

CERTIFICATE

To,
The Partners,
2Point2 Capital Advisors LLP
Corporate Office, 914,
The Summit Business Bay,
Near W.E. Highway Metro Station,
Next to Guru Nanak Petrol Pump,
Andheri – East, Mumbai 400093.

1. You have requested to us to provide a certificate on the Disclosure document for Portfolio Management services (“the Disclosure Document”) of **2Point2 Capital Advisors LLP** (“the Company”). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India (“the SEBI”)
2. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and guidelines issued by SEBI from time to time is the responsibility of the management of the company. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
3. In respect of the information given in the Disclosure document, we state that
 - i. The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the company.
 - ii. The Promoters and partners, Key managerial personnel qualification, experience, ownership details are as confirmed by the Company and have been accepted without further verification.
 - iii. We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document
 - iv. With regard to TWRR calculation method, we have been informed by the



management that the TWRR has been calculated by their software as per the logic specified by SEBI.

- v. Our certification is based on the audited Balance sheet of the Company for the year ended March 31, 2024, audited by Statutory Auditors M/S. H. Singhvi & Co., Company's Chartered Accountants and examination of other records, data made available and information & explanations provided to us.
4. Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated December 19, 2024 are true and fair in accordance with the disclosure requirements laid down in Regulation 30 (2) read with Schedule V to the SEBI Regulations. A management certified copy of the disclosure document is enclosed.
5. This certificate is intended solely for the use of the management of the company for the purpose as specified in paragraph 1 above.

For Sanjay Shah & CO LLP

Chartered Accountants

Sanjay Shah
Partner

Membership No. 118586

Firm Registration Number: 101007
UDIN No: **24118586BKNOXB2854**

Place: Mumbai
Date: December 19, 2024





2POINT2 CAPITAL ADVISORS LLP

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT

FORM C

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

2Point2 Capital Advisors LLP

D/907, Oberoi Splendor, Opp. Majas Depot, J V Link Road, Andheri East, Mumbai – 400060.

Telephone No: +91 72080 02358

We confirm that:

- (i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- (ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management Scheme;
- (iii) the Disclosure Document has been duly certified by an Independent Chartered Accountants, a copy of Chartered Accountant certificate is enclosed

Signature of the Principal Officer

Date: December 19, 2024

Place: Mumbai

Name : **Amit Mantri**

Designation : **Principal Officer**

Address : **914, The Summit Business Bay,
Near W.E. Highway Metro Station,
Next to Guru Nanak Petrol Pump,
Andheri – East
Mumbai - 400 093.**

Key Information

- 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.
- The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decisions for engaging 2Point2 Capital Advisors LLP as a Portfolio Manager.
- This disclosure document sets forth concisely the necessary information about 2Point2 Capital Advisors LLP that is required by a prospective investor before investing.
- All the intermediaries involved in the scheme are registered with SEBI as on date of the document.
- The investor should carefully read the entire disclosure document prior to making a decision to avail of the Portfolio Management Services and should retain this Disclosure document for future reference.

Principal Officer Mr. Amit Mantri 914, The Summit Business Bay, Near W.E. Highway Metro Station, Next to Guru Nanak Petrol Pump, Andheri - East Mumbai - 400 093 Phone Number: +91 72080 02358 Email: amit@2point2capital.com	PORTFOLIO MANAGER 2Point2 Capital Advisors LLP 914, The Summit Business Bay, Near W.E. Highway Metro Station, Next to Guru Nanak Petrol Pump, Andheri - East Mumbai - 400 093 Tel no. +91 72080 02358
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The Disclosure Document is dated December 19, 2024

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1. Disclaimer Clause

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 as amended till date 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.

2. Definitions

In this disclosure document, the following words and expressions shall have the meanings specified herein, unless the context otherwise requires:

2.1 “Agreement” means the contract entered between the Portfolio Manager and the client for the management of funds or securities of the client.

2.2 “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992)

2.3 “Assets” means (i) the portfolio and/or (ii) the Funds

2.4 “Bank Account” means one or more accounts opened maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client

2.5 “Custodian” means any Indian based Custodian who is registered with SEBI as a Custodian and holds a valid license to operate as a Custodian of securities in India

2.6 “Depository Account” means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996

2.7 “Disclosure Document” means this document issued by 2Point2 Capital Advisors LLP for offering Portfolio Management Services, prepared in terms of Regulations 22 of SEBI (Portfolio Managers) Regulations, 2020

2.8 “Funds” means the monies managed by the Portfolio Manager on behalf of the client pursuant to an Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to an Agreement, the proceeds of the 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

2.9 “Net Asset Value” (NAV) means the market value of assets in portfolio consisting of equity, debt, index derivatives, cash & cash equivalents

2.10 The Client and the Portfolio Manager here-in-after are individually referred to as **“Party”** and collectively referred to as **“Parties”**

2.11 “Person” includes any individual, partners in partnership, central or state government, company, body corporate, co-operative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not

2.12 “Portfolio” means the total holdings of funds/securities belonging to any person / investor

2.13 “Portfolio Manager” means 2Point2 Capital Advisors LLP who obtained a certificate of registration from SEBI to act as a Portfolio Manager vide Registration No. INP000005190

2.14 “Regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended from time to time

2.15 “Scheduled Commercial Bank” means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934)

2.16 “SEBI” means Securities and Exchange Board of India established under time to time of the Securities and Exchange Board of India Act, 1992 as amended from time to time

2.17 “Securities” shall mean and include all marketable securities including equity shares, quasi equity shares, preference shares, debentures, convertible securities, depository receipts, bonds, secured premium notes, government, pass-through certificates, treasury bills, units, derivatives, equity linked product, debt, hybrid debt products, mortgage-backed securities, commercial papers, notes, and any other instrumental included within the definition of ‘security’ under section 2(h) of the Securities Contract (Regulation) Act, 1956

2.18 “Stock Exchange” shall have the meaning assigned to it under Securities Contract (Regulation) Act, 1956

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to

their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in "Regulations"

2.19 "Applicable Laws" means any applicable Indian statute, law, ordinance, regulation including the SEBI Regulations, rule, order, by law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.

2.20 "Capital Contribution" means the amounts contributed by the Client for investments in accordance with the terms of the Agreement from time to time during the Term.

2.21 "Chartered Accountant" as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act

2.22 "Client / Investor" means domestic resident Indian individuals, company/body corporate, partnership firm, trust, society, association of persons, limited liability partnership, and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.

2.23 "Financial Year" shall be the period of 12 months commencing on 1st of April and ending on the 31st March of the succeeding year or such other year as may be prescribed by Applicable Law from time to time.

2.24 "Management Fee" means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

2.25 "Performance Fee" means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this document.

2.26 "Portfolio Entity" means companies, enterprises, entities, bodies corporate, venture capital funds, trusts, limited liability partnerships, partnership firms or any other entities in the Securities in which the monies of the Portfolio are invested subject to Applicable Laws.

