

ARTHA BHARAT INVESTMENT MANAGERS IFSC LLP

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES

APRIL 2025

Disclosure Document for Portfolio Management Services by Artha Bharat Investment Managers IFSC LLP, registered with IFSCA to act as Portfolio Manager under the International Financial Services Centres Authority (Fund Management) Regulations, 2022. Artha Bharat Investment Managers IFSC LLP is registered with IFSCA as a Registered FME (Non-Retail) with effect from August 1st 2024 bearing registration no. IFSCA/FME/II/2024-25/125.

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 Artha Bharat Investment Managers IFSC LLP as a Portfolio Manager.

The necessary information about the Portfolio Manager required by a Client before investing is disclosed in the Disclosure Document. Investors should carefully read the entire document before deciding and should retain it for future reference.

The Principal Officer designated by the Portfolio Manager is:

Name: Akshesh Katkoria

Telephone No.: 9974419529

E-mail: info@arthabharat.com

Artha Bharat Investment Managers IFSC LLP

Registered Office Address: Unit No. B-111, Plot no. T1 & T4, Ground Floor, N/A Road 1A, Block 11, Zone 1, SEZ-PA, Gandhinagar – 382 355

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1. DISCLAIMER

THE PARTICULARS OF DISCLOSURE DOCUMENT HAVE BEEN PREPARED IN ACCORDANCE WITH PART A – CHAPTER VI OF THE INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (FUND MANAGEMENT) REGULATIONS, 2022, AS AMENDED FROM TIME TO TIME . THIS DOCUMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY IFSCA NOR HAS IFSCA CERTIFIED THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THE DOCUMENT.

2. DEFINITIONS

- (a) “**Applicable Laws**” means the laws of the Republic of India and includes rules and regulations issued pursuant to and under such laws, including the FM Regulations.
- (b) “**Agreement**” or “**Portfolio Management Services Agreement**” or “**PMS Agreement**” means the portfolio management agreement executed between the Portfolio Manager and its Clients in terms of Regulation 75 of the FM Regulations.
- (c) “**Bank Account**” means one or more bank accounts opened by the Portfolio Manager in his own name or a specific account in the name of the client opened by the Portfolio Manager, as the case may be, both maintained and operated by the Portfolio Manager for the purposes of this Agreement and as permitted under the Applicable Laws.
- (d) “**Client**” or “**Investor**” means any person who enters into an agreement for availing the Portfolio Management Services offered by the Portfolio Manager.
- (e) “**Custodian(s)**” means Interactive Brokers LLC, or any other custodian with whom the Portfolio Manager or the Client enters into an agreement for the provision of custodial services.
- (f) “**Discretionary Portfolio Management Services**” means a portfolio management services where the Portfolio Manager exercises or may exercise, any degree of discretion under a contract relating to portfolio management, exercise any degree of discretion as to the investment or management of the portfolio of securities or the Funds of the Client, as the case may be.
- (g) “**Disclosure Document**” or “**Document**” means this document prepared pursuant to Regulation 74 of the FM Regulations disclosing inter-alia following: (i) the services offered; (ii) risk factors; (iii) client representation; (iv) financial performance; (v) performance of portfolio manager; (vi) auditor observations; (vii) nature of expenses; (viii) taxation; (ix) investor grievance redressal mechanism; and (x) litigations by the regulatory authorities against the portfolio manager and its principal officer, partners/ designated partners and key managerial personnel, etc.
- (h) “**FM Regulations**” means the International Financial Services Centres Authority (Fund Management) Regulations, 2025, as amended from time to time.
- (i) “**Funds**” means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the PMS Agreement and includes the investment amount as mentioned in account opening form, any monies placed by the Client from time to time with the Portfolio

Manager for the purposes of being managed pursuant to the PMS Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividends and other monies arising from the portfolio investments, so long as the same is managed by the Portfolio Manager.

- (j) “**IFSCA**” means the International Financial Services Centres Authority.
- (k) “**IFSCA Act**” means the International Financial Services Centres Authority Act, 1992.
- (l) “**IT Act**” means the Income Tax, 1961.
- (m) “**Non-Discretionary Portfolio Management Services**” means a portfolio management services where a Portfolio Manager acts on the instructions received from the Client with regard to investment of Funds of the Client under a contract relating to portfolio management and will exercise no discretion as to the investment or management of the Portfolio.
- (n) “**Portfolio Manager**” means Artha Bharat Investment Managers IFSC LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, having its registered office at Unit No. B-111, Plot no. T1 & T4, Ground Floor, N/A Road 1A, Block 11, Zone 1, SEZ-PA, Gandhinagar – 382 355.
- (o) “**Portfolio**” means all the total holdings of securities managed by the Portfolio Manager on behalf of the Client pursuant to the PMS Agreement and includes any securities mentioned in the PMS Agreement, any further securities placed by the Client with the Portfolio Manager for the purposes of being managed pursuant to such Agreement, securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares on account of any corporate actions in respect of Securities forming part of the Portfolio, so long as the same are managed by the Portfolio Manager pursuant to the PMS Agreement.
- (p) “**Portfolio Management Services**” means Discretionary and/or Non-Discretionary Portfolio Management Services as offered by the Portfolio Manager.
- (q) “**RBI**” shall mean the Reserve Bank of India.
- (r) “**Trading Account**” means an account opened and operated by the Portfolio Manager in the name of the client **or a separate Omnibus account in the name of the Portfolio Manager** for the purposes of this Agreement and as permitted under the Applicable Laws.

