20.45%	9.35%	1.66%
BSE S&P 500 Total Returns Index	-0.91%	40.16%	5.96%	3.18%

Table above shows performance of Marcellus NDPMS calculated on TWRR basis.

6) LIQUID STP INVESTMENT APPROACH

Performance	From 01-04-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Liquid STP	1.20%	2.55%	3.94%	0.37%
CRISIL Composite Bond Fund Index	3.80%	8.26%	8.79%	1.65%

Table above shows the performance of Marcellus Liquid STP Investment Approach calculated on TWRR basis.

7) MARCELLUS RISING GIANTS INVESTMENT APPROACH

Performance	From 01-04-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Rising Giants	-19.57%	14.18%	14.92%	-0.18%
BSE S&P 500 Total Returns Index	-0.91%	40.16%	5.96%	3.18%

*Inception date of fund is 27 December 2021 so the returns for portfolio are computed from that date

Table above shows performance of Marcellus Rising Giants Investment Approach calculated on TWRR basis.

8) MARCELLUS MERITORQ INVESTMENT APPROACH

Performance	From 15-11-2022 to 31-03-2023	From 01-04-2023 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – MeritorQ	-9.64%	39.95%	12.00%	2.91%
BSE S&P 500 Total Returns Index	-6.90%	40.16%	5.96%	3.18%

*Inception date of fund is 15th November 2022 so the returns for portfolio are computed from that date.

Table above shows performance of Marcellus MeritorQ Investment Approach calculated on TWRR basis.

9) MARCELLUS MC-I INVESTMENT APPROACH

Performance	From 04-03-2024 to 31-03-2024	From 01-04-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – MC-I	1.18%	7.82%	2.24%
BSE S&P 500 Total Returns Index	-0.73%	5.96%	3.18%

*Inception date of fund is 04th March 2024 so the returns for portfolio are computed from that date.

Table above shows performance of Marcellus MC-I Investment Approach calculated on TWRR basis

10) Marcellus Multi Asset Balanced

Performance	From 07-08-2024 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Multi Asset	0.21%	1.92%
NSE Multi Asset Index 1 TRI	0.04%	2.17%

*Inception date of fund is 07th August 2024 so the returns for portfolio are computed from the inception date.

Table above shows performance of Marcellus Multi Asset Balanced Investment Approach calculated on TWRR basis

11) Marcellus Multi Asset Aggressive

Performance	From 15-01-2025 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Multi Asset	-1.43%	1.51%
NSE Multi Asset Index 1 TRI	0.47%	2.17%

*Inception date of fund is 15th January 2025 so the returns for portfolio are computed from the inception date.

Table above shows performance of Marcellus Multi Asset Balanced Investment Approach calculated on TWRR basis

12) Marcellus Multi Asset Conservative

Performance	From 24-01-2025 to 31-03-2025	From 01-04-2025 to 30-04-2025
Marcellus – Multi Asset	-0.60%	1.33%
NSE Multi Asset Index 1 TRI	0.30%	2.17%

*Inception date of fund is 24th January 2025 so the returns for portfolio are computed from the inception date.

Table above shows performance of Marcellus Multi Asset Balanced Investment Approach calculated on TWRR basis

11. Audit Observation of last 3 preceding years

Marcellus Investment Managers Private Limited was incorporated on 7th August 2018. In the audit conducted by Marcellus Investment Managers Private Limited's statutory auditor for the financial year ended March 2022, March 2023 and March 2024 the auditor had no audit observations.

12. Nature of Expenses

The nature of expenses will be as specified in the Annexure hereto.

(i) *Portfolio Management Fee*:

Consistent Compounders

Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 10 BPS to 250 BPS per annum. The Portfolio Manager also intends to charge Performance Fees which will kick in after a Hurdle Rate of Return ranging from 6% (six percent) to 12% (twelve percent) per annum is achieved. The Portfolio Manager intends to claim between 10%-40% (ten percent to forty percent) of the upside generated over and above the Hurdle Rate of Return agreed with the Client. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Marcellus PMS Agreement.

Little Champs

Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 10 BPS to 300 BPS per annum. The Portfolio Manager intends to charge Performance Fees which will kick in after a Hurdle Rate of Return ranging from 6% (six percent) to 12% (twelve percent) per annum is achieved. The Portfolio Manager also intends to charge Performance Fees between 10-50% (ten to fifty percent) of the upside generated net of fixed fee. All specifics of Portfolio Management Fee would be agreed with each Client and set out in more detail in the Fee Schedule of the Marcellus DPMS Agreement. All specifics of Portfolio Management Fee for Little Champs Investment Approach would be agreed with each Client and set out in more detail Fee Schedule of the Marcellus PMS Agreement.