2.27 "Principal Officer" means an employee of the Portfolio Manager who is designated as the Principal Officer under Regulations by the Portfolio Manager.

2.28 "PMS" means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement entered with its Client/Investor and in accordance with the terms of this Document.

2.29 "PML Laws" means the Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.

2.30 "Product / Option" means the investment products/options with the respective investment strategy/ features, introduced by the Portfolio Manager from time to time.

2.31 "Entry Fee" means a fee payable by the Client (only if applicable under the terms of the Agreement) in accordance with the terms of the Agreement and this Document.

2.32 "Term" means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

2.33 "Termination Fee" means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

3. Description

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

2Point2 Capital Advisors LLP is engaged in the business of rendering fund management services to funds, alternative investment funds, individuals, corporate, institutions and all such classes of investors. 2Point2 Capital Advisors LLP has received approval from SEBI for rendering Portfolio Management Services on 30th June 2016 vide registration number INP000005190. 2Point2 Capital Advisors LLP is also providing services as the Fund Manager of 2Point2 Capital Trust which is registered as Category III Alternative Investment Fund with SEBI. However, the fund is not active and not raising any funds.

(ii) **Designated Partners of the Portfolio Managers and their background**

- | | |
|-----------|--|
| I. | <p>Name of Partner : Amit Mantri</p> <p>Address : 914, The Summit Business Bay,
Near W.E. Highway Metro Station,
Next to Guru Nanak Petrol Pump,
Andheri – East,
Mumbai - 400 093</p> <p>Qualification : Amit Mantri is a B. Tech in Computer Science and Engineering from the Indian Institute of Technology, Kharagpur and a CFA® Charterholder from the CFA Institute, USA. He has done his Post Graduate Diploma in Management from Indian Institute of Management, Bangalore.</p> <p>Experience : Amit Mantri has 14 years of investing experience in listed and unlisted equities. He was part of the 3-member investment team at Hornbill Capital, Mumbai which advises the Mauritius-based Hornbill Orchid India Fund for investments in India. Prior to Hornbill Capital, Amit was part of the investment teams at IDFC Private Equity and Zephyr Peacock India. At Zephyr Peacock India, Amit was responsible for making several private equity investments in unlisted companies in India. In his roles at Hornbill, IDFC PE and Zephyr Peacock, Amit has been responsible for investment idea generation, research and due diligence, financial modeling, and portfolio construction and risk management activities.</p> |
| II | <p>Name of Partner : Savi Jain</p> <p>Address : 914, The Summit Business Bay,
Near W.E. Highway Metro Station,
Next to Guru Nanak Petrol Pump,
Andheri - East
Mumbai - 400 093</p> <p>Qualification : Savi Jain is a B. Tech in Industrial Engineering from IIT Kharagpur and a CFA® Charterholder from the CFA Institute, USA.</p> <p>Experience : Savi has 15 years of experience in the Financial Services Sector. In his last role, he was an Associate Director at Tano Capital for more than 4 years. Tano Capital is a private equity fund managing more than USD 210 mn. He made several investments in sectors such as Financial Services, Pharmaceuticals, Consumer and Agriculture. Before Tano Capital, he worked at Frontline Ventures, another private equity fund, where he made a couple of investments and also achieved an exit. He was at Frontline for close to 2 years. His first job was as a Manager at ICICI Prudential Life Insurance in their Actuarial Team where he worked on Risk Management, Asset Liability Management and Strategic Asset Allocation. He worked here for close to 2 years.</p> |

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(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis

Not applicable

(iv) Details of services being offered:

2Point2 Capital Advisors LLP will provide Discretionary and Non-Discretionary Portfolio Management and Advisory services. Kindly refer to Point 5 for more details.

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

i)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under	Nil
(ii)	The nature of the penalty/direction	Not Applicable
(iii)	Penalties imposed for any economic offence and/or for violation of any securities laws	Nil
(iv)	Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any	Nil
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency	Nil
(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 there under.	Nil

5. Services Offered

DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES

Under the Discretionary Portfolio Management Services, the Portfolio Manager will have the sole and absolute discretion to deploy assets brought in by a client in any type of security as per the Agreement. This may include the responsibility of managing and reshuffling the portfolio, buying and selling securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

The Portfolio Manager shall have full and absolute discretion to make investment decisions on the client's behalf in any type of security as per executed Agreement. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients account 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 any time thereafter except in the ground of conflict of interest, fraud, malafide intent or gross negligence by the Portfolio Manager. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Act, rules and regulations, guidelines and notifications in force from time to time.

The portfolio of a client may differ from that of another client in the same scheme as per the discretion of the Portfolio Manager.

Investment Approach

The Portfolio Manager currently offers only one distinct investment approach: 2Point2 Long Term Value Fund

1) The investment objective is to generate capital appreciation predominantly through investments in equities with a medium to long-term perspective.

2) Types of securities: Investment would be made primarily in listed equities. In a situation where we do not find sufficiently attractive opportunities, the excess funds would be invested in bank deposits or money market / bond mutual fund / liquid mutual funds.

3) Basis of Selection of Securities:

- The Portfolio Manager will seek to invest in companies with strong competitive moats, high governance standards and which are available at a reasonable price.
- The Portfolio Manager will select securities after detailed due diligence including on-ground research and forensic analysis.

4) Allocation of Portfolio across types of securities:

Proportion % of Net Assets	Minimum	Maximum
Equity Exposure	0%	100%
Other Investable Securities	0%	100%

5) Appropriate benchmark: 2Point2 Long Term Value Fund benchmarks itself to BSE 500.

6) Basis of Selection of Benchmark: The BSE 500 represents the kind of businesses that the manager seeks to invest in. Hence, BSE 500 Index has been selected as the benchmark for comparing performance.

7) Indicative tenure / Investment Horizon: 3-5 years

8) Risks associated with the investment approach: Please refer to Point 6 - Risk Factors.

The Portfolio Manager will have a market capitalization and benchmark agnostic strategy with a flexibility to invest across the market capitalization spectrum (i.e. large, mid and small cap companies) and across industries/sectors. The Portfolio Manager will seek to generate superior risk adjusted returns by superior stock selection based on fundamental research of companies, their businesses and the valuations at which they are quoting.

NON-DISCRETIONARY SERVICES

The Portfolio Manager will provide Non-discretionary Portfolio Management Services as per express prior Instructions issued by the Client from time to time, in the nature of investment consultancy/management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so as to ensure that all benefits accrue to the Client's portfolio, for an agreed fee structure and for a definite described period, entirely at the Client's risk.

ADVISORY SERVICES

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations, 2020. The Portfolio Manager's responsibility shall include advising on the portfolio strategy, sectoral allocation and investment and divestment of individual securities on the client portfolio, for an agreed fee structure, entirely at the Client's risk

The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the investment/divestment of securities and/or administrative activities on the client's portfolio.