3. DESCRIPTION

3.1 History, Present Business and Background of The Portfolio Manager

- (a) Artha Bharat Investment Managers IFSC LLP is a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, having its registered office at Unit No. B-111, Plot no. T1 & T4, Ground Floor, N/A Road 1A, Block 11, Zone 1, SEZ-PA, Gandhinagar – 382 355.

- (b) Artha Bharat Investment Managers IFSC LLP is a registered with IFSCA as a Registered FME (Non-Retail) with effect from August 1st 2024 bearing registration no. IFSCA/FME/II/2024-25/125.
- (c) Artha Bharat Investment Managers IFSC LLP is Investment Manager of Artha Global Opportunities Fund a Category III AIF registered with IFSC bearing registration no. IFSC/AIF3/2024-25/0159.

3.2 **Partners of the Portfolio Manager and their background**

3.2.1 Partners

Names of partners:

1. Mr. Sachin Sawrikar;
2. Mrs. Jayshree Dhere; and
3. Mrs. Ashwini Sachin Sawrikar (subject to approval of the regulator)

Brief profile of partners:

1. Mr. Sachin Sawrikar

Sachin Sawrikar is the Managing Partner of the Investment Manager and has a wealth of experience of over 29 years in Investment Management in India and GCC region with leading investment firms with a solid track record. He has managed many top performing and award-winning Funds. He was Head of Private Markets in Bank Muscat for about 12 years and has experience in originating, evaluation, due diligence, structuring, debt and equity financing and transaction closing.

He is an award-winning Fund Manager and has managed Equity, Balanced, Fixed Income, Money Market, Real Estate and Subordinated Funds which gives him strong practical knowledge of the markets across different asset classes, combined with sound theoretical background.

He is a Mechanical Engineer and holds an MBA from XLRI, India. He completed his MSc in Real Estate Investment and Finance from University of Reading, UK. He is CFA charter holder from CFA Institute, USA, and Member of RICS (MRICS), UK. He was the Founding Chairman of CFA Oman until June 2023 and is on their Board and was on the Board of RICS Oman.

He is founder of many companies and sits on their boards:

- (i) Co-Founder and CEO of Radiant Capital Investment Managers Limited (RCIML), an Approved Investment Manager domiciled in British Virgin Island. RCIML is the Investment Manager of Radiant Capital Fixed Income Limited, a BVI domiciled Fixed Income Fund and Radiant Capital Global Opportunities VCC, a Fund structured as Variable Capital Company and domiciled in Mauritius. RCIML is registered with SEBI as non-investing FPI.

- (ii) Chairman, Board of Directors of the Radiant Capital Global Opportunities VCC, Mauritius, which has two sub funds, Radiant Capital Global Opportunities Incorporated VCC Sub Fund 1 and Asia Prosperity Sub Fund
- (iii) Member of the Board and Fund Manager of Radiant Capital Fixed Income Limited, BVI which is a fixed income fund which uses leverage to provide enhanced returns to investors.
- (iv) Co-Founder and Managing Director of Radiant Capital FZCO, Dubai, UAE, providing advisory services to corporates for their financing requirement, M&A, debt restructuring.

He will be the key management person and will be driving the Investment Manager as Managing Partner.

2. Mrs. Jayshree Dhere

Mrs. Dhere is a Master of Science (Physics) with 1st class distinction from University of Pune, India and a Postgraduate in Software Technology from NCST (now CDAC), India; along with being a rank-holder and recipient of 'Construct Software Certificate of Merit' & a G. G. Morarji Award in Software Technology. She is also a CISA (Certified Information Systems Auditor) from ISACA, USA.