Kings of Capital

Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 10 BPS to 300 BPS per annum. The Portfolio Manager also intends to charge Performance Fees which will kick in after a Hurdle Rate of Return ranging from 6% to 12% per annum is achieved. The Portfolio Manager intends to claim between 10 -50 % (ten percent to fifty percent) of the upside generated over and above the Hurdle rate of return agreed with the Client. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Marcellus PMS Agreement.

Marcellus' Curation

Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 10 BPS to 300 BPS per annum. The Portfolio Manager also intends to charge Performance Fees which will kick in after a Hurdle Rate of Return ranging from 5% (ten percent) to 50% (fifty percent) per annum is achieved. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Marcellus PMS Agreement.

Liquid STP

Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 10 BPS to 300 BPS per annum. The Portfolio Manager also intends to charge Performance Fees between 10-50% of the upside generated net of fixed fee. All specifics of Portfolio Management Fee for Liquid STP Investment

Approach would be agreed with each Client and set out in more detail in the Marcellus PMS Agreement.

Non-Discretionary Portfolio

Portfolio Management Fee charged may be a fixed fee or a return-based fee or a combination of both. Fixed fees charged to clients will range from 10 BPS to 250 BPS per annum. The Portfolio Manager also intends to charge performance fees which will kick in after a hurdle rate ranging from 6% (six percent) to 12% (twelve percent) per annum. The Portfolio Manager intends to claim between 10%-50% (ten percent to fifty percent) of the upside generated over and above the hurdle rate agreed with the client. All specifics of Portfolio Management Fee for Non-discretionary portfolio Investment Approach would be agreed with each Client and set out in more detail in the Marcellus PMS Agreement.

Marcellus Rising Giants

Portfolio Management Fee charged may be a fixed fee or a return-based fee or a combination of both. Fixed fees charged to clients up to 2.5% (two and half percent) per annum. The Company also intends to charge performance fees which will kick in after a hurdle rate ranging from 6% (six percent) to 10% (ten percent) per annum (Phase 1). The Company also intends to charge performance fees (Phase 2) which will kick in if the return (before charging performance fee- Phase 1 or 2) is above the BSE S&P 500 TRI rate of return for the relevant performance period and is also above the agreed hurdle rate The Portfolio Manager intends to claim between 5%-25% (five percent to twenty five percent) of the upside generated over and above the hurdle rate/BSE S&P 500 TRI benchmark rate agreed with the client. All specifics of Portfolio Management Fee for Rising Giants Investment Approach would be agreed with each Client and set out in more detail in the Marcellus PMS Agreement.

MeritorQ

Portfolio Management Fee charged will be a Fixed Fee. Fixed fees charged to clients will range from 10 BPS to 250 BPS per annum. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Marcellus PMS Agreement.

Marcellus’ Curation – I

Portfolio Management Fee charged shall be a Fixed Fee. Fixed fees charged to clients will range from 10 BPS to 300 BPS per annum. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Agreement.

Multi Asset (including Conservative, Balanced, Aggressive and Income Investment Approach).

Portfolio Management Fee charged shall be a Fixed Fee. Fixed fees charged to clients will range from 10 BPS to 300 BPS per annum. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Agreement.

(ii) ***Custodian fee***

These charges relate to the opening and maintenance of Depository Accounts and/or custody fee and charges paid to the Custodian and/or Depository Participant, dematerialization of scrips, Securities lending and borrowing and their transfer charges in connection with the operation and management of the Client's portfolio account and is expected to be in the range of 1-25 BPS.

(iii) ***Fund accounting* charges:**

Up to 5 BPS.

(iv) ***Registrar and transfer agent fee***

This is fee payable to the Registrar and Transfer Agent for giving effect to transfers of Securities and may *inter alia* include stamp duty costs, courier, post and notary charge and is expected to be in the range of 10 BPS.

(v) ***Brokerage and transaction cost***

These are amounts payable to the broker for opening of an account, execution of transactions on the stock exchange or otherwise for the transfer of Securities and may inter alia include service charges, stamp duty costs, GST, STT etc. and is expected to be in the range of 10 BPS.

(vi) ***Goods and Service Tax***

As applicable from time to time, charged over and above all fees and charges billed to the Client.

(vii) ***Depository Charges*****:** As may be applicable from time to time.

(viii) ***Bank Charges:*** As may be applicable at actuals.

(ix) ***Stamp duty:*** As may be applicable at actuals.

(x) ***Legal costs and professional fees:*** Costs incurred for documentation, certifications, attestation and instituting or defending legal suits, audit fees and other similar charges.

(xi) ***Incidental expenses:*** Charges in connection with day to day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account or any other out of pocket expenses as may be incurred by the Portfolio Manager in the course of discharging his duties to the Client.

(xii) Portfolio Manager shall not charge any fees to Clients at the time of onboarding except the specific charges applicable for execution of the agreement and related documents for account opening.