MINIMUM INVESTMENT AMOUNT

The Client shall deposit with the Portfolio Manager, an Initial Corpus consisting of funds of an amount prescribed by the Portfolio Manager for a specific portfolio, subject to minimum amount as specified under SEBI Regulations, as amended from time to time. The client may on one or more occasion or on a continual basis, make further placement of funds under the service.

DIRECT ONBOARDING OPTION

Investors have the option to invest directly with us without an intermediary.

6. Risk Factors

- Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of investments will be achieved.
- Past performance of the Portfolio Manager is not indicative of its future performance.
- Investors are not being offered any guaranteed or assured return/s i.e. either of Principal or appreciation on the portfolio.
- Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market

movements may be at variance with anticipated trends.

- v. The liquidity of the portfolio's investments is inherently restricted by trading volumes in the securities in which it invests.
- vi. The valuation of the portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. There will be no prior intimation or prior indication given to the Clients when the composition/asset allocation pattern changes.
- vii. Risk Arising from Investment Objective, Investment Strategy and Asset Allocation Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the portfolio. Different segments of the financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchases due to settlement problems could cause the portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well-developed and liquid secondary market for debt securities would result, at time, in potential losses to the portfolio, in case of a subsequent decline in the value of securities held in the portfolio.
- viii. The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields and/or higher capital appreciation potential. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- ix. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields and/or higher capital appreciation potential. This may however increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- x. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the portfolio(s) and may lead to the investments incurring losses till the security is finally sold.
- xi. The Portfolio Manager may, subject to authorization by the Client in writing, participate in securities lending. The Portfolio Manager may not be able to sell/lend out securities, which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the Agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the Approved Intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
- xii. To the extent that the portfolio will be invested in securities denominated in foreign currencies, the India Rupee equivalent of the net assets, distributions and income may be adversely affected by fluctuations in foreign exchange rates caused by changes in regulations concerning exchange controls, political circumstances or other restrictions on investment.
- xiii. **Interest Rate Risk:** Changes in interest rates may affect valuation of the portfolio. Debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby of possible movements in the valuations of portfolios.
- xiv. **Liquidity or Marketability Risk:** Certain securities may become impossible to sell or not marketable due to the absence of any potential buyers. In such situations, the investment in the securities may be lost or its realization may be inordinately delayed.
- xv. **Derivative Risk:** Derivatives are specialized instruments that require an understanding not only of the underlying interest but of derivatives itself. Schemes using derivatives/futures and Options products are affected by risks different from those associated with stock and bonds.

Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of the derivatives and Futures and Options. Some of the risks relate to mispricing or the improper valuation of derivatives and the inability to correlate the positions with underlying assets, rates and indices, counter party risk. Also, the market

for derivatives market is nascent in India.

- xvi. **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 carry lower 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.
- xvii. **Risks arising out of Non Diversification**
Diversification of portfolio across asset classes, investment themes, sectors and securities is normally construed to be less risky for investors. It is to be noted that the portfolio is likely to be more focused on a single asset class, ie. equities which inherently can be volatile. Further the portfolio could be subject to more risk on account of its concentration of investments into a few sectors or a limited number of securities. In addition to limited/inadequate diversification across asset classes, themes and sectors, the portfolio could be prone to higher risk on account of non-diversification across capitalizations, particularly if the portfolio has a bias towards mid-cap and small-cap companies
- xviii. **Specific Risk factors pertaining to Unlisted Securities**
In case of a Company's IPO, the investments maybe subject to regulatory lock in, if any, as prescribed by SEBI from time to time. Many of such investments made by the Portfolio Manager may be illiquid, and there can be no assurance that the Portfolio Manager will be able to realize value from such investments in a timely manner. Since such investment may involve a high degree of risk, poor performance by such investments could lead to adverse effects on investor portfolios.

7. Client Representation

2Point2 Capital Advisors LLP does not have any interest in any other intermediation business like brokerage, depository, custody, etc. Its revenues are linked only to the portfolios that it manages.

2Point2 Capital Advisors LLP will make best efforts to manage client accounts in the best interest of the client. 2Point2 Capital Advisors LLP shall not benefit from individual client account in any other manner apart from the management and performance linked fee charged to the client.

Year	Category of Clients	No. of Clients	Funds Managed (in Cr)	Discretionary/ Non Discretionary/ Advisory
FY24	Associates / Group Companies	NIL	NIL	Not Applicable
FY23	Associates / Group Companies	NIL	NIL	Not Applicable
FY22	Associates / Group Companies	NIL	NIL	Not Applicable
FY24	Others	697	1205.1	Discretionary
FY23	Others	578	717.9	Discretionary
FY22	Others	571	634.4	Discretionary

*As on 31st March, 2024

7.1 Name of Related Parties where there were transactions during the period ended 31st March, 2024

Sr. No.	Name of Related Party	Nature of Relationship
1	2Point2 Capital Advisors LLP	Self
2	Amit Mantri, Savi Jain	Key Management Personnel (KMP)
3	Sarita Devi Jain, Shritie Jain, Juhi Dhaniwal, Piyush Dhaniwal Jointly With Juhi Dhaniwal, Mantri Vikash	Relatives of KMP
4	Neena Projects Pvt. Ltd., Rajnish Goods Pvt. Ltd., Onaya Fashions Pvt. Ltd., Multi Avenues Capital Management LLP	Companies/ LLP where Partners are Directors / Partners

5	Siddharth Kothari	Partner
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7.2 Details of related party transactions during the period ended 31st March, 2024

Nature of Transaction	Self	KMP	Relatives of KMP	Companies where Partners are Director	Partner	Total
AUM as on 31 st Mar 2023 (In Rs.)	7,11,24,698	2,14,38,541	6,10,07,311	9,91,22,510	0	25,26,93,060
Investment / (Redemption) during the year	3,23,12,788	1,40,00,000	49,50,000	0	3,06,46,541	8,19,09,329
AUM as on 31 st March 2024 (In Rs.)	13,99,16,651	4,55,08,150	9,60,06,277	14,66,95,664	6,68,99,306	49,50,26,048
Fees paid to 2Point2 Capital Advisors LLP (In Rs.)	1652	3,304	19,90,099	17,96,570	2,05,077	39,96,702

8. Financial Performance of the Portfolio Manager

As per SEBI requirement, a Portfolio Manager is supposed to have a Net Worth of over Rs 5 Crores and 2Point2 Capital Advisors LLP satisfies this requirement. More detailed financial accounts of 2Point2 Capital Advisors LLP are attached in Annexure 1.