She has carried out a variety of IT audits for banks, manufacturing, and other industries. Her audit assignments included ERP system evaluation, Securities Trade Settlement process audit, system audit & compliance review of online trading application, system audit of technology assets & HR Application Audit, software valuation for banking software, banking system audit as per RBI requirements, audit of mobile banking app & so on. Further, she carried out work in IT consulting & technology management based on CMMI standards and VAPT assignments. She has developed several software projects in India & abroad as well as developed a portal for online trade. She has been a corporate trainer covering latest trends in software technology landscape. She has also been a teacher for post graduate courses, teaching subjects like 'IT Strategy & Business Dynamics of IT Industry' and 'Structured Languages'. She has also taught in the CISA Course by ISACA. She has multiple technical publications to her credit and handled Editorship of the revered CSI Communication Magazine for almost 5 years.

3. Mrs. Ashwini Sachin Sawrikar

Ashwini Sawrikar is recognized among India's Top 100 Women in Finance by AIWMI, is a seasoned audit and risk professional with over 25 years of experience. She has held key roles, including Chief Audit & Risk Officer at Arabia Falcon Insurance Company, Oman and has worked with leading organizations such as Deloitte, KPMG, Kotak Bank, and JP Morgan Chase. Her expertise spans Risk Management, Compliance, Corporate Governance, Internal and Statutory Audits, Digital Transformation, Process Reengineering, Internal Controls Reviews, and Business Continuity Management. She is currently the Chief Operating Officer at Artha Bharat Investment Managers IFSC LLP and is in the process of becoming the firm's Designated Partner, subject to regulatory approval.

Ashwini is a Chartered Accountant (ICAI) and CFA charter holder (CFA Institute), with additional certifications in Certified Information Systems Auditor (ISACA), Certified Internal Auditor (IIA), and Operational Risk Management (CISI). Outside of her professional career, she is a passionate singer and avid traveller, having explored over 70 countries.

She has held leadership roles on various boards, including ISACA-Muscat, IIA-Oman, and as Chairperson of the ICAI-Muscat Chapter. She was also a founding member of CFA-Oman. Ashwini has served on the board of an international IB school in Oman and currently represents the Indian Ambassador as a board member of Indian Schools in Oman.

3.3 **Services Offered**

3.3.1 **Discretionary Portfolio Management Services**

- (a) Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client in accordance with the PMS Agreement. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from client to client.
- (b) The Portfolio Manager's decision (taken in good faith) in deployment of the Client's fund's is absolute and final and can never be called in question or be open to review at any time during the currency of the PMS Agreement or at any time thereafter except on the ground of fraud, *mala fide*, conflict of interest or gross negligence as provided in detail under the PMS Agreement. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws.

3.3.2 **Non-Discretionary Portfolio Manager Services**

- (a) Under the Non-Discretionary Portfolio Manager Services, the investment decisions of the Portfolio Manager and the Portfolio will be managed as per the PMS Agreement, and the express instructions issued by the Client from time to time. The Portfolio Manager shall execute orders as per the mandate received from Client. The Client will have complete discretion to decide on the investment (stock quantity and price or amount). The Portfolio Manager *inter alia* manages transaction execution, accounting, providing research, investment advice, recording or corporate benefits, valuation, and reporting aspects on behalf of the Client entirely at the Client's risk.
- (b) The Portfolio Manager shall invest in and manage the Portfolio of the Client at the instruction of the Client, but always subject to the FM Regulations. The Portfolio Manager will provide the Client with investment recommendations that it considers are fit and in accordance with the terms of the PMS Agreement.
- (c) The Portfolio Manager shall make recommendations to the Client to invest in any one or a combination of financial instruments such as equity, bonds, debentures, mutual fund units, fixed deposits, derivatives instruments, etc. to meet specific requirements of the Client. Only after receiving the approval of the Client shall the Portfolio Manager in any one or a combination of the above-mentioned financial instruments. The Portfolio Manager shall provide investment recommendations to the Client in accordance with the investment specifications agreed with the Client from time to time.

- (d) The Client accepts that the restrictions it may impose on investments may restrict or prevent the Portfolio Manager from making recommendations which may reduce the likelihood of achieving the investment objectives. The Portfolio Manager shall invest or disinvest or hold the securities in accordance with the Client's instructions and confirmation.
- (e) The Portfolio Manager must act in a fiduciary capacity and will provide services in compliance with the FM Regulations and any other Applicable Laws.