(xiii) Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

13. List of third-party service providers whose services are being used by Portfolio Manager for the proposed Portfolio Management Service

Sr. No.	Name of the service provider	Nature of services provided
1	Kotak Mahindra Bank Limited	Custodian Services & Depository Participant
2	HDFC Bank Limited	Custodian Services & Depository Participant
3	ICICI Bank Limited	Custodian Services & Depository Participant
4	Axis Bank Limited	Custodian Services & Depository Participant

14. Taxation

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

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Company to induce any client, prospective or existing, to invest in the portfolio management services of the Company. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of individual nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the Client is advised to best consult its or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by the Company.

It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the units.

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 by the Finance Act,2025 (No. 14 of 2025) published on 29th March, 2025 in the Official Gazette of India ('Finance Act, 2025').

The tax rates mentioned in this document relate to Financial Year 2025-26(Assessment Year 2026-27) and onwards as provided in the Finance Act, 2025, and are inclusive of surcharge and education cess as applicable to corporates, unless specified otherwise.

The maximum tax rates applicable to different categories of assessee's are as follows:

Resident individual & HUF[1]	30% + surcharge & cess
Partnership Firms & Indian Companies *(other than specified companies below)*	30% + surcharge & cess
Indian Companies having turnover less than INR 4000 million during the financial year 2021-22	25% + surcharge & cess
Company opting for section 115BA (Manufacturing domestic companies)	25% + surcharge & cess
Company opting for section 115BAA[2]	22% + surcharge & cess
Company opting for section 115BAB[3]	15% + surcharge & cess
Non-resident Indians	30% + surcharge & cess
Foreign companies	40% + surcharge & cess

[1] The Finance Act, 2020 has introduced a new tax regime vide Section 115BAC for Individual and HUF to tax the income of such assessees at lower tax rates if they agree to forego prescribed deductions and exemptions under the Income Tax Act. Under the said provisions, maximum tax rate applicable shall be 30% plus applicable surcharge and education cess.

[2] The Taxation Laws (Amendment) Act, 2019 has introduced a lower tax regime for domestic companies vide Section 115BAA thereby levying the lower corporate rate of 22% on such companies, subject to certain conditions, including that the total income should be computed without claiming any deduction, exemption or any set off of any loss carried forward or depreciation from any earlier assessment year. Hence, in such case the rate of tax on interest income should be 25.168% (considering surcharge at the rate of 10% and Health and Education cess at the rate of 4%). A company can choose to opt for the new tax rates in the financial year 2019-20 (i.e. assessment year 2020-21) or in any other financial year in the future. Once this option is exercised, it cannot be subsequently withdrawn and shall apply to all subsequent assessment years.

[3] The Taxation Laws (Amendment) Act, 2019 has also introduced a lower tax regime for domestic new companies engaged in the business of manufacture or production of any article and research in relation to, or distribution of such article manufactured by it, vide Section 115BAB thereby levying the lower corporate rate of 15% on such companies, subject to certain conditions including that they do not claim certain deductions. Hence, in such case the rate of tax would be 17.16% (considering surcharge at the rate of 10% and Health and Education cess at the rate of 4%). Once this option is exercised, it cannot be subsequently withdrawn and shall apply to all subsequent assessment years.

The amount of surcharge is calculated as a percentage of the tax payable i.e. the amount of tax not including surcharge and education cess. The applicable rate of surcharge in case of companies other than domestic companies ("foreign companies") is 2% where the income exceeds INR 10 million but is less than or equal to INR 100 million and is 5% where the income exceeds INR 100 million. In case of domestic companies (excluding companies opting for Section 115BAA/BAB) having total income exceeding INR 10 million but not exceeding INR 100 million, surcharge of 7% on income tax is applicable. In case of domestic companies (excluding companies opting for Section 115BAA/BAB) having total income exceeding INR 100 million, surcharge of 12% is applicable. In case of domestic companies opting for Section 115BAA or Section 115BAB, surcharge of 10% on income tax is applicable irrespective of amount of total income. In case of firms and LLPs having total income exceeding INR 10 million, surcharge of 12% is applicable.

For other resident and non-resident assesses including those opting for new tax regime under Section 115BAC, surcharge is levied at 10% if total income exceeds INR 5 million but is less than or equal to INR 10 million; it is levied at 15% if total income exceeds INR 10 million but is less than or equal to INR 20 million; it is levied at 25% if total income excluding capital gains referred to in Section 111A and Section 112A exceeds INR 20 million but is less than or equal to INR 50 million; if the total income excluding capital gains referred to in Section 111A and Section 112A exceeds INR 50 million, surcharge of 25% is applicable. If total income including the capital gains referred to in Section 111A and Section 112A exceeds INR 20 million but is less than or equal to INR 50 million, then surcharge is levied at 15% on capital gains referred to in Section 111A and

Section 112A and at 25% on incomes other than capital gains referred to in Section 111A and Section 112A. If total income including the capital gains referred to in Section 111A and Section 112A exceeds INR 50 million, then surcharge is levied at 15% on capital gains referred to in Section 111A and Section 112A and at 25% on incomes other than capital gains referred to in Section 111A and Section 112A. Vide The Taxation Laws (Amendment) Act, 2019, the increase in surcharge on capital gains tax on domestic and foreign investors has been rolled back and capped at 15% as explained above.

Further, Health and Education Cess at the rate of 4% shall be leviable on aggregate of tax and surcharge as per the provisions of the Finance Act, 2020. In this Disclosure Document, we have assumed that the highest surcharge rate would be applicable to an investor.

I. Taxation in hands of Clients

A. Characterization of income

Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gains'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.

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

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

- The genuineness of transactions in unlisted shares itself is questionable; or

- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or

- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

Further, CBDT has issued clarification stating that the exception to transfer of unlisted securities made along with control and management of underlying business would not apply to Category I & II AIFs.

B. Taxation of Resident investors

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

a) Dividend income

The Finance Act, 2020 has abolished the provisions related to Dividend Distribution Tax (**"DDT"**) and hence the dividends distributed by an Indian company are taxable in hands of the shareholders/unit holders at the rates applicable to the respective assesses.

Further, The Finance Act, 2020 has amended Section 57 of the IT Act, in respect of deduction from the dividend income. The said amendment governs that no deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income.

Also w.e.f. 1st April 2020 mutual fund / RTA shall be required to deduct TDS at 10 per cent only on dividend payment (Above Rs 5000); No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain. However, with effect from 14^{th} May 2020, TDS on dividend is reduced to 7.5% for FY2020-21 only.

b) Interest income

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

Interest income received by	Tax Rate for the domestic investors
Resident companies (Refer Note 1)	34.944%
Firms / LLPs	34.944%
Others (Refer Note 2)	As per applicable slab rates, maximum being 42.744%

Note 1: In case of domestic companies having turnover or gross receipts not exceeding INR 4000 million in the Financial Year 2021-22 (Assessment Year 2022-23), a lower corporate tax rate of 25% is levied. Hence, in such case the rate of tax on interest income should be 29.12% (considering surcharge at the rate of 12% and Health and Education cess at the rate of 4%).

Further, The Taxation Laws (Amendment) Act, 2019 has proposed a lower tax regime for domestic companies vide Section 115BAA thereby levying the lower corporate rate of 22% on such companies, subject to certain conditions, including that the total income should be computed without claiming any deduction, exemption or any set off of any loss carried forward or depreciation from any earlier assessment year. Hence, in such case the rate of tax on interest income should be 25.168% (considering surcharge at the rate of 10% and Health and Education cess at the rate of 4%).

Note 2: Assesses opting for tax rates under Section 115BAC may consider relevant tax rate slabs for the purpose of taxation of interest income.

c) Capital gains

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

i. <u>Period of holding</u>

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 asset	**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 unit of	Held for not more than 12 months	Held for more than 12 months

an equity oriented mutual fund or zero-coupon bonds		
For assets other than those specified above (including immovable property being land or building	Held for not more than 24 months	Held for more than 24 months

ii. Taxation of capital gains

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

Nature of Income	**Tax rate for beneficiaries who are resident companies (Normal/115BAA/BAB) %**	**Tax rates for resident Individuals / HUF / AOP / BOI(Normal/115BAC) %**	**Tax rates for other residents (Firms, LLPs) %**
STCG on transfer of (i) listed equity shares on a 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 Securities Transaction Tax ("**STT**") has been paid	23.296/22.88/22.88	23.92/23.92	23.296
Other STCG	34.944/25.168/25.168 (Refer Note 2)	42.744/39	34.944
LTCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) units of equity oriented mutual fund and on which STT has been paid (Refer Note 3 below)	14.56/14.3/14.3	14.95/14.95	14.56
LTCG on transfer of listed bonds and listed debentures (Note 1)	14.56/14.3/14.3	14.95	14.95

Nature of Income	Tax rate for beneficiaries who are resident companies (Normal/115BAA/BAB) %	Tax rates for resident Individuals / HUF / AOP / BOI(Normal/115BAC) %	Tax rates for other residents (Firms, LLPs) %
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity-oriented fund	34.944/25.168/ 25.168	42.744/39	34.944
LTCG on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	14.56/14.3/14.3	14.95/14.95%	14.56
LTCG on transfer of unlisted bonds and unlisted debentures	34.944/25.168/ 25.168	42.744/39	34.944

Note 1: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures.

Note 2: In case of domestic companies having turnover or gross receipts not exceeding INR 4000 million in the Financial Year 2021-22 (Assessment Year 2022-23), a lower corporate tax rate of 25% plus applicable surcharge and cess is levied. Similarly, relevant lower corporate tax rates will be levied on companies opting for lower tax rates in accordance with Section 115BAA.

Note 3: The Finance Act, 2018 withdrew 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 w.e.f. 1 April 2018. The LTCG above INR 1.25 lakh (as per Finance Act, 2024) on following transfers shall be taxable at 10% (plus surcharge and cess):

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

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

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

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

*The CBDT has notified a circular to specify the transactions where the condition of STT on acquisition would not apply for applying tax rate of 12.5% on transfer of listed equity shares.

iii. <u>Deemed Sale Consideration on sale of unquoted shares</u>

As per Section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued rules for computation of Fair Market Value ("**FMV**") for the purpose of section 50CA of the IT Act. The taxability of such gains would be as discussed above.

d) Proceeds on buy-back of shares by company

For buybacks that are carried out before 1st October 2024, as per the section 10(34A) of the IT Act, gains arising on buy-back of shares (including shares listed on a recognised stock exchange) are exempt in the hands of investors.

However, as per section 115QA of the IT Act, a tax at the rate of 20% (plus applicable surcharge and health and education cess) is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

For buy-backs that are carried out on or after 1 October 2024, the amount paid by a domestic company on buy-back of shares should be taxed as deemed dividend in the hands of the shareholders. The cost of acquisition of the bought back shares should be treated as Capital Loss in the hands of the shareholder. The shareholder will be eligible to set off the capital loss (equivalent to the cost of acquisition of shares

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

- Section 56(2)(x), provides that any assessee receives any property (including shares, debentures etc.) without consideration or for inadequate consideration in excess of INR 0.05 million as compared to the FMV shall be taxable in the hands of the recipient as Income from Other Sources.

- The CBDT has issued rules with revised mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.

- Accordingly, such Other Income would be chargeable to tax (i) at the rate of 34.944% in case of Investors being resident companies (ii) at the rate of 34.944% in case of firms/LLPs; and (iii) as per applicable slab rates in case of individuals and others, maximum being 42.744%.

f) Provisions related to dividend and bonus stripping:

- As per section 94(7) of the IT Act, losses arising from the sale/ transfer of any securities/units (including redemption) purchased up to 3 months prior to the record date and sold within 3 months (in case of units - 9 months) after such date, will not be allowed to the extent of dividend / income distribution (excluding redemptions) on such securities/units claimed as tax exempt by the shareholder/unit holder.

- Further, section 94(8) of the IT Act provides that any person who buys or acquires any units within a period of 3 months prior to the record date and such person is allotted additional units without consideration (bonus units) based on the original holding, any subsequent loss on sale of original units within a period of 9 months from the record date, will be ignored for computing the income chargeable to tax. The loss so ignored will be deemed to be the cost of purchase or acquisition of Bonus units (held at such time) when these Bonus units are subsequently sold.

C. Taxation of Non-resident investors

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

- it is regarded a tax resident of India; or

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

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management ("**POEM**") is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT had vide its Circular dated January 24, 2017 issued guiding principles for determination of POEM of a company ("**POEM Guidelines**"). The POEM Guidelines lays down emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of Sec 6(3)(ii) relating to POEM would not apply to companies having turnover or gross receipts of Rs. 500 million or less than Rs 500 million during the Financial Year.

D. Tax Treaty Benefits

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

*E. Tax Residency Certificate ("**TRC**")*

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

The details required to be furnished are as follows:

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

basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;

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

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

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

a) Dividend Income

The Finance Act, 2020 has abolished the provisions related to Dividend Distribution Tax (**"DDT"**) and hence the dividends distributed by an Indian company are taxable in hands of the shareholders'/unit holders at the rates applicable to the respective assessees irrespective of their residential status.

Further, The Finance Act, 2020 has amended Section 57 of the IT Act, in respect of deduction from the dividend income. The said amendment governs that no deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income.

The Finance Act, 2020 has, vide Section 80M, introduced a deduction allowed in case of domestic companies receiving dividends from a domestic company or a foreign company or a business trust. A deduction of the amount of dividends received by a domestic company is allowed in computing the total income to the extent of the amount of dividend distributed by such domestic company.

b) Interest

Interest income would be subject to tax at the rate of 43.68% for beneficiaries who are non-resident companies. For other non-resident beneficiaries, being individual, HUF, AOP or BOI, interest income would be subject to tax at the rate of 42.744%. For other non-resident beneficiaries, interest income would be subject to tax at the rate of 34.944%. The above rates would be subject to availability of Tax Treaty benefits, if any.

In case the investments made by the non-resident Indian ('NRI') Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI 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 28.496% on gross basis.

As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to 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
- 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.

Further, CBDT had issued a Press Release on September 17, 2018 announcing tax exemption and withholding tax exemption for interest payable by an Indian company or a business trust to a non-resident, including a foreign company, in respect of rupee denominated bond issued outside India during the period from September 17, 2018 to March 31, 2019. The Press Release also stated that legislative amendments in this regard shall be proposed in due course. The Finance (No. 2) Act, 2019, thereby incorporated the provisions contained in the said press release into the Act by way of inserting the provisions through an amendment in Section 10.

c) Capital Gains

i. <u>Period of holding</u>

Please refer Paragraph 11(I)(B)(c)(i) above for period of holding.

ii. <u>Taxation of capital gains</u>

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 non-resident individual /HUF/AOP/BOI**	**Tax rate for other non-resident beneficiaries**
	%	**%**	**%**
Short-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares	21.84	23.92	23.296

Nature of Income	**Tax rate for offshore investors being Foreign company**	**Tax rate for non-resident individual /HUF/AOP/BOI**	**Tax rate for other non-resident beneficiaries**
	%	**%**	**%**
sold through offer for sale or (iii) units of equity oriented mutual fund, and on which STT has been paid			
Other short-term capital gains	43.68	42.744	34.944
Long-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, or (ii) units of equity oriented mutual fund and on which STT has been paid (Refer Note 1)	13.65	14.95	14.56
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)	13.65	14.95	14.56
Long-term capital gains on transfer of units of mutual fund (listed or unlisted) other than equity-oriented fund	43.68	42.744	34.944
Long-term capital gains on transfer of unlisted securities	13.65	14.95	14.56

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 w.e.f. from Financial Year starting from 1 April 2018. The LTCG above INR 1 lakh on following transfers shall be taxable at 10% (plus surcharge and cess):

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

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

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

*The CBDT has notified a circular providing certain specified transaction on which condition of paying STT at time of acquisition shall not apply for applying tax rate of 10%.

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) without indexation on long-term capital gains arising on sale of listed bonds and debentures cannot be ruled out.

In case the investments made by the NRI Clients 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, (i) any long-term capital gains should be taxable at the rate of 14.248% and (ii) any investment income should be taxable at 28.496%.

iii. Deemed Sale Consideration on sale of unquoted shares

As per Section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued rules for computation of FMV for the purpose of section 50CA of the IT Act. The taxability of such gains would be as discussed above.

d) Buy-back of shares

Please refer Paragraph 11(I)(B)(d) above for tax implications on income received from buy-back of shares.

e) Deemed income arising at the time of investment in shares of unlisted companies in India

- As per *section 56(2)(x)*, if any assessee receives any property (including shares, debentures etc.) without consideration or for inadequate consideration in excess of INR 0.05 million as compared to the FMV shall be taxable in the hands of the recipient as Income from Other Sources.

- The CBDT has rules providing mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.

- The shortfall in consideration is taxable in the hands of the acquirer as Other Income earned by a foreign company would be chargeable to tax (i) at the rate of 43.68% in case of offshore investors being foreign companies; (ii) at the rate of 34.944% in case of offshore firms / LLPs; and (iii) as per applicable slab rates in case of non-resident individuals and others, maximum being 42.744%.

f) Provisions related to dividend and bonus stripping

- As per section 94(7) of the IT Act, losses arising from the sale / transfer of any securities / units (including redemption) purchased up to 3 months prior to the record date and sold within 3 months (in case of units - 9 months) after such date, will not be allowed to the extent of dividend / income distribution (excluding redemptions) on such securities / units claimed as tax exempt by the shareholder / unit holder.

- Further, section 94(8) of the IT Act provides that any person who buys or acquires any units within a period of 3 months prior to the record date and such person is allotted additional units without consideration (bonus units) based on the original holding, any subsequent loss on sale of original units within a period of 9 months from the record date, will be ignored for computing the income chargeable to tax. The loss so ignored will be deemed to be the cost of purchase or acquisition of Bonus units (held at such time) when these Bonus units are subsequently sold.

II. Securities Transaction Tax

Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @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 @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.

Further, an amendment was proposed which states that the levy of STT @0.125% on sale of an option in securities where option is exercised, would be limited to only the intrinsic value of options i.e. the difference between the settlement price and the strike price, with effect from 1 September, 2019.

III. Minimum Alternate Tax

The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Vide the Taxation Laws (Amendment) Act, the MAT rate of 18.5% has been substituted for 15% with effect from 1st April, 2020, relevant to financial year 2020-21 and assessment year 2021-22. Corporate assessees operating in International Financial Services Centre ('IFSC') shall be charged MAT at the concessional rate of 9%.

The Finance Act, 2020 has provided that all the domestic companies opting for lower tax regime u/s 115BAA or 115BAB will not be required to pay minimum alternate tax (MAT) under section 115JB of the Act. Further, the provisions regarding MAT credit will also not apply to companies opting for these sections.

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

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

IV. Alternate Minimum Tax

The IT Act provides for levy of Alternate Minimum Tax ('AMT') under Section 115JC, on non-corporate assessees having adjusted total income exceeding INR 20 lac. If the tax payable as per Section 115JC at 18.5% of the adjusted total income exceeds the regular income-tax payable, then the assessee is liable to pay AMT. Further, non-corporate assessees operating in International Financial Services Centre ('IFSC') shall be charged AMT at the concessional rate of 9%.

The Finance Act, 2020 has provided that assessees opting for lower tax regime u/s 115BAC will not be required to pay AMT. Further, the provisions regarding AMT credit will also not apply to assessees opting for this section.

V. Withholding at a higher rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ("PAN"), then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

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

VI. Carry-forward of losses and other provisions (applicable to both Equity products irrespective of the residential status):

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

VII. General Anti Avoidance Rule ("GAAR")

GAAR provisions have been introduced in chapter X-A of the IT Act (effective from Financial Year beginning on April 1, 2017), which provides that an arrangement whose main purpose is to obtain tax benefit, and which also satisfies at least one of the four specified tests 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 by bonafide purposes.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked if 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.

VIII. GST

Goods and Service Tax (GST) will be applicable on services provided by the Portfolio Manager to Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee to the Company.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE INCOME TAX ACT. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, PARTNER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE IT ACT. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

15. Accounting Policies

The following Accounting policy will be applied for the investments of Clients:

(i) **Recognition:** The Portfolio Manager shall follow accrual-based accounting policies in conformation with generally accepted accounting principles for fund management in India.

(ii) **Client Accounts:** The investments under the Portfolio Management Service (PMS) are made on behalf of and in the respective names of the Clients. Hence separate bank accounts and demat accounts may be opened in the name of the Clients which are operated by the Portfolio Manager duly authorized for this purpose by a Power of Attorney. As the amount received under PMS and the corresponding investments are made on behalf of the Clients, they are not reflected in the balance sheet of the Portfolio Manager.

(iii) **Income Accrual:** Dividends on shares and units in mutual funds shall be accounted on ex-dividend date, interest, stock lending fees earned etc., shall be accounted on receipt basis. The interest on debt instruments shall be accounted on receipt basis.

(iv) **Cost of Investments:** Purchase/Sale consideration will be calculated by applying the "weighted average cost" method. The cost of investments acquired or purchased shall include brokerage, stamp charges and any charge customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.

(v) **Portfolio Management Fees:** Portfolio management fees could include a fixed management fee and a variable performance fee. The amount of fixed and variable fees will be as agreed with the client and defined in the Agreement. Issues related to the frequency at which fees are charged and how they are calculated will also be as defined in the Agreement with each individual client. The fixed management fee will be as agreed in the Agreement terms and conditions and is payable quarterly. The performance fees as agreed with the client in the Agreement will be based on returns over a hurdle rate as agreed in the Agreement, with a high watermark. Performance fees will be charged on performance over the hurdle rate, management fee and any costs of trading. They will be charged quarterly or annually.
The Accounting Policies and Standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

16. Investors Services

(i) *<u>Details of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:</u>*

Name of the person	Kapildev Verma
Designation	Client Relation Officer

Address	Boston House, 102 First Floor, Suren Road, Near WEH Metro Station, Andheri East, Chakala MIDC, Mumbai-400093, Maharashtra, India
Email	grievance@marcellus.in;
Telephone	0806-9199-400

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

- The personnel/s of the Portfolio Manager as listed above will attend to and address any Client query / concern / grievance in accordance with the grievance redressal mechanism as per applicable Laws.
- In case the Client is not satisfied with the redressal by the Portfolio Manager or otherwise, the Client may lodge a complaint on SEBI's web-based complaints redress system (SCORES) at https://scores.gov.in/scores/Welcome.html
- After exhausting the aforesaid mentioned options for resolution of the grievance, if the Client is still not satisfied with the outcome they can initiate dispute resolution mechanism that includes mediation and / or conciliation and / or arbitration, through the Online Dispute Resolution Portal (ODR Portal) at https://smartodr.in/login in accordance with the procedure specified by SEBI vide SEBI circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 4, 2023), on "Online Resolution of Disputes in the Indian Securities Market". A copy of the said SEBI circular is here – https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities-market_75220.html and also available on https://marcellus.in/.

17. Details of investments in the securities of related parties of the Portfolio Manager

Sr. No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	percentage of total AUM as on last day of the previous calendar quarter
NIL					

18. Details of the diversification policy of the Portfolio Manager

Marcellus has a bottom-up fundamentals-oriented philosophy where the list of portfolio companies is formed basis the resilience of fundamentals (as one of the many factors) of the respective companies against various external headwinds such as macro-economic factors, competitive intensity etc. This reliance in portfolio fundamentals provides the biggest source of downside protection against volatility in the external operating environment. For managing diversification risk and to reduce the exposure of massive drawdown of a single stock, Marcellus investment in different types of stocks and accordingly curates the portfolio. We can have stocks ranging from 5 to 30 in a portfolio basis client requirement. Average number of stocks in our portfolio is around 12-15 stocks per portfolio. Marcellus doesn't have sector-based diversification boundary. We can have a portfolio which has 100% allocation in as few as two or three sectors.

19. GENERAL PROVISION

The Prevention of Money Laundering Act, 2002 (PMLA Act) came into force with effect from July 1, 2005, forming the core of the legal framework to combat money laundering. As per the provisions of the PMLA Act, Intermediaries, including portfolio managers, have certain obligations regarding verification of the identity of their clients, maintaining records and furnishing information to the Financial Intelligence Unit–India (FIU-IND).SEBI vide its various circulars issued has directed all Intermediaries, including portfolio managers to formulate and implement policies and procedures for dealing with money laundering and adoption of 'Know Your Customer' (KYC) Policy. The client should ensure that the amount invested in the Portfolio Management Service is through legitimate sources only and does not involve and is not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of the PMLA Act, the Prevention of Money Laundering Rules, 2005, Income Tax Act, Anti Money Laundering Guidelines, Prevention of Corruption Act, Act or any other applicable laws enacted by the Government of India from time to time.

The Portfolio Manager reserves the right to take all steps and actions, including recording clients telephonic calls and/or obtaining and retaining all documentation for establishing the identity of the Client, proof of residence, source of funds etc. in accordance applicable law from the client and/or the custodian as may be required to ensure appropriate identification/verification and re-verification of the Client, the course of fund etc. under its KYC policy as may be amended and updated from time to time. If at any time the Portfolio Manager believes that the transaction is suspicious in nature in accordance with applicable law, the Portfolio Manager shall have the absolute discretion to report the transaction to FIU-IND and/or any other statutory body that the Portfolio Manager is bound to report to from time to time. The Portfolio manager can also reject any application, freeze the account, compulsorily close the Client account and pay out the proceeds to the Client, at its option. The Portfolio Manager shall have no obligation to inform the Client or its agent/power of attorney holder in the event of such reporting.

The Portfolio Manager and its directors, employers, officers, agents an persons acting on its behalf shall not be responsible/liable for any loss suffered by the Client in any manner whatsoever due to any reporting to the FIU-IND by the Portfolio Manager, the rejection of any application or freezing or compulsory closure of any Client account or termination of the Agreement due to any non-compliance by the Client with the provisions of any applicable law, rule, regulation, KYC policy and/or where the Portfolio Manager has reported a suspicious transaction to FIU-IND.

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement for Portfolio Management Services.

For Marcellus Investment Managers Private Limited

Saurabh Mukherjea **Director**	SAURABH MUKHERJEA Digitally signed by SAURABH MUKHERJEA Date: 2025.05.23 19:01:42 +05'30'
Rakshit Ranjan **Director**	RAKSHIT RANJAN Digitally signed by RAKSHIT RANJAN Date: 2025.05.23 19:02:29 +05'30'

Place: Mumbai
Date: 23rd May, 2025

A member of mgi

KAMDAR DESAI & PATEL LLP
CHARTERED ACCOUNTANTS

CERTIFICATE

To,
Marcellus Investment Managers Private Limited
Boston House, 102 First floor,
Suren Road,
Near WEH Metro Station,
Mumbai – 400093

We have examined the Disclosure Document dated **May 23, 2025** for portfolio management produced before us, and prepared by the management of Marcellus Investment Managers Private Limited ("the company") in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations 2020 (updated time to time); having PMS Registration No. INP000006183 and its registered office at Boston House, 102 First floor, Suren Road, Near WEH Metro Station, Mumbai-400093, Maharashtra, India.

Based on the information and details produced before us, we certify that the disclosures made in the attached Disclosure Document for portfolio management are generally true, fair, and adequate to enable the investors to make a well-informed decision except the following:

1. The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the company.
2. The Promoters, director's & Key Managerial Personnel's qualification, experience, ownership details are as declared by them and have been accepted without further verification.
3. We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
4. We have relied on the representation made by the management regarding the Assets under management of **Rs. 4,733.22 crores** as on **April 30, 2025**.

This certificate has been issued solely for submission to the Securities and Exchange Board of India for the sole purpose of certifying the contents of the Disclosure Document for the portfolio management and should not be used or referred to for any other purpose without our prior written consent.

For **Kamdar Desai & Patel LLP**
Chartered Accountants
FRN No.: 104664W/W100805

KAMDAR DESAI & PATEL LLP MUMBAI INDIA C.A.

Harsh Sanghvi
Partner
M. No. 178498

Place: Mumbai
Date:23rd May, 2025
UDIN: 25178498BMHVGJ6550

SUMATI SMRUTI CHS, 296 CADELL ROAD, DADAR (W), MUMBAI 400 028 INDIA. TEL: +91-22-2447 5000.
Email : info@kdpaccountants.com. Web : www.kdpaccountants.com