9. Portfolio Management Performance

The following table provides details of the Number of Investors, Total Assets under Management (AUM) and the Weighted Average Performance:

FY – March ending	FY 2017*	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	CAGR Returns*
Portfolio Performance	26.8%	16.6%	14.4%	-24.6%	73.9%	17.8%	10.0%	45.2%	20.4%
BSE 500 TRI**	12.2%	13.2%	9.7%	-26.5%	78.6%	22.3%	-0.9%	40.2%	15.9%
Number of Investors	27	83	272	574	567	571	578	697	
AUM in Rs. Cr.	12.2	38.8	122.6	311.6	587.5	634.4	717.9	1205.1	

*FY17 returns are for an 8-month period. CAGR returns are from 20th July 2016 to 31st March 2024. Returns are net of expenses and fees. Performance related information provided here is not verified by SEBI.

TRI = Total Return Index includes returns from dividends received.

“Link to performance relative to other portfolio managers” - <https://tinyurl.com/549h8kb6>

Note: Returns of individual clients will differ from the above numbers based on the timing of their investments. The above returns are on the consolidated pool of capital.

10. Audit Observations

For the last three preceding years, no major audit observations have been found.

11. Nature of Expenses

The following are indicative types of costs and expenses for clients availing the Portfolio Management Services. The exact fee structure for each service will be detailed in the relevant Agreement(s), executed at the time of availing such services. The Investment fees and the Advisory fees may be fixed, return-based, or a combination of both, as specified in the Schedule to the Portfolio Management Services Agreement. The fee structure will be mutually agreed upon by the client and the Portfolio Manager.

(a) Entry Fees

There is no entry load.

(b) Management Fees

The client pays a management fee up to 1.5% p.a. of AUM (To be accrued on daily closing AUM and charged on monthly basis). Management Fee carries all indirect taxes as applicable.

(c) Performance Fees

The client pays a performance fee up to 20% of the return over and above a hurdle rate of 8% p.a. to be charged annually or upon withdrawal of funds by the client, on High Watermark basis.

(d) Termination Fees

The client pays an exit load of 3% of the amounts withdrawn only in case where withdrawal is made within one year.

(e) Custodian/ Depository Participant Fee

The charges relating to opening and operation of demat accounts, custody and transfer charges of shares, bonds and units, custodian charges etc. will not be exceeding 10bps of the average daily assets under management of the client. Taxes including GST are charged on the fees as applicable.

(f) Brokerage and transaction cost

The brokerage and other charges like Service tax, Stamp Duty, Security Transaction Tax, SEBI fees, Exchange fees, Settlement charges, Bank charges, Turnover tax, Foreign Tax, GST and other charges (if any), as per the rates existing from time to time, will be charged on actual. The investment by Portfolio Manager will be done by any SEBI Registered stock broker only and would be as per the rates negotiated between Portfolio Manager and the broker. The charges relating to brokerage will be recovered on actual by Portfolio Manager.

(g) Registrar and transfer agent fee

Charges payable to the Registrar and Share Transfer Agents in connection with effecting transfer of securities and bonds, units, etc. including stamp charges, cost of affidavit, notary charges, postage and courier charges and other related charges will be recovered on actual.

(h) Certification charges and Professional fees

Any charges payable for outsourced professional services like taxation, auditing and any legal services, franking charges and notarization, etc. incurred on behalf of the client by the Portfolio Manager, will be charged to the client on actual.

(i) Out of Pocket and Other Incidental Expenses

Charges in connection with day to day operations like courier expenses, stamp duty, document franking charges, notary charges, service tax, other statutory levies, opening of bank, trading and demat accounts and any other out of pocket expenses incurred by the Portfolio Manager, on behalf of the client, would be recovered from the client. Any other charges and levies by the Government or other regulatory authorities, such as GST and other charges levied by third parties in connection with transactions executed by the Portfolio Manager on behalf of the client. All aforementioned expenses would be the account of the client on the basis of actual expenses.

12. Tax Provisions

Clients will be responsible and liable for all taxes under the provisions of the Income Tax Act, 1961 for any income generated out of the investment made in the Portfolio Management Scheme including advance tax obligations. In view of the individual nature of tax consequences on any income, capital gains or otherwise, each Client is advised to consult his/her/its tax advisor with respect to the specific tax consequences to him/her/it with respect to participation in the Portfolio Management Services.

The Portfolio Manager will provide adequate statements to the client for accounting and tax purposes. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

12.1 Tax deduction at source

Tax is required to be deducted at source for non-residents by the authorized dealer under section 195 of the Income Tax Act, 1961 (the Act'). If required, tax will be withheld for non-residents. 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.

Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB, shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the higher of the following rates, namely:

- (i) at the rate specified in the relevant provision of this Income Tax Act; or
- (ii) at the rate or rates in force; or
- (iii) at the rate of twenty per cent.

Health and Education cess @ 4% is applicable.

12.2 Advance tax installment obligations

It shall be the Client's responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Act.

12.3 General Information on tax provisions

I. Taxation in hands of Clients

A. Resident taxation

A resident investor should be subject to tax on his / her global income. In the case of a resident but not ordinarily resident, any income which accrues/ arises outside India shall not be subject to tax in India, unless it is derived from a business controlled in India / profession set up in India.

A HUF, firm or other AOP is said to be resident in India in any previous year unless where the control and management of its affairs is situated wholly outside India during the year under consideration.

A Company is said to be a resident in India in the previous year if (i) it is an Indian Company; or
(ii) Its place of effective management is situated in India.

Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India.

B. Non-resident taxation

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

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

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

C. Tax Treaty Benefits

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

The taxability of such income of the non-resident investor, in the absence of Treaty benefits or from a country with which India has no Treaty, would be as per the provisions of the IT Act.

Further, to prevent the granting of Tax Treaty benefits in inappropriate circumstances and to align it with the Multilateral Convention to implement Treaty related measures to prevent Base Erosion and Profit Shifting, the Finance Act, 2020 has amended Section 90(1) to provide that the Central Government shall enter into agreement(s) for the avoidance of double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit to residents of any other country or territory).

D. Tax Residency Certificate

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

The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee;
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- Assessee's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- Period for which the residential status, as mentioned in the TRC, is applicable; and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

While, as per the extant law, Form 10F should not be required if the above information already forms a part of the TRC. However, recently there has been a notification issued to the effect that Form No. 10F should be generated electronically on the Income-tax portal and hence, where any treaty benefit is sought, practically it is advised that along with TRC, Form No. 10F as generated over the income-tax portal should also be furnished.

E. Characterisation of income

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

Also, the CBDT has provided guidance (*vide* its Instruction no. 1827 dated 31 August 1989 and Circular No. 4 of 2007, dated 15 June 2007) in respect of characterisation of gains as either capital gains or business income. Following are the key illustrative factors indicative of capital gains characterisation (not business income):

- Intention at the time of acquisition - capital appreciation
- Low transaction frequency
- Long period of holding
- Shown as investments in books of accounts (not stock in trade)
- Use of owned funds (as opposed to loan) for acquisition
- Main object in constitution document is to make investments
- Higher level of control over the investee company

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

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

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

F. Different streams of income and its tax implications

The tax implications in the hands of resident as well as non-resident investors on different income streams pertaining to investment in securities are discussed below:

G. Dividend income

Resident Investors

Prior to the amendments by the Finance Act, 2020, dividends declared by Indian companies were exempt from tax in the hands of the investors under section 10(34) of the Act. The Indian Company would be liable to pay dividend distribution tax at the effective rate 20.56% till F.Y. 2019-20 of the dividends at the time of distributing to the investors.

As per the amendments made by the Finance Act, 2020, the Indian Company declaring dividend on or after 1 April 2020, would not be required to pay any distribution tax on dividend distributed/ paid/ declared to investors. The dividend income shall now be taxable in the hands of the investors under section 56 of the IT Act under the head 'Income from Other Sources' at the applicable rates. Further, the taxpayer can claim a deduction of interest expenditure under section 57 of the IT Act against such dividend income up to 20% of the dividend income.

The dividend declared by all mutual funds are also taxable in the hands of investors in the same manner.

As per the amended provisions, the dividend income (net of deductions, if any) shall be taxable at the following rates:

Resident unitholders

Dividend income earned by	Tax rate for domestic investors
Resident companies (Note 1 and 2)	Maximum tax rate is 30%
Firms / LLPs	30%
Others (Note 3)	As per applicable slab rates, Maximum tax rate being 30%

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

Note 1: The tax rate has been reduced to 25% (plus applicable surcharge and health and education cess) in case of domestic companies having total turnover or gross receipts not exceeding Rs. 4,000 m in the Financial Year 2021-22 (Assessment Year 2022-23).

Note 2: Further, as per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (for both sections - plus surcharge at the rate of 10% and health and education cess at the rate of 4%), subject to fulfilment of conditions prescribed in the said sections.

Note 3: The Finance Act, 2020, has inserted a new section 115BAC in the IT Act. As per the said section, Individual and HUF will have an option to pay tax on its total income at the reduced slab rates. The income would however have to be computed without claiming prescribed deductions or exemptions.

Non-resident Investors

Dividend income (net of deductions, if any) shall be taxable in the hands of the non- resident investors at the rate of 20% plus applicable surcharge and health and education cess under the IT Act.

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

i. If gains are categorized as capital gains

If the gains arising from sale of capital assets being securities (including units, etc.) are characterised as capital gains, the tax rate depends on the period of holding of the securities. The tax rates for securities (including mutual funds) are discussed below.

i. Period of holding

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

This is discussed below:

Nature of asset	STCA	LTCA
Listed securities (other than a Unit) / Unit of equity-oriented fund	Held for not more than 12 months	Held for more than 12 months
Units in Specified Mutual Fund acquired on or after 1st April 2023 and Market Linked Debentures *	Always STCA	
Unlisted shares	Held for not more than 24 months	Held for more than 24 months
Any other asset	Held for not more than 36 months	Held for more than 36 months

ii. Taxation of capital gains

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

Nature of Income	Tax rate for resident investors (Note 1)	Tax rate for non-residents (Note 1 and 2)	Tax rate for FPIs (Note 1)
STCG on transfer of unit of an equity- oriented fund on which Securities Transaction Tax ("STT") has been paid	20%	20%	20%
STCG on transfer of unlisted units and listed units (other than the above)	30% (Note 2)	35%/ 30% (Note 3)	30% (Note 4)
LTCG on transfer of unit of an equity- oriented fund provided STT paid on transfer of units of an equity-oriented fund exceeding Rs. 1.25 lakh	12.5% (Note 5)	12.5% (Note 5)	12.5% (Note 5)
LTCG on transfer of Asset(other than above and real estate)	12.5%	12.5% (Note 5)	12.5% (Note 5)
Gains on transfer of Specified mutual fund and market linked debentures	30% (Note 2)	35%/ 30% (Note 3)	30% (Note 4)
Tax on transfer of unlisted bond and debentures	30%	35%/ 30%	30%

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

Note 1 - Plus applicable surcharge and cess

Note 2 -.The tax rate has been reduced to 25% (plus applicable surcharge and health and education cess) in case of domestic companies having total turnover or gross receipts not exceeding Rs. 4,000 m in the Financial Year 2021-22 (Assessment Year 2022-23). Further, as per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under Section 115BAA and Section 115BAB of the IT Act shall be 22% and 15% respectively (for both sections

- it may be possible to consider the surcharge at the rate of 10% and health and education cess at the rate of 4%), subject to fulfilment of conditions prescribed in the said sections. Furthermore, the Finance Act, 2020, has inserted a new section 115BAC in the IT Act. As per the said section, the Individual and HUF will have an option to pay tax on its total income at the reduced tax rates. The income would however have to be computed without claiming prescribed deductions or exemptions. At present, we have considered the highest slab rate of 30% (plus applicable surcharge and health and education cess) in the case of unitholders other than company, firm and limited liability partnership.

Note 3 - 30% in the case of non-resident investors other than foreign company. 35% in case of foreign company as per the Finance (NO 2) Bill, 2024

Note 4 - No foreign exchange benefit

Note 5 - Without considering indexation and foreign exchange fluctuation benefit

ii. If gains are categorized as business income

If the gains are categorised as business income, it shall be taxable at the rate of 30% (plus applicable surcharge and cess) in case of resident investors and also for non-residents other than a foreign company (assuming the highest slab rate for individual).

In case of domestic companies, the tax rate has reduced to 25% (plus applicable surcharge and health and education cess) in case the total turnover or gross receipts not exceeding Rs. 4,000 m in the Financial Year 2021-22 (Assessment Year 2022-23). Further, as per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under Section 115BAA of the IT Act shall be 22% (with surcharge at the rate of 10% and health and education cess at the rate of 4%), subject to fulfilment of conditions prescribed in the said sections.

It shall be taxable at the rate of 40% (plus applicable surcharge and cess) in case of a foreign company. The above rates would be subject to availability of benefits under the tax treaty, if any in case of non-resident assessee.

iii. Interest income

Income in the nature of interest income would be subject to tax at 30% (plus applicable surcharge and cess) in case of resident investors and also for non-resident investors other than foreign company (assuming the highest slab rate for individual).

In case of domestic companies, the tax rate has reduced to 25% (plus applicable surcharge and health and education cess) in case the total turnover or gross receipts not exceeding Rs. 4,000 m in the Financial Year 2021-22 (Assessment Year 2022-23). Further, *as per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under Section 115BAA of the IT Act shall be 22% (with surcharge at the rate of 10% and health and education cess at the rate of 4%), subject to fulfilment of conditions prescribed in the said sections.*

It shall be taxable at the rate of 40% (plus applicable surcharge and cess) in case of a foreign company. The above rates would be subject to availability of benefits under the tax treaty, if any in case of non-resident assessee.

iv. Deemed income on investment in securities

Section 56(2)(x) of the IT Act, provides that if any assessee receives any property (including securities) from any person without consideration or for inadequate consideration in excess of Rs. 0.05 m as compared to the fair market value, fair market value in excess of such consideration shall be taxable in the hands of the recipient as Income from Other Sources.

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

Accordingly, such other income would be chargeable to tax (i) at the rate of 30% (plus applicable rates of surcharge and cess) in case of resident investors (assuming highest slab rate for resident individual) and also for non-resident investors other than foreign company (ii) at the rate of 40% (plus applicable rates of surcharge and cess) in case of foreign companies.

The Finance (No. 2) Act, 2019 has proposed that the above provision shall not apply to any sum of money or any property received by such class of persons and subject to fulfilment of conditions as may be prescribed.

v. Gain arising on buyback of shares by company

As per 10(34A) of the IT Act, gains arising on buyback of shares (including shares listed on recognized stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.296% is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy back is in accordance with the provisions of the Companies Act, 2013. Such distribution tax should be payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed.

vi. Tax on Income from Business Trusts (REIT/InvIT):

Section 2(13A) of the IT Act defines business trust as a trust registered as-

an Infrastructure Investment Trust (InvIT) under SEBI (Infrastructure Investment Trusts) Regulations, 2014
a Real Estate Investment Trust (REIT) under SEBI (Real Estate Investment Trusts) Regulations, 2014

There is a special taxation regime for taxability of income distributed by such business trusts in the hands of the unit holders. As per Section 115UA of the IT Act, the income distributed by a business trust to its unit holders shall be deemed to be of the same nature and in the same proportion in the hands of the unit holders, as it had been received by, or accrued to the business trust.

The treatment of various streams of income are as follows:

a. Interest from Special purpose vehicle ('SPV')*-

Resident Investors -

Interest income earned by the Business Trust shall be exempt from tax in the hands of the Business Trust and shall be chargeable to tax in the hands of the investors at the rates applicable to them. Further, as per Section 194LBA of the Act, the business trust is liable to deduct TDS on this income at the rate of 10%.

*'Special purpose vehicle' means an Indian company in which the business trust holds controlling interest and any specific percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration. Non-resident Investors –

Interest income earned by the Business Trust shall be exempt from tax in the hands of the Business Trust and shall be chargeable to tax in the hands of the investors at the rate of 5%. Further, as per Section 194LBA of the Act, the business trust is liable to deduct TDS on this income at the rate of 5%.

Treaty benefit shall be available in case of non-resident unit holders

b. Dividend income from SPV

Resident Investors -

Dividend income earned by the Business Trust shall be exempt from tax in the hands of the Business Trust and shall be chargeable to tax in the hands of the investors at the rates applicable to them. Further, as per Section 194LBA of the Act, the business trust is liable to deduct TDS on this income at the rate of 10%.

Non-resident Investors -

Dividend income is exempt in the hands of the Business trust and shall be chargeable to tax in the hands of the Investors at the rate of 20%. Further under Section 194LBA of the Act, the Business Trust is required to withhold taxes at the rate of 10%.

Please note that Dividend income shall be exempt in the hands of unit holders where SPV has not opted for concessional tax rate as provided under Section 115BAA of the IT Act.

Treaty benefit shall be available in case of non-resident unit holders

c. Rental Income to REITs:

Any income of a business trust, being a real estate investment trust, by way of rent out any real estate asset owned directly by such business trust is exempt in the hands of the business trust. This income is chargeable to tax in the hands of the unit holders as rental income at the tax rate applicable to them. Further, as per Section 194LBA of the Act, the REIT is liable to deduct TDS on such distributed income at the rate of 10% for resident unit holders and at the rates in force for non-resident unit holders.

Treaty benefit shall be available in case of non-resident unit holders.

d. Any Other Income:-

As per Section 10 (23FD) of the IT Act, any distributed income other than the income stream discussed above, referred to in section 115UA, received by a unit holder from the business trust is exempt in the hands of the unit holder, i.e. taxable in the hands of the business trust.

The total income of a business trust shall be charged to tax at Maximum Marginal Rate, subject to the provisions of Section 111A and Section 112.

vii. Tax on Sale of Units of Business Trust listed on stock exchange:

The profit from the sale of the units of the business trust is chargeable to tax under the head capital gains and the same would depend on whether it qualifies as short term or long term basis the period of holding.

The period of holding of units of the business trust to qualify as a long-term capital asset is more than 36 months.

Short Term Capital Gains- The short-term capital gains on which STT is paid is chargeable to tax at the rate of 15% as per section 111A.

Long Term Capital Gains- Long-term capital gains arising from the transfer of a unit of a business trust shall be taxed at 10% (without indexation benefit).

Treaty benefit shall be available in case of non-resident unit holders.

Amendment as per Finance Act 2023 –

Any specified sum received by a unit holder from a business trust shall be chargeable to tax in the hands of unit holders as income from other sources. Such income shall be chargeable to tax at the applicable rates.

For the purpose of this amendment, specified sum is defined as under –

Specified sum = A-B-C (which shall be deemed to be zero if sum of B and C is greater than A), where—

A = aggregate of sum distributed by the business trust with respect to such unit, during the previous year or during any earlier previous year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is,—

not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and

not chargeable to tax under sub-section (2) of section 115UA;

B = amount at which such unit was issued by the business trust; and

C = amount charged to tax under this clause in any earlier previous year;

viii. Tax on transfer of Virtual Digital Assets (VDA):

The Union Budget, 2022 has introduced taxation on Virtual Digital Assets (“VDA”). VDA shall include crypto-assets, NFTs and other digital assets [excludes currencies as per Foreign Exchange Management Act, 1999]. Income from transfer of virtual digital assets shall be taxable at the rate of 30% plus applicable surcharge and cess. Further, no deduction of any expenses or set off of losses shall be allowed against such income, except cost of acquisition. The losses arising from transfer of VDA shall also not be carried forward to succeeding years. Further, transfer of VDA are also subjected to withholding taxes. The transferee would be required to withhold taxes under section 194S of the IT Act at the rate of 1% on transfer of VDA to a resident.

ix. Expenditure incurred in relation to income not includible in the total income

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

x. Bonus stripping

Where any person buys or acquires any units of a mutual fund or the Unit Trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional units without any consideration) and such person is allotted additional units (without any payment) on the basis of holding of the aforesaid units on the record date, and if such person sells or transfers all or any of the original units within a period of nine months after the record date while continuing to hold all or any of the additional units, then any loss arising to him on account of such purchase and sale of all or any of the units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional units as are held by him on the date of sale or transfer. of original units. Further, w.e.f 1st April 2023, the above provisions shall also apply to purchase of securities, units of business trust and beneficial interest of an investor in an AIF.

xi. Minimum Alternate Tax

The Taxation Laws (Amendment) Act, 2019 has reduced the base rate of MAT from 18.5% to 15% (plus applicable surcharge and cess), which shall be applicable w.e.f. 1 April 2020 i.e. financial year 2019-2020.

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

Further, MAT provisions shall not be applicable to a foreign company if such company is a resident of a country or a specified territory with which India has a Tax Treaty and the company does not have a permanent establishment in India. Also, MAT provisions are not applicable if the foreign company is a resident of a country or a specified territory with which India does not have a Tax Treaty, and the company is not required to seek registration under any law in relation to companies.

Further, the MAT credit to be allowed to be carried forward up to 15 assessment years. Also, from FY 2019-20 onwards, MAT provisions do not apply to the below:

1. Company engaged in life insurance business (as referred to in section 115B of the IT Act)
2. Any person who has exercised the either of the following two options:
 - under section 115BAA of the IT Act, an option to pay tax at the rate of 22% (plus surcharge at a fixed rate of 10% and cess at the rate of 4%) by any domestic company subject to certain conditions; or
 - under section 115BAB of the IT Act, an option to pay tax at the rate of 15% (plus surcharge at a fixed rate of 10% and cess at the rate of 4%) by certain domestic manufacturing companies

However, MAT credit (if any) shall not be allowed to be carried forward once the company exercises the option to avail reduced tax rates as mentioned above u/s 115BAA/115BAB of the Act.

xii. Alternate Minimum Tax

The IT Act provides for levy of Alternate Minimum Tax ('AMT') on non-corporate taxpayers if the tax amount calculated at the rate of 18.5% (plus applicable surcharge and health and education cess) of the adjusted total income, as the case may be, is higher than the regular income-tax payable under the normal provisions of the IT Act. As per Finance Act 2022, the AMT rates applicable to co-operative societies are reduced from 18.5 to 15%. Such provisions are not applicable if the adjusted total income does not exceed Rs. 2 m.

Further, as per Finance Act 2020, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the IT Act.

II. Withholding at a higher rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number, then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, vide notification dated June 24, 2016, the CBDT has amended the Rules, whereby this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services, dividend and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

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

As per Rule 37BC of the IT Rules, the provision of section 206AA of the IT Act shall not apply in respect of payments made to a person being a non-resident if the provision of section 139A of the IT Act do not apply to such person on account of rule 114AAB of the IT Rules.

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

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

IV. GAAR

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

- Arrangement creates rights or obligations, which are not ordinarily created between persons dealing at arm's length price;
- Arrangement directly or indirectly results in the misuse or abuse of the provisions of the IT Act;
- Arrangement lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- Arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed by bonafide purposes.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed Rs. 30 m.

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 RS. 30 m cannot be read in respect of a single taxpayer only.

V. 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 ['TIN' (assigned in the country of residence)] and date and place of birth ['DOB' and 'POB' (in the case of an individual)];
- b. where an entity has one or more controlling persons that are reportable persons:
- c. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
- d. the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
- e. account number (or functional equivalent in the absence of an account number);
- f. 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;

- g. the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year; and
- h. in case of any account held by a non-participating financial institution ('NPFI'), for the calendar years 2015 and 2016, the name of NPFI and aggregate amount of such payments.

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).

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

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ('MLI'). The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. The MLI has also expanded the scope of permanent establishment to include agent (excluding an independent agent) playing principal role, leading to routine conclusion of contracts without material modification. For this purpose, an agent is not considered independent if it acts exclusively or almost exclusively on behalf of one or more closely related enterprises. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs.

The Union Cabinet of India issued a press release dated 12 June 2019 approving the ratification of the MLI to implement tax treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty.

On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The effect of such ratification by India can be known only after MLI positions of respective Tax Treaty partners are known.

VII. Securities transaction tax

STT is applicable on various transactions executed on stock exchanges as follows:

- (a) 0.001% on the sale of units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of units
- (b) 0.025% on the sale of equity shares in a company or units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of shares or unit;
- (c) 0.1% on the purchase / sale of equity shares;

VIII. Tax Risks

The investors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the investors are subject to change, accordingly, the tax liabilities that could be incurred by the investors as a result of such changes should also change. Further, any alternative tax positions adopted by the income tax authorities could give rise to incremental tax liabilities in addition to the tax amounts already discharged by the investors. Some of the tax risks that may be faced by the investors are highlighted below:

a. Characterisation of income

As per the existing income-tax law, the income arising on transfer of listed securities held for more than 12 months immediately preceding the date of transfer could be characterised as capital gains if such assets are held as capital assets and this should not be subject to litigation by the income-tax authorities. Further, any other gains arising from the transfer of securities held by the investors may be treated either as "capital gains" or as "business income" for tax purposes, depending upon whether such securities were held as a capital asset or trading asset (i.e. stock-in-trade) and other criteria for characterising such income.

b. Denial of tax treaty benefit to non-resident investors

In case, the tax treaty benefits are denied to a particular non-resident investor, the particular investor shall have to pay higher taxes as per the IT Act.

c. GAAR

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

The provisions pertaining to GAAR have been effective from financial year beginning on 1 April 2017 i.e. from Financial Year 2017-18 onwards.

There is no precedence on how GAAR will be implemented by Indian tax authorities.

d. Disallowance under Section 14A of the Act

The provisions of section 14A of the Act, aims to disallow any expenditure which are incurred for earning exempt income. The tax authorities may in this regard, disallow a particular expense in fully or partially claiming that the same is incurred for the purpose of earning exempt income. There are a plethora of decisions on the applicability of Section 14A of the IT Act, in a particular situation.

e. G.S.T.

From 1 July 2017 onwards, G.S.T. will be applicable on services provided by the Portfolio Manager to its Clients. Accordingly, G.S.T. at the rate of 18% would be levied on fees if any, payable towards investment management fee to the Company.

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

13. Accounting Policies

A. 2Point2 Capital Advisors LLP shall maintain a separate portfolio record in the name of the client to account for the assets of the client and any receipts, income and expenses in connection therewith as provided under SEBI Regulations (Portfolio Managers Regulations 2020).

B. For every Client portfolio, 2Point2 Capital Advisors LLP shall keep and maintain proper books of accounts, records and documents, for the Client, on mercantile system of accounting, so as to explain its transactions and to disclose at any point of time the financial position of the Client portfolio and Financial Statements and in particular give a true and fair view of the state of affairs.

C. The following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts, records for the client.

1. For the purposes of the financial statements, 2Point2 Capital Advisors LLP shall carry all investments in the balance sheet at cost.
2. Investments introduced by the client in his portfolio will be booked at the market value as of the date of introduction to the portfolio.
3. Dividend income earned by a client shall be recognized not on the date the dividend is declared, but on the date the shares are quoted on an ex-dividend basis. For investments which are not quoted on a stock exchange, dividend income shall be recognized on the date of actual receipt.
4. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account.

Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.

5. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.

6. Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that same year.
7. Bonus shares to which the Client becomes entitled shall be recognized only after the ex-date of the bonus issuance of the original shares.
8. Rights entitlement shall be recognized after the allotment of the new shares as per the rights entitlement.
9. The cost of investments acquired or purchased shall include brokerage, GST, securities transaction tax, stamp duty and any other charges customarily included in the broker's contract note.
10. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
11. All other income & expenses shall be accounted on accrual basis.
12. Investments in equities and exchange traded funds will be valued at the closing market prices at the stock exchange (Bombay Stock Exchange (BSE) or National Stock Exchange (NSE) as the case may be). In case any securities are not traded on the valuation date, the last available traded price shall be used for the valuation of those securities. Debt instruments will be valued at the clean price.
13. Investments in units of Mutual Funds shall be valued at the repurchase price or the NAV published by the Mutual Fund Houses on the date of the report. Where no NAV is published for a particular day, the last working day's published NAV will be taken for valuation purpose.
14. Open positions in derivative transactions, will be marked to market on the valuation date.
15. Pending listing on BSE/NSE, securities relating from a demerger are valued at their apportioned costs as per the ratios/values in terms of the scheme.
16. Private equity/Pre IPO placements will be valued at cost or at an available last deal price at which the company has placed similar securities to other inventors.
17. Unrealized gain/losses is the difference, between the current market value/Net Asset Value and the historical cost of the securities.
18. The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of investments or accounting, if the same is mutually agreed between them.

Valuation of Investments

- a) Investments in listed equity and debt instruments will be valued at the closing market prices on the National Stock Exchange of India Limited (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the BSE Ltd. (BSE) or other exchange will be used for valuation of securities. In case securities are not traded on the valuation date on any of the exchanges, the last available traded price shall be used for the valuation of securities, if no such quote is available, the security may be considered as non-traded.
- b) Investments in units of Mutual Funds shall be valued at the repurchase price of the previous day declared for the relevant Scheme on the date of the report.
- c) Government securities shall be valued at the prices released by an agency recommended by the AMFI.
- d) Open positions in derivative transactions, will be marked to market on the valuation day.
- e) Private equity/Pre IPO placements will be valued at cost or at a last deal publicly available price at which company has placed shares to other investors till it is listed.
- f) Unlisted, non-traded and all other securities where a value cannot be ascertained shall be valued as determined in good faith by the Portfolio Manager.
- g) Valuation of investments in debt linked Non – Convertible Debentures (NCD) / Market Linked Debentures shall be based on straight Line amortisation. Valuation of investments in equity linked debentures shall be based on prices provided by the issuer of such securities on periodic basis.
- h) The accounting policies and standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

14. Investor Services

i. Name, Address and Telephone Number of the Investor Relation Officer, who shall attend to the investor queries and complaints.

Name : Bhavit Visaria
 Address : 914, The Summit Business Bay, Near W.E. Highway Metro Station,
 Next to Guru Nanak Petrol Pump, Andheri – East.
 Mumbai - 400 093

Telephone : +91 72080 02358
 Email : bhavit@2point2capital.com

ii. Grievance redressal and dispute settlement mechanism

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.

All disputes, differences, claims and questions whatsoever arising from (i) the Agreement between the Client and the Portfolio Manager and (ii) the services to be rendered by the Portfolio Manager and/or their respective representatives shall be attempted to be resolved by discussions between the parties and amicable settlement. In case the disputes remain unsettled, the same shall be referred to a sole arbitrator and such arbitration shall be in accordance with and subject to the provisions of The Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force. Such Arbitration proceedings shall be held at Mumbai.

In addition to the above, the clients can also Login to the SEBI SCORES website at <https://scores.sebi.gov.in/> to register their grievances/complaints.

Alternatively, the client can directly initiate dispute resolution through the Online Dispute Resolution Portal (ODR) at <https://smartodr.in/login> if the grievance lodged with the Portfolio Manager is not satisfactorily resolved or at any stage of the subsequent escalations mentioned above.

Link to ODR Circular - <https://tinyurl.com/bd2p9nbd>

15. Details of investments in the securities of related parties of the portfolio manager

Investments in the securities of Associates/Related Parties of Portfolio Manager:

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

The Portfolio Manager does not envisage investments in the securities of its related parties/associates. In case of any opportunity for such investments, the Portfolio Manager shall comply with the following limits as provided in the Regulations and as may be amended from time to time:

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

16. Details of the diversification policy of the portfolio manager

The Portfolio Manager is committed to investing client funds in alignment with the specific investment objectives outlined in each strategy. To ensure the integrity and objectivity of investment decisions, the Portfolio Manager strictly refrains from making investments in securities of associate or related parties. As a result, there is no need for a separate diversification policy specific to investments in such related entities.

The Portfolio Manager adheres to the SEBI PMS Regulations and any relevant guidelines issued periodically.

In terms of diversification, the Portfolio Manager is dedicated to strategically allocating client funds across a broad spectrum of securities. This approach aims to minimize risk and enhance portfolio stability by spreading investments over a diverse range of assets. By doing so, the Portfolio Manager seeks to mitigate the impact of adverse movements in individual securities and to achieve a well-balanced investment portfolio that aligns with the clients' objectives and risk tolerance.

Name and Signature of the designated partners of the Portfolio Manager:

Sr No.	Name of Partners	Signature
1.	Amit Mantri	
2.	Savi Jain	

Annexure 1

Summary of Financial Statements

Financial Statements	As on 31.03.24 (Rs.)	As on 31.03.23 (Rs.)	As on 31.03.22 (Rs.)
<u>Profit & Loss Statement</u>			
<u>Income</u>	33,91,71,632	9,53,30,275	26,24,34,813
<u>Expenditure</u>	12,83,89,556	5,35,87,136	10,60,72,645
Profit/(Loss) before Tax	21,07,82,076	4,17,43,139	15,63,62,168
Provision for Tax Expense	6,90,00,000	1,23,48,668	5,08,30,931
Profit/(Loss) after Tax	14,17,82,076	2,93,94,471	10,55,31,237
<u>Balance Sheet</u>			
<u>A. SOURCES OF FUNDS</u>			
1) Partners' Capital	26,63,13,016	17,07,08,844	15,11,99,717
2) Non Current Liabilities	-	-	-
3) Current Liabilities	4,55,87,454	99,16,178	1,04,62,311
Total	31,19,00,470	18,06,25,022	16,16,62,028
<u>B. APPLICATION OF FUNDS</u>			
1) Non Current Assets	36,37,349	40,44,109	36,93,136
2) Current Assets	30,82,63,121	17,65,80,913	15,79,68,892
Total	31,19,00,470	18,06,25,022	16,16,62,028

Auditor:

M/S. H. Singhvi & Co.
Chartered Accountants,

Address:

R. No. 43/44, 3rd Floor,
Gopal Bhavan,
199, S.G Marg (Princess Street)
Mumbai- 400002.

Date: 19th December 2024

Place : Mumbai

Name : Amit Mantri
Designation : Principal Officer
Address : 914, The Summit Business Bay,
Near W.E. Highway Metro Station,
Next to Gutunanak Petrol Pump,
Andheri East, Mumbai 400093