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

- 4.1 All cases of penalties imposed by IFSCA or the directions issued by IFSCA under the IFSCA Act, rules or regulations made thereunder - **NIL**
- 4.2 The nature of the penalty/direction - **NIL**
- 4.3 Penalties/fines imposed for any economic offence and/or for violation of any securities laws - **NIL**
- 4.4 Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any – **NIL**
- 4.5 Any deficiency in the systems and operations of the Portfolio Manager observed by IFSCA or any regulatory agency - **NIL**
- 4.6 Any enquiry/adjudication proceedings initiated by IFSCA against the Portfolio Manager or its partners, designated partners, compliance officer, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, designated partners, compliance officer, principal officer or employee, under IFSCA Act or rules and regulations made thereunder –
 - 4.6.1 For Portfolio Manager its partners, designated partners, KMPs (including the principal officer and compliance officer) or employees: **NIL**
 - 4.6.2 For person directly or indirectly connected with the Portfolio Manager: **NIL**

5. INVESTMENT OBJECTIVE AND POLICIES

The Portfolio Manager may design and develop various products keeping in mind market conditions and may customize for Client's specific need / profile. The Portfolio in all cases will be guided strictly by the Applicable Laws. The investment objective of the Portfolio Manager shall be to apply best efforts basis its professional expertise to generate sustainable returns over medium to long term by making investments which primarily comprise of listed securities. However, while aforesaid is the objective, it needs to be reiterated that there can be no assurance and / or guarantee of such growth or even as regards preservation of capital or of there being no capital loss. While most of the Portfolios would be biased towards alternate investments like derivative trading, long/short equities, complex derivative algo trading, leveraged structured products, etc, there could be Client Portfolios with other kind of Securities, capital and money market instruments or in fixed income securities or variable securities of any description, as allowed under FM Regulations.

5.1 **The policies for investments in associates / group companies of the Portfolio Manager and the maximum percentage of such investments therein subject to the Applicable Laws**

The Portfolio Manager shall not make any investments in the securities of its associates or group companies. The Portfolio Manager may invest in the Funds managed by the Portfolio Manager

6. **RISK FACTORS**

6.1 **Investment Related**

6.1.1 Securities investment is subject to market risks and there is no assurance or guarantee that the objective of investments of the Client will be achieved.

6.1.2 Past performance of the Portfolio Manager does not indicate its future performance of the Portfolio or performance of any other future portfolio(s) of the Portfolio Managers.

6.1.3 Risk arising from investment objective, investment strategy and asset allocation are as follows:

- a) The value of the Portfolio can go up or down depending on the factors and forces affecting the capital market, the underlying asset through which the securities derive their value, the investee company, and general economic risk and the Portfolio Manager is not responsible or liable for losses resulting from the operations of the Portfolios;
- b) The liquidity of the Portfolio investments is inherently restricted by trading volumes in the securities in which the investment is made and in certain cases, such as unlisted securities, a market for such securities may not exist;

6.2 Non-Diversification Risk: The investment objectives could result into concentration on a specific asset/asset class/sector/issuer etc., which could expose the Portfolio to undesired diversification.

7. **GENERAL RISK FACTORS**

7.1 Conflict of Interest

The Portfolio Manager may have direct or indirect interest in the entities in which the Portfolio Manager may recommend to the Clients to purchase the securities of. In certain cases, the entities whose securities are recommend for purchase by the Client may have been promoted or incorporated by the partners, KMPs or employees of the Portfolio Manager.

7.2 Equity and Equity Related Risks

Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions shall not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions. The investment made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.

7.3 Macro-Economic risks

Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.

7.4 Liquidity Risk

Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the scheme may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Additionally, in the event the Client has invested in unlisted securities, there is no guarantee that the Portfolio Manager will be able to find a purchaser for such securities or benchmark the price for purchase for such securities (as there won't be a market for the same).

7.5 Credit Risk

Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.

7.6 Interest Rate Risk

Interest rate risk is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon.

7.7 Force Majeure Risk

In certain cases, the value of securities may be impacted by external factors such as acts of State, eminent domain, or sovereign action, acts of nature, acts of war, civil disturbance, which may affect the liquidity of securities, value of underlying asset.

7.8 Capital Risk

The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to factors which by way of illustration include default or non-performance of a third party, company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

7.9 Derivative Risks

The derivatives will entail a counter party risk to the extent of amount that can become due from the party. The cost of hedge can be higher than adverse impact of market movements. An exposure to derivatives in excess of hedging requirements can lead to losses. An exposure to derivatives can also limit the profits from a genuine investment transaction. Efficiency of a derivatives market depends on the development of a liquid and efficient market for underlying securities and also on the suitable and acceptable benchmarks.

7.10 Reinvestment Risk

This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.

7.11 Non-Diversification Risk

The risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. Further, in certain cases, the Portfolio Manager may only be able to source investment opportunities in certain geographies, which may lead to concentration and thereby increase non-diversification risk.

7.12 Mutual Fund Risk

This risk arises from investing in units of mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over and mergers of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

7.13 Market Risk

Market values, liquidity and risk: return profile of investments (investment characteristics) in equities are likely to fluctuate depending on performance of the industry, national and international economies, regulations and changes therein - domestically and internