



## DISCLOSURE DOCUMENT

As on October 23, 2025

### KEY INFORMATION

#### Disclosure on filing with SEBI:

This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020.

#### Scope and Objective of this Document

- The purpose of this document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the investors in making informed decision prior to engaging the Portfolio Manager.
- This document contains the necessary information about the Portfolio Manager required by prospective investor before investing, and the investors are advised to carefully read this entire document before making any investment decision.
- The investors are advised to retain a copy of this document for future reference. The investors can download the latest version of the disclosure document from the website of ArthAlpha LLP ([www.arthalpha.in](http://www.arthalpha.in))

#### Portfolio Manager Information:

Name of the Portfolio Manager	ArthAlpha LLP
SEBI Registration Number	INP000009038
Registered Address	2053, Prestige White Meadows, Whitefield Main Road, Bangalore - 560066, Karnataka, India
Principal Place of Business Address	ArthAlpha, WeWork, Roshni Tech Hub, Marathahalli Main Rd, R.J.Gardens, Lakshminarayana Pura, EPIP Zone, Chinnapanna Halli, Bengaluru, Karnataka 560037
Phone	+91 81059 16156
Email	info@arthalpha.in
Website	www.arthalpha.in

#### Principal Officer Information:

Name of the Principal Officer	Rohit Beri
Address	2053, Prestige White Meadows, Whitefield Main Road, Bangalore - 560066, Karnataka, India
Phone	+91 81059 16156
Email	rohit@arthalpha.in

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## I. PART – I: STATIC SECTION

### 1. DISCLAIMER CLAUSE

- 1.1. This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.
- 1.2. The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions.

### 2. DEFINITIONS

In this Disclosure Document, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them:

- 2.1. “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 2.2. “**Accreditation Agency**” means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
- 2.3. “**Accredited Investor**” means any person who is granted a certificate of accreditation by an accreditation agency who:
  - (i) in case of an individual, HUF, family trust or sole proprietorship has:
    - (a) annual income of at least two crore rupees; or
    - (b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
    - (c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
  - (ii) in case of a body corporate, has net worth of at least fifty crore rupees;
  - (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;
  - (iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

- 2.4. “**Advisory Services**” means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
- 2.5. “**Agreement**” or “Portfolio Management Services Agreement” or “PMS Agreement” means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
- 2.6. “**Applicable Law/s**” means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
- 2.7. “**Assets Under Management**” or “**AUM**” means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
- 2.8. “**Associate**” means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.

- 2.9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
- 2.10. **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
- 2.11. **“Business Day”** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
- 2.12. **“Client(s)”** / **“Investor(s)”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
- 2.13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
- 2.14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
- 2.15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
- 2.16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
- 2.17. **“Disclosure Document”** or **“Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
- 2.18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
- 2.19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
- 2.20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
- 2.21. **“Foreign Portfolio Investors”** or **“FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
- 2.22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
- 2.23. **“Funds”** or **“Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
- 2.24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
- 2.25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
- 2.26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
- 2.27. **“IT Act”** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
- 2.28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
- 2.29. **“Non-resident Investors”** or **“NRI(s)”** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
- 2.30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
- 2.31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
- 2.32. **“Person”** includes an individual, a HUF, a corporation, 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.

- 2.33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.
- 2.34. **“Portfolio Manager”** means ArthAlpha LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, registered with SEBI as a portfolio manager bearing registration number INP000009038 and having its registered office at 2053, Tower 3, Prestige White Meadows, Whitefield, EPIP, Bangalore 560066 Karnataka.
- 2.35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
- (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
  - (ii) all other operations of the Portfolio Manager “Regulations” or “SEBI Regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
- 2.36. **“Regulations”** or **“SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
- 2.37. **“Related Party”** means –
- (i) a director, partner or his relative;
  - (ii) a key managerial personnel or his relative;
  - (iii) a firm, in which a director, partner, manager or his relative is a partner;
  - (iv) a private company in which a director, partner or manager or his relative is a member or director;
  - (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
  - (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
  - (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
  - (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the 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:
      - 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;
- 2.38. **“Securities”** means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

### 3. DESCRIPTION

#### 3.1. History, Present Business and Background of the portfolio manager.

ArthAlpha LLP is a limited liability partnership having its registered under the Limited Liability Partnership Act, 2008 having its registered office at 2053, Prestige White Meadows, Whitefield, Bengaluru - 560066 and principal place of business at ArthAlpha, WeWork, Roshni Tech Hub,

Marathahalli Main Rd, R.J.Gardens, Lakshminarayana Pura, EPIP Zone, Chinnapanna Halli, Bengaluru, Karnataka 560037 offers Portfolio Management services to its clients. ArthAlpha LLP was incorporated on August 02, 2023 and received approval for rendering such services on September 27, 2024 vide registration number INP000009038.

Currently, the Portfolio Manager provides Discretionary, Non- Discretionary Portfolio Management and Investment Advisory Services with an objective to consistently deliver superior risk-adjusted returns through data-driven strategies and unwavering commitment to the investors' success.

### 3.2. Promoters of the portfolio manager, directors and their background.

Name of the Partners	Experience
<p><b>Rohit Beri</b> (Designated Partner, Principal Officer) Qualification:</p> <ul style="list-style-type: none"> <li>● Chartered Accountant</li> <li>● Chartered Financial Analyst</li> <li>● Stanford GSB Graduate</li> <li>● Bachelor of Commerce</li> </ul> <p>NISM Certification Examination</p> <ul style="list-style-type: none"> <li>● NISM-Series-XV: Research Analyst</li> <li>● NISM-Series-XXI-B: Portfolio Managers</li> </ul>	<p>Rohit has 22+ years of experience and a stellar track record as an investment manager:</p> <ul style="list-style-type: none"> <li>● CEO &amp; CIO, ArthAlpha (2023-Present)</li> <li>● CIO, True Beacon (2021-23)</li> <li>● Advisor &amp; Co-founder, Riemann Capital, Singapore (2012-21)</li> <li>● Consultant, Global Markets, Middle Easter Bank (2019-20)</li> <li>● Director &amp; Head, Investor Solutions Asia, Australia &amp; New Zealand Banking Group (2012-18)</li> <li>● Founder &amp; CEO, Roaring Numbers, USA (2013-14)</li> <li>● Director, Fixed Income Markets, Credit Agricole CIB, India (2006-12)</li> <li>● Manager, Corporate Sales and Structuring, Citibank, India (2005-06)</li> <li>● Manager, Corporate Markets Advisory Group, ICICI, India (2002-05)</li> </ul>
<p><b>ArthAlpha Technology Private Limited represented through its Director Rohit Jha</b> (Designated Partner)</p>	<p>ArthAlpha Technologies Private Limited is a private limited company incorporated on May 09, 2024 at Bangalore. The directors are Rohit Beri and Rohit Kumar Jha.</p>

### 3.3. Key Personnel and their background (other than partners mentioned above)

Name of the Key Personnel	Experience
<p><b>Harkirat Dhiman</b> (Compliance Officer) Qualification:</p> <ul style="list-style-type: none"> <li>● Chartered Accountant</li> <li>● Bachelor of Commerce</li> </ul> <p>NISM Certification Examination</p> <ul style="list-style-type: none"> <li>● NISM Series-III-A: Securities Intermediaries Compliance</li> <li>● NISM-Series-XXI-B: Portfolio Managers</li> <li>● NISM-Series XIX-C: Alternative Investment Fund Managers</li> <li>● NISM-Series-XV: Research Analyst</li> </ul>	<p>Harkirat has 3+ years of experience and expertise in managing tax litigations, statutory audits, handling compliance, internal audits, tax audits &amp; financial reporting.</p> <ul style="list-style-type: none"> <li>● Compliance Officer, ArthAlpha (April 2025 to Present)</li> <li>● Compliance Associate at ArthAlpha (Oct 2024 to March 2025)</li> <li>● Articled Assistant at T S M &amp; Associates (2021-23)</li> <li>● Articled Assistant at Ankit Puri &amp; Associates (2020-21)</li> </ul>
<p><b>Rohit Jha</b> (Additional Employee) Qualification:</p> <ul style="list-style-type: none"> <li>● B.Tech. Computer Science &amp; Engineering- IIT Kanpur</li> </ul> <p>NISM Certification Examination:</p> <ul style="list-style-type: none"> <li>● NISM-Series-XXI-B: Portfolio</li> </ul>	<p>Rohit, an IIT Kanpur CS graduate, went from being a top hedge fund manager to an entrepreneur.</p> <ul style="list-style-type: none"> <li>● CTO &amp; Head of Research, ArthAlpha (2023-Present)</li> <li>● Founder, Fanvest India Private Limited (2022-23)</li> <li>● Senior Portfolio Manager, Tower Research Capital (2021)</li> </ul>

<p>Managers</p> <ul style="list-style-type: none"> <li>NISM-Series XIX-E: Category III Alternative Investment Fund Managers</li> </ul>	<ul style="list-style-type: none"> <li>Founder and Portfolio Manager, Arrax Capital (2019-20)</li> <li>Global Head, Intraday Equity and ETF, Worldquant LLC (Millennium Management) (2015-19)</li> <li>Investment Management Division, Goldman Sachs (2014)</li> </ul>
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**3.4. Top 10 Group companies/firms of the portfolio manager on turnover. basis (latest audited financial statements may be used for this purpose)**

NAME OF ENTITY	RELATIONSHIP
ARTHALPHA TECHNOLOGIES PRIVATE LIMITED	Majority Partner (Holding Company)
REIMANN CAPITAL ADVISORS LLP	Enterprises over which partner along with its relatives have significant influence

**3.5. Details of the services being offered:**

**3.5.1. Discretionary Portfolio Management Services**

ArthAlpha LLP offers discretionary Portfolio Management Services to its clients. 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 Funds 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. However, the Client can specify securities they are prevented from investing in because of insider trading or other restrictions.

**3.5.2. Non-discretionary Portfolio Management Services**

ArthAlpha LLP offers Non-Discretionary Portfolio Management Services to its clients. 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. In this case, the Portfolio Manager shall be responsible for managing transaction execution on behalf of the Client entirely at the Client's risk.

**3.5.3. Advisory Portfolio Management Services**

ArthAlpha LLP offers Advisory Services to its clients. 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, which is 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 will be the sole responsibility of the Client.

**Direct Onboarding:**

The Portfolio Manager provides the facility to Clients for Direct onboarding without any involvement of a broker/distributor/agent engaged in distributor services. The Client can onboard by directly contacting us or sign up for our services by writing to us at [info@arthalpha.in](mailto:info@arthalpha.in)

**4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATION FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY.**

i.	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder.	None
ii.	The nature of the penalty/direction.	None
iii.	Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.	None
iv.	Any pending material litigation/legal proceedings against the portfolio	None

	manager/key personnel with separate disclosure regarding pending criminal cases, if any.	
v.	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	None
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.	None

## 5. SERVICES OFFERED

The Portfolio Manager shall offer Discretionary Portfolio Management Services, Non-Discretionary Portfolio Management Services and Advisory Services, details of which are mentioned in Clause 3.5 of this Disclosure Document. As per the SEBI (Portfolio Managers) Regulations, the portfolio manager shall not accept from the client, funds or securities worth less than fifty lakh rupees. The minimum investment amount per client shall be applicable for new clients and fresh investments by existing clients. However, the said minimum investment amount shall not be applicable to Accredited Investors.

### 5.1. Investment Approaches under Discretionary Portfolio Management Services:

#### 5.1.1. ArthAlpha Machine-Learning (Equity) Quant - (MEQ):

a)	<b>Investment Objective</b>	The primary aim of this approach is to deliver excess risk-adjusted returns over the medium to long term by investing in equity and equity linked securities.	
b)	<b>Investment Strategy</b>	Equity	
c)	<b>Description of Securities</b>	Under this approach, the portfolio would be primarily invested in listed equities to meet the investment objective. However, based on market valuation and availability of opportunities, the portfolio may allocate a portion of the investment in units of mutual funds, ETFs and other permissible securities or products as defined under the Securities Contract (Regulations) Act, 1956. A portion of the AUM may be held in cash from time to time to take advantage of any specific market mispricing, corporate actions or special situations that may arise in any company.	
d)	<b>Basis of selection of Securities</b>	The portfolio manager aims to generate superlative returns to the investors through capital appreciation of the stocks held with a medium to longer time horizon. MEQ focuses on building a multi-factor equity portfolio by using a combination of factors such as Value, Momentum and Low Volatility and is backed by academic research both globally and in India.	
e)	<b>Allocation of the Portfolio</b>	<b>Type of Security</b>	<b>Allocation</b>
		Equity Instrument	0-100%
		Money market/ Liquid funds/ Bank balance	0-100%
f)	<b>Benchmark Indices</b>	S&P BSE 500 Total Return Index	
g)	<b>Basis for choice of benchmark</b>	The S&P BSE 500 TRI Index represents the overall market and also includes most large sectors in the economy. This is also the broad benchmark that investors benchmark their portfolios.	
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is 3 – 5 years.	
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach	

#### 5.1.2. ArthAlpha Liquid STP – (Liquid)

a)	<b>Investment Objective</b>	To facilitate systematic deployment of funds into equity strategies by initially investing in high-quality, short-duration debt and money market instruments. This approach aims to optimize entry timing into equity markets while seeking capital preservation and liquidity during the interim holding period.
b)	<b>Investment Strategy</b>	Debt

c)	<b>Description of Securities</b>	Under this approach, the portfolio would be primarily invested in ETF or units of mutual funds of liquid funds / overnight funds / debt-oriented funds / money market funds. However, based on market valuation and availability of opportunities, the portfolio may allocate a portion of the investment in other units of mutual funds, ETFs and other permissible securities or products as defined under the Securities Contract (Regulations) Act, 1956. A portion of the AUM may be held in cash from time to time.				
d)	<b>Basis of selection of Securities</b>	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.				
e)	<b>Allocation of the Portfolio</b>	<table border="1"> <thead> <tr> <th>Type of Security</th> <th>Allocation</th> </tr> </thead> <tbody> <tr> <td>Money market/ Liquid funds/ Bank balance</td> <td>100%</td> </tr> </tbody> </table>	Type of Security	Allocation	Money market/ Liquid funds/ Bank balance	100%
Type of Security	Allocation					
Money market/ Liquid funds/ Bank balance	100%					
f)	<b>Benchmark Indices</b>	Crisil Composite Bond Fund Index				
g)	<b>Basis for choice of benchmark</b>	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.				
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is under 1 year.				
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach				

### 5.1.3. ArthAlpha Signature Wealth – (Signature)

a)	<b>Investment Objective</b>	The primary aim of this approach is to maximize risk-adjusted returns by allocating across range of asset class through a systematic approach												
b)	<b>Investment Strategy</b>	Multi Asset												
c)	<b>Description of Securities</b>	Under this approach, the portfolio would be primarily 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.												
d)	<b>Basis of selection of Securities</b>	The Multi Asset investment approach is based on past performance, risk as well as suitability to overall asset allocation scheme.												
e)	<b>Allocation of the Portfolio</b>	<table border="1"> <thead> <tr> <th>Type of Security</th> <th>Allocation</th> </tr> </thead> <tbody> <tr> <td>Equity Instruments (Direct Equity, MF, ETF)</td> <td>0-100%</td> </tr> <tr> <td>Debt Instruments (Direct Debt, MF, ETF)</td> <td>0-100%</td> </tr> <tr> <td>Gold Instruments (Gold MF, ETF)</td> <td>0-100%</td> </tr> <tr> <td>REIT/InvITs</td> <td>0-100%</td> </tr> <tr> <td>Money market/ Liquid funds/ Bank balance</td> <td>0-100%</td> </tr> </tbody> </table>	Type of Security	Allocation	Equity Instruments (Direct Equity, MF, ETF)	0-100%	Debt Instruments (Direct Debt, MF, ETF)	0-100%	Gold Instruments (Gold MF, ETF)	0-100%	REIT/InvITs	0-100%	Money market/ Liquid funds/ Bank balance	0-100%
Type of Security	Allocation													
Equity Instruments (Direct Equity, MF, ETF)	0-100%													
Debt Instruments (Direct Debt, MF, ETF)	0-100%													
Gold Instruments (Gold MF, ETF)	0-100%													
REIT/InvITs	0-100%													
Money market/ Liquid funds/ Bank balance	0-100%													
f)	<b>Benchmark Indices</b>	NSE Multi Asset Index 1 TRI												
g)	<b>Basis for choice of benchmark</b>	Investment approach is a Multi Asset 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.												
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is 5 – 7 years.												
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach												

### 5.1.4. ArthAlpha Fixed Income Arbitrage – (FIA)

a)	<b>Investment Objective</b>	The strategy is a low risk investment albeit not risk free investment and is suitable only for financially sophisticated investors who are capable of evaluating/understanding the risks and merits of such investment. However, while the aforesaid is the objective, there can be no assurance and/or guarantee of such growth or return or even as regards preservation of capital or of there being no capital loss													
b)	<b>Investment Strategy</b>	Debt													
c)	<b>Description of Securities</b>	The strategy aims to capture mispricing / gap between Nifty Index Futures and the constituent Stock Futures by taking offsetting positions and locking in a monthly arbitrage spread using sophisticated algorithmic software and tools with automated execution of trades by the designated broker. The Investment Approach returns would be a sum of arbitrage spread and fixed deposit on the client funds. The funds contribution given by the clients would be invested in fixed deposit with a scheduled commercial bank or in units of Debt Mutual Funds. The strategy continuously monitors the basis spreads between the Nifty Index Futures and basket of its constituent futures and similarly, Bank Nifty Futures and basket of its constituent futures. If the spread is positive then the strategy would buy Nifty Futures and sell 50 constituent Stock Futures (or vice versa) creating a replica portfolio and position is fully hedged. Similarly, in case of Bank Nifty, if the spread is positive then the strategy would buy Bank Nifty Futures and sell the constituent Stock Futures (or vice versa) creating a replica portfolio and position is fully hedged. Once the spread is locked, when it reverts to zero or is close to zero, the strategy would square off the positions and make a profit. If by expiry week, the spread does not revert to zero, the positions will be crystallized and next month positions would be taken. The portfolio positions are mostly hedged and there is negligible risk in the combined portfolio once the hedge is completed and therefore the net exposure of the client is very small. The strategy ensures that, at no point, the net exposure of the client or the liability of the client is more than total investment of the client with the portfolio manager.													
d)	<b>Basis of selection of Securities</b>	The Portfolio Manager uses quantitative and qualitative parameters to select the investment securities and assign weightage.													
e)	<b>Allocation of the Portfolio</b>	<table border="1"> <thead> <tr> <th data-bbox="550 1310 1316 1355"><b>Type of Security</b></th> <th data-bbox="1316 1310 1503 1355"><b>Allocation</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="550 1355 1316 1422">Cash &amp; cash equivalents including T-bills and other money market instruments</td> <td data-bbox="1316 1355 1503 1422">0-100%</td> </tr> <tr> <td data-bbox="550 1422 1316 1456">Cash Equities</td> <td data-bbox="1316 1422 1503 1456">0-100%</td> </tr> <tr> <td data-bbox="550 1456 1316 1489">Equity Derivatives*</td> <td data-bbox="1316 1456 1503 1489">0-100%</td> </tr> <tr> <td data-bbox="550 1489 1316 1523">Commodity Derivatives*</td> <td data-bbox="1316 1489 1503 1523">0-100%</td> </tr> <tr> <td data-bbox="550 1523 1316 1556">Bonds* including Government Securities</td> <td data-bbox="1316 1523 1503 1556">0-100%</td> </tr> </tbody> </table>	<b>Type of Security</b>	<b>Allocation</b>	Cash & cash equivalents including T-bills and other money market instruments	0-100%	Cash Equities	0-100%	Equity Derivatives*	0-100%	Commodity Derivatives*	0-100%	Bonds* including Government Securities	0-100%	<p>This is an actively managed strategy involving potentially high portfolio churn.</p> <p>*As per SEBI (PMS) regulations, it shall be ensured that the liability of the client does not exceed the amount of money invested under the PMS.</p> <p>The total exposure in derivatives will be calculated in line with the SEBI Master Circular No. SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 dated 07-06-2024 or basis such other guidance received from SEBI in this regard/ prevalent guidelines and client liability shall not exceed portfolio funds placed by clients with the portfolio manager. The Portfolio manager will in essence invest and not borrow on the client's behalf.</p>
<b>Type of Security</b>	<b>Allocation</b>														
Cash & cash equivalents including T-bills and other money market instruments	0-100%														
Cash Equities	0-100%														
Equity Derivatives*	0-100%														
Commodity Derivatives*	0-100%														
Bonds* including Government Securities	0-100%														
f)	<b>Benchmark Indices</b>	Crisil Composite Bond Fund Index													
g)	<b>Basis for choice of benchmark</b>	The portfolio will consist of fixed deposit with a scheduled commercial bank or in units of Debt Mutual 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.
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager 1 – 3 years.
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach

## 5.2. Investment Approaches under Non-Discretionary Portfolio Management Services:

### 5.2.1. ArthAlpha Guardian Stewards - (Stewards)

a)	<b>Investment Objective</b>	The primary aim of this approach is to maximize risk-adjusted returns by allocating across range of asset class through a systematic approach.												
b)	<b>Investment Strategy</b>	Multi Asset												
c)	<b>Description of Securities</b>	Under this approach, the portfolio would be primarily 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.												
d)	<b>Basis of selection of Securities</b>	The Multi Asset investment approach is based on past performance, risk as well as suitability to overall asset allocation scheme.												
e)	<b>Allocation of the Portfolio</b>	<table border="1"> <thead> <tr> <th>Type of Security</th> <th>Allocation</th> </tr> </thead> <tbody> <tr> <td>Equity Instruments (Direct Equity, MF, ETF)</td> <td>0-100%</td> </tr> <tr> <td>Debt Instruments (Direct Debt, MF, ETF)</td> <td>0-100%</td> </tr> <tr> <td>Gold Instruments (Gold MF, ETF)</td> <td>0-100%</td> </tr> <tr> <td>REIT/InvITs</td> <td>0-100%</td> </tr> <tr> <td>Money market/ Liquid funds/ Bank balance</td> <td>0-100%</td> </tr> </tbody> </table>	Type of Security	Allocation	Equity Instruments (Direct Equity, MF, ETF)	0-100%	Debt Instruments (Direct Debt, MF, ETF)	0-100%	Gold Instruments (Gold MF, ETF)	0-100%	REIT/InvITs	0-100%	Money market/ Liquid funds/ Bank balance	0-100%
Type of Security	Allocation													
Equity Instruments (Direct Equity, MF, ETF)	0-100%													
Debt Instruments (Direct Debt, MF, ETF)	0-100%													
Gold Instruments (Gold MF, ETF)	0-100%													
REIT/InvITs	0-100%													
Money market/ Liquid funds/ Bank balance	0-100%													
f)	<b>Benchmark Indices</b>	NSE Multi Asset Index 1 TRI												
g)	<b>Basis for choice of benchmark</b>	Investment approach is a Multi Asset 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.												
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is 5 – 7 years.												
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach												

## 5.3. Investment Approaches under Advisory Services:

### 5.3.1. ArthAlpha Machine-Learning (Equity) Quant - (Advisory MEQ):

a)	<b>Investment Objective</b>	The primary aim of this approach is to deliver excess risk-adjusted returns over the medium to long term by advising in equity and equity linked securities.
b)	<b>Investment Strategy</b>	Equity
c)	<b>Description of Securities</b>	Under this approach, the portfolio would be primarily invested in listed equities to meet the investment objective. However, based on market valuation and availability of opportunities, the portfolio may allocate a portion of the investment in units of mutual funds, ETFs and other permissible securities or products as defined under the Securities Contract (Regulations) Act, 1956. A portion of the AUM may be held in cash from time to time to take advantage of any specific market mispricing, corporate actions or special situations that may arise in any company.
d)	<b>Basis of selection of Securities</b>	The portfolio manager aims to generate superlative returns to the investors through capital appreciation of the stocks held with a medium to longer time horizon. MEQ focuses on building a multi-factor equity

		portfolio by using a combination of factors such as Value, Momentum and Low Volatility and is backed by academic research both globally and in India.	
e)	<b>Allocation of the Portfolio</b>	<b>Type of Security</b>	<b>Allocation</b>
		Equity Instrument	0-100%
		Money market/ Liquid funds/ Bank balance	0-100%
f)	<b>Benchmark Indices</b>	S&P BSE 500 Total Return Index	
g)	<b>Basis for choice of benchmark</b>	The S&P BSE 500 TRI Index represents the overall market and also includes most large sectors in the economy. This is also the broad benchmark that investors benchmark their portfolios.	
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is 3 – 5 years.	
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach	

### 5.3.2. ArthAlpha Machine-Learning (Equity) Quant Hedged – (MEQ Hedged)

a)	<b>Investment Objective</b>	The primary aim of this approach is to produce absolute returns with less volatility than the overall stock market and low correlation to conventional asset classes, across variety of market scenarios.
b)	<b>Investment Strategy</b>	Equity and Derivatives
c)	<b>Description of Securities</b>	<p>Securities are selected based on their potential for absolute returns and fundamental analysis. The focus is on identifying the undervalued stocks and exploiting market inefficiencies through both long and short positions.</p> <p>The Portfolio Manager may invest in any of the equity and equity-related instruments, debt &amp; money market instruments, government securities, cash and such other listed instruments falling under the definition of Securities and as deemed appropriate by the Portfolio Manager. The Portfolio Managers may use various derivative products from time to time, as would be available and permitted by SEBI. Accordingly, the Portfolio Manager may use derivative instruments like stock /index futures, options on stocks and indices, commodity derivatives, and other such derivative instruments as may be introduced from time to time, as permitted by SEBI. The Portfolio Manager may adopt various strategies like straddle, strangle, butterfly etc., with the appropriate underlying where relevant for better use of funds, margin optimization and for the overall benefit of the clients' portfolio.</p>
d)	<b>Basis of selection of Securities</b>	<p>Macro, fundamental, technical and momentum factors are evaluated to construct a diversified portfolio with the potential to perform across market cycles and deliver steady returns on account of low correlation between asset classes.</p> <p>A diverse range of asset classes is employed to spread risk. This includes a mix of equities, fixed income, and alternative investments to ensure that not all assets react similarly in volatile condition. The focus is on advising to invest in Securities based on their ability to perform independently of market movements. This minimizes the impact of market volatility on the overall portfolio returns. A strong emphasis is placed on capital preservation and downside protection. The Securities offer sufficient liquidity to allow for quick adjustments in response to market changes, ensuring that capital can be accessed when needed. Selection of securities is backed by academic research both globally and in India.</p>

e)	<b>Allocation of the Portfolio</b>	<b>Type of Security</b>	<b>Allocation</b>
		Cash & cash equivalents including T-bills and other money market instruments	0-100%
		Cash Equities	0-100%
		Equity Derivatives*	0-100%
		Commodity Derivatives*	0-100%
		Bonds* including Government Securities	0-100%
<p>This is an actively managed strategy involving potentially high portfolio churn.</p> <p>*As per SEBI (PMS) regulations, it shall be ensured that the liability of the client does not exceed the amount of money invested under the PMS.</p> <p>The total exposure in derivatives will be calculated in line with the SEBI Master Circular No. SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 dated 07-06-2024 or basis such other guidance received from SEBI in this regard/ prevalent guidelines and client liability shall not exceed portfolio funds placed by clients with the portfolio manager. The Portfolio manager will in essence invest and not borrow on the client's behalf.</p>			
f)	<b>Benchmark Indices</b>	Crisil Composite Bond Fund Index	
g)	<b>Basis for choice of benchmark</b>	The portfolio will consist of absolute return performance, especially given that the strategy seeks to minimize downside risk and portfolio drawdowns while maintaining low correlation with directional equity markets. 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.	
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is 1 – 3 years.	
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach	

### 5.3.3. ArthAlpha Signature Wealth (Advisory) – (Signature - Advisory)

a)	<b>Investment Objective</b>	The primary aim of this approach is to maximize risk-adjusted returns by allocating across range of asset class through a systematic approach.	
b)	<b>Investment Strategy</b>	Multi Asset	
c)	<b>Description of Securities</b>	Under this approach, the portfolio would be primarily 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.	
d)	<b>Basis of selection of Securities</b>	The Multi Asset investment approach is based on past performance, risk as well as suitability to overall asset allocation scheme.	
e)	<b>Allocation of the Portfolio</b>	<b>Type of Security</b>	<b>Allocation</b>
		Equity Instruments (Direct Equity, MF, ETF)	0-100%
		Debt Instruments (Direct Debt, MF, ETF)	0-100%
		Gold Instruments (Gold MF, ETF)	0-100%
		REIT/InvITs	0-100%
		Money market/ Liquid funds/ Bank balance	0-100%
f)	<b>Benchmark Indices</b>	NSE Multi Asset Index 1 TRI	
g)	<b>Basis for choice of benchmark</b>	Investment approach is a Multi Asset 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.
h)	<b>Indicative tenure or investment horizon</b>	The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is 5 – 7 years.
i)	<b>Risks associated with investment approach</b>	Please refer to Clause 6 – Risk Factors for detailed risks associated with the investment approach

#### 5.4. Policy on Investments in Associates / Group Companies

##### 5.4.1. Objective & Rationale

The Portfolio Manager may make investments in the securities of its related parties or its associates only after obtaining the prior consent of the client in such manner as may be specified by the Board from time to time.

##### 5.4.2. Governing Principles

- The Portfolio Manager shall obtain a one-time prior positive consent of client in the format specified by SEBI as a part of the agreement. The consent form shall have an option to indicate dissent, in case the client does not want to undertake any investment in the securities of associates/related parties of the Portfolio Manager.
- The client shall also have an option to specify a limit on investments in the securities of associates/related parties of respective Portfolio Manager, below the ceiling specified by SEBI as produced below under clause 5.4.3.
- In the event of passive breach of the specified investment limits, (i.e., occurrence of instances not arising out of omission and/or commission of portfolio manager), a rebalancing of the portfolio shall be completed by the Portfolio Manager within a period of 90 [calendar] days from the date of such breach. Notwithstanding the same, the client may give an informed, prior positive consent to the Portfolio Manager for waiver from the rebalancing of the portfolio to rectify any passive breach of the investment limits. Such requirement of rebalancing in the event of a passive breach of investment limits shall be suitably disclosed in the consent form and any waiver from the same shall also be obtained in the same document.
- The Portfolio Manager shall not invest in unrated securities of its associates / related parties.
- For non-discretionary portfolio management services, shall not make any investment in below investment grade listed securities. However, Portfolio Manager may invest up to 10% of the assets under management of such clients in unlisted unrated securities of issuers other than associates/related parties of Portfolio Manager. The said investment in unlisted unrated debt and hybrid securities shall be within the maximum specified limit of 25% for investment in unlisted securities under the Portfolio Managers Regulations.
- For advisory portfolio management services, Portfolio Managers shall make suitable disclosure to the client regarding conflict of interest with respect to investments in the securities of the associates/related parties, while giving advice. Further, Portfolio Managers shall disclose the credit rating of all securities, while giving advice.

##### 5.4.3. Permissible Limits

<b>Security</b>	<b>Limit for investment in single associate / related party (as percentage of client's AUM)</b>	<b>Limit for investment across multiple associates / related parties (as percentage of client's AUM)</b>
Equity	15%	25%
Debt / Hybrid securities	15%	25%
Equity + Debt + Hybrid securities	30%	

The aforementioned limits shall be applicable only to direct investments by Portfolio Managers in equity and debt/hybrid securities of their own associates/related parties and not to any investments in the Mutual Funds.

Hybrid securities includes units of Real Estate Investment Trusts (REITs), units of Infrastructure Investment Trusts (InvITs), convertible debt securities and other securities of like nature.

##### 5.4.4. Monitoring, Record Keeping & Disclosure

Portfolio Managers shall maintain records and documents pertaining to:

- Prior positive consent or dissent, as the case may be.
- Instances of the passive breach of investment limits, if any.

- Waiver obtained from the client regarding rebalancing in the event of a passive breach of investment limits.

## 6. RISK FACTORS

### 6.1. General Risks Factors

- 6.1.1. Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
- 6.1.2. The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
- 6.1.3. Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager.
- 6.1.4. The names of the Investment Approach do not in any manner indicate their prospects or returns.
- 6.1.5. Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
- 6.1.6. When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
- 6.1.7. Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
- 6.1.8. The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- 6.1.9. The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

### 6.2. Risk associated with equity and equity related instruments

- 6.2.1. Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.
- 6.2.2. Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
- 6.2.3. Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

### 6.3. Risk associated with debt and money market securities

- 6.3.1. Interest Rate Risk: Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls,

the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.

- 6.3.2. Liquidity or Marketability Risk: The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.
- 6.3.3. Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). 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 as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.
- 6.3.4. Reinvestment Risk: This refers to the interest rate risk at which the intermediate cash flows received from the Securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

#### **6.4. Risk associated with derivatives instruments**

- 6.4.1. The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. 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 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.
- 6.4.2. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. 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 of interest rate movements correctly. 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. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

#### **6.5. Risk associated with investments in mutual fund schemes**

- 6.5.1. Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
- 6.5.2. As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- 6.5.3. Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- 6.5.4. The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.

- 6.5.5. The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes 12 in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- 6.5.6. The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- 6.5.7. While it would be the endeavour of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- 6.5.8. The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.
- 6.6. Risk arising out of Non-diversification**
- 6.6.1. The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification.
- 6.6.2. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets.
- 6.6.3. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.
- 6.7. Risk arising out of investment in Associate and Related Party transactions**
- 6.7.1. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- 6.7.2. The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavour to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
- 6.7.3. The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

## **7. NATURE OF EXPENSES**

The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement or the agreements for each of the services availed by the client at the time of execution of such agreements.

- 7.1. Investment management and advisory fees:** The management fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed or funds being advised as agreed in the Agreement. However, the management fee or advisory fee, shall be maximum 5% per annum of the assets under management or assets under advice.

- 7.2. Performance Fee:** The performance fee relates to the share in the profits generated on the Client's portfolio. The same shall be charged by the Portfolio Manager, subject to hurdle rate and high-water mark principle as per the terms specified in the Agreement. The maximum Performance fee rate shall be 50%.
- 7.3. Brokerage and transaction cost:** The Portfolio Manager may obtain securities broking services from SEBI registered stockbrokers. The Brokerage charges and other transaction charges (STT, Stamp Duty, Exchange Turnover Charges etc) shall be charged at actuals to the client's Portfolio.
- 7.4. Operational Expenses and Reimbursements:**
- 7.4.1. Registrar and transfer agent fee: This shall be charged at actuals. These are the charges of registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.
- 7.4.2. Custodian/Depository fee: The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.
- 7.4.3. Fund Accounting fees: Fees paid to Fund Accountant for providing Fund Accounting Services for Portfolio Accounts shall be charged at actuals to the client's portfolio.
- 7.4.4. Other fees and expenses: The Portfolio Manager may incur the following expenses which shall be charged/reimbursed by the client:
- Transaction expenses including, but not limited to, statutory fees, documentation charges, statutory levies, stamp duty, registration charges, commissions, charges for transactions in Securities, custodial fees, fees for fund accounting, valuation charges, audit and verification fees, depository charges, and other similar or associated fees, charges and levies, legal fees, incidental expenses etc.;
  - Legal and statutory expenses including litigation expenses, if any, shall be charged at actuals to the Client's Portfolio;
  - Statutory taxes and levies, if any, payable in connection with the Portfolio; Valuation expenses, valuer fees, audit fees, levies and charges;
  - All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above, whether agreed upon in the Agreement or not, arising out of or in the course of managing or operating the Portfolio.

Note: 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). It shall include charges payable for outsourced professional services like accounting, auditing, taxation, legal services, etc. for documentation, notarizations, certifications, attestations required by Bankers or regulatory authorities including legal fees and day-to-day operations charges, etc

Provided that no upfront fees shall be charged by the Portfolio Manager, either directly or indirectly, to the client.

## 8. TAXATION

### A. Implications of Income Tax Act, 1961

#### 8.1. General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws.

#### 8.2. Tax deducted at source

- 8.2.1. In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.
- 8.2.2. In the case of non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the

IT Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

- 8.2.3. The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income.

### 8.3. Long term capital gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under section 45 of the IT Act.

#### Period of Holding

The details of period of holding for different capital assets for the purpose of determining long term or short term capital gains are explained hereunder:

Securities	Position upto July 22, 2024 Period of Holding	Position on or after July 22, 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term Capital Asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term Capital Asset
	Twenty-four (24) months or less	Twenty-four (24) months or less	Short-term Capital Asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than thirty-six (36) months	More than thirty-six (36) months	Long-term Capital Asset
	Thirty-six(36) months or less	Thirty-six(36) months or less	Short-term Capital Asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term Capital Asset
Unlisted bond or unlisted debenture	More than thirty-six (36) months		Long-term Capital Asset
	Thirty-six(36) months or less	Any period	Short-term Capital Asset

- **Definition of Specified Mutual Fund:**

Before 1st April 2025:

**“Specified Mutual Fund”** means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.

On and after 1st April 2025:

**“Specified Mutual Fund”** means, —

- (a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments;

(b) or a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause.

- **Definition of debt and money market instruments:**  
*“debt and money market instruments” shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.*
- **Definition of Market Linked Debenture:**  
*“Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.*
- **For listed equity shares in a domestic company or units of equity oriented fund or business trust**

The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of equity oriented fund or business trust.

As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, is also taxed at a rate of 10%. This benefit is available to all assessees. This tax rate is increased from 10% to 12.5%.

The long term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to “step up” the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of 16 transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

- **For other capital assets (securities and units) in the hands of resident of India**  
 Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with

such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

- **For capital assets in the hands of Foreign Portfolio Investors (FPIs)**

Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

- **For other capital asset in the hands of non-resident Indians**

Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. 17

#### 8.4. Short term capital gains

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

#### 8.5. Profits and gains of business or profession

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

Interest income arising on Securities could be characterized as 'Income from other sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

#### 8.6. Losses under the head capital gains/business income

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. Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

### 8.7. General Anti Avoidance Rules (GAAR)

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

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

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

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Recharacterising equity into debt, capital into revenue, etc.

The GAAR provisions would override the provisions of a 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 Income-tax Rules, 1962. The Income Tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

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

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

### 8.8. FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May. The reporting financial institution is expected to maintain and report the following information with respect to each reportable account:

- (a) the name, address, taxpayer identification number and date and place of birth;
- (b) where an entity has one or more controlling persons that are reportable persons:
  - the name and address of the entity, TIN assigned to the entity by the country of its residence; and
  - the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- (c) account number (or functional equivalent in the absence of an account number);
- (d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and

(e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

**B. Goods and Services Tax on services provided by the portfolio manager**

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

**9. ACCOUNTING POLICIES**

Following accounting policies are followed for the portfolio investments of the Client:

**9.1. Client Accounting**

- 9.1.1. The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.
- 9.1.2. The books of account of the Client shall be maintained on an historical cost basis.
- 9.1.3. Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.
- 9.1.4. All expenses will be accounted on due or payment basis, whichever is earlier.
- 9.1.5. The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges 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. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian. Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

**9.2. Recognition of portfolio investments and accrual of income**

- 9.2.1. In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- 9.2.2. Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- 9.2.3. Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- 9.2.4. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- 9.2.5. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
- 9.2.6. In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- 9.2.7. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

**9.3. Valuation of portfolio investments**

- 9.3.1. Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate

stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

- 9.3.2. Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.
- 9.3.3. Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.
- 9.3.4. Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.
- 9.3.5. In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

The Investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar Securities. However, such changes would be in conformity with the Regulations.

## 10. INVESTORS SERVICES

### 10.1. Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints.

Name	Harkirat Dhiman
Designation	Compliance Officer
Address	#2053, Prestige White Meadows, Whitefield, Bangalore, 560066
Telephone No.	+91 81059 16135
Email	pms.compliance@arthalpha.in

### 10.2. Grievance redressal and dispute settlement mechanism.

- 10.2.1. The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. The Investment Relation Officer(s) shall be responsible for redressing the grievances of the Clients.
- 10.2.2. The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Client remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Client and the Portfolio Manager shall abide by the following mechanisms.
- 10.2.3. SEBI SCORES Platform: SEBI has introduced an online registration of complaints whereby investors can lodge their grievances on the SEBI Complaints Redress System i.e., the SCORES portal <https://scores.sebi.gov.in/>. SCORES enables online tracking of the status of a complaint. Investors who are unable to access the online platform continue to have the option to register their complaints in physical form. Investors may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051.
- 10.2.4. After exhausting all aforementioned option for resolution, if the client is not satisfied, they can initiate the grievances through the Online Dispute resolution portal (ODR) at <https://smartodr.in/login>. Alternatively, dispute resolution through ODR Portal can be initiated at any stage of the escalations mentioned here in above.

## 11. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

The Portfolio Manager, in the course of portfolio construction and management, faces risks associated with specific securities, groups, industries etc. The portfolio manager, therefore, typically constructs a diversified portfolio so that no such concentration compromises on the objective of the investment

approach. The portfolio manager's research, selection and weighing capabilities are designed to minimise risks emanating from the aforementioned modes of classification.

## II. PART-II: DYNAMIC SECTION

### 12. CLIENT REPRESENTATION

#### 12.1. Details of Clientele and Funds Managed

Category of clients	No. of clients	Funds managed (Rs. Cr.)	Discretionary / Non-Discretionary (if available)
<b>Associates / group companies (Last 3 years)</b>			
As of September 30, 2025	Nil	Nil	N.A.
F.Y. 2024-25	Nil	Nil	N.A.
F.Y. 2023-24	Nil	Nil	N.A.
F.Y. 2022-23	Nil	Nil	N.A.
<b>Others (last 3 years)</b>			
As of September 30, 2025	23	54.0964	Discretionary
F.Y. 2024-25	10	23.4361	Discretionary
F.Y. 2023-24	Nil	Nil	N.A.
F.Y. 2022-23	Nil	Nil	N.A.
<b>Total</b>			

#### 12.2. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

Name of Related Party	Transaction Type	For the year ended 31 March 2025 Amount (₹)	For the year ended 31 March 2024 Amount (₹)
ArthAlpha Technology Private Limited	Capital Introduced (Fixed)	(99,990)	0
	Capital Introduced (Current)	(6,31,82,145)	0
	Remuneration	0	0
	Interest on Capital	0	0
	Capital withdrawn	0	0
Rohit Beri	Capital Introduced (Fixed)	0	(88,000)
	Capital Introduced (Current)	(15,41,548)	(2,48,909)
	Management Fees Received	(937)	0
	Remuneration	0	27,00,000
	Interest on Capital	0	7,040
	Capital withdrawn (Fixed)	61,77,959	0
Rohit Jha	Capital withdrawn (Current)	87,990	0
	Capital Introduced (Fixed)	0	(12,000)
	Capital Introduced (Current)	0	(78,516)
	Professional Fees	59,00,000	0
	Remuneration	0	27,00,000
	Interest on Capital	0	960
	Capital withdrawn (Fixed)	12,000	0
Capital withdrawn (Current)	49,27,964	0	
Relatives of Partners	Remuneration	3,00,000	0
	Professional Fees	8,00,000	0

The amount within brackets represent credits to the Portfolio Manager & others are the payments made by the portfolio manager.

### 13. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Particulars	For the year ended 31 March 2025 Amount (₹)	For the year ended 31 March 2024 Amount (₹)

Total Revenue	2,88,76,843	1,59,23,535
Total Expenses	2,89,54,123	59,81,693
Profit before Tax	-77281	99,41,842
Tax Expense	7,129	32,24,876
Profit / (Loss) for the year after tax	-84,410	67,16,966

Note: The above disclosures have been presented based on the audited financial statements for the year ended March 31, 2025.

#### 14. PERFORMANCE OF PORTFOLIO MANAGER

##### Discretionary Portfolio Management Services

The disclosure of performance by the Portfolio Manager under Discretionary Portfolio Management Services is calculated using the Time-Weighted Rate of Return (TWRR) method, in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020. The portfolio performance is presented net of all fees and charges levied by the Portfolio Manager.

Strategy	Investment Approach	Particulars	Current Period (April 01, 2025 to September 30, 2025)	Previous Period (October 29, 2024 to March 31, 2025)	Since Inception
Equity	ArthAlpha Machine-Learning (Equity) Quant	Portfolio Performance (%)	10.18%	-5.87%	3.71%
	S&P BSE 500 Total Return Index	Benchmark	7.19%	-5.61%	1.18%
Debt	ArthAlpha Liquid STP	Portfolio Performance (%)	2.35%	0.97%	3.34%
	CRISIL Composite Bond Fund Index	Benchmark	2.87%	1.50%	4.42%
Multi Asset	ArthAlpha Signature Wealth	Portfolio Performance (%)	2.17%	0.41%	2.59%
	NSE Multi Asset Index 1 TRI	Benchmark	7.25%	1.35%	8.69%

As on the date of this Disclosure Document, the Portfolio Manager has not rendered Non-Discretionary Portfolio Management Service to any client. Accordingly, no performance data is available or disclosed in respect of such service.

#### 15. AUDIT OBSERVATIONS

Audit observations of the preceding 3 years – NIL

#### 16. DETAILS OF INVESTMENTS IN THE SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER

NIL

For ArthAlpha LLP

For ArthAlpha LLP

Rohit Beri

ArthAlpha Technology Private Limited represented through its Director Rohit Kumar Jha

Designated Partner

Designated Partner

Date: October 23<sup>rd</sup>, 2025

Date: October 23<sup>rd</sup>, 2025

Place: Bangalore

Place: Bangalore

**FORM C**

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

**(Regulation 22)**

**ArthAlpha LLP**

2053, Prestige White Meadows, Whitefield,

Bangalore - 560066, Karnataka, India

Phone: +918105916156; Email: info@arthalpha.in

We confirm that:

- (i) the Disclosure Document forwarded to the Securities and 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;
- (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 the portfolio to us / investment through Portfolio Manager;
- (iii) the Disclosure Document has been duly certified by an Independent Chartered Accountant- Rakesh Kumar, Proprietor Rakesh Magow Associates, 3-A, R.B. Rattan Chand Road, The Mall, Amritsar 143001, Phone No. 9876054099, Membership No: 081677 (Firm Registration No. 005967N) on October 23<sup>rd</sup>, 2025.

Date : October 23<sup>rd</sup>, 2025

Place : Bangalore

**For ArthAlpha LLP**

**Rohit Beri**  
**Principal Officer**

2053, Prestige White  
Meadows, Whitefield,  
Bangalore - 56006  
Email : rohit@arthalpha.in  
Mobile : +91 98197 91602



**RAKESH MAGOW ASSOCIATES  
CHARTERED ACCOUNTANTS**

**TEL:- 2401325 M:9876054099  
3-A, RATTAN CHAND ROAD,  
THE MALL, AMRITSAR – 143001  
Email Id: - rakeshmagow@yahoo.com**

## **DISCLOSURE DOCUMENT CERTIFICATE**

To,  
The Partners,  
ArthAlpha LLP (“Portfolio Manager”),  
2053, Prestige White Meadows,  
Whitefield, Bangalore – 560066

1. This certificate is issued in connection with the request made by ArthAlpha LLP (hereinafter referred to as “Client”) for the purpose of submission to Securities and Exchange Board of India (hereinafter referred to as “SEBI”) in accordance with the Regulation 22(5) of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (hereinafter referred to as “Regulations”).
2. SEBI registered portfolio manager is required to prepare a Disclosure Document (hereinafter referred to as “Document”) as per the Regulations. Such document shall be submitted to SEBI as and when there is any material change and shall disclose to the customers prior to entering into an agreement with such customer as per the Regulations.

### **Client Responsibility:**

3. The management is responsible for preparation of the Disclosure Document according to the terms of Regulations including maintenance of all accounting and other records supporting the contents of the document. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the document.
4. The client holds full responsibility with respect to the maintenance of sufficient and appropriate records/ documents/ supporting to substantiate the contents of the document. Further, it is the responsibility of the client to fully comply with provisions of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020. It is also the responsibility of the client to ensure that information provided is complete in all aspects and are true and correct.

### **Practitioner’s Responsibilities:**

5. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Pursuant to the requirements of the Regulation, it is our responsibility to provide limited assurance whether if something has come to our attention that causes us to believe that the Disclosure Document is materially misstated.
8. This is a limited assurance engagement. Consequently, procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Therefore, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We have performed our procedures based on the nature, timing and extent necessary to form our opinion.



**RAKESH MAGOW ASSOCIATES  
CHARTERED ACCOUNTANTS**

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Email Id: - rakeshmagow@yahoo.com**

9. Pursuant to our procedures, we state that:
- a) We have relied on the directors' declaration with respect to their background. Accordingly, we have not checked the veracity of such declarations.
  - b) We have relied on the signed financial statements for the year ended 31st March 2025 of the LLP for related party transactions. Further, we have relied upon the representations/ declarations by the management for the disclosure.
  - c) The data presented under 'financial performance' has been extracted out of the audited financial statements of the LLP for the year ended 31st March 2025.
  - d) We have relied on the signed audited financial statements for the year ended 31 March 2025 of the LLP for information pertaining to pending litigations.

**Opinion:**

10. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Disclosure Document is materially misstated as per the provisions of Regulations.

**Restrictions on use:**

11. The certificate is addressed to and provided to the Client solely for the purpose as mentioned in paragraph 1 and 2 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Date : October 23<sup>rd</sup>, 2025  
Place : Amritsar

**For RAKESH MAGOW ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Rakesh Kumar  
(Proprietor)  
MRN: 081677  
FRN: 005967N  
UDIN: 25081677BMMHPM6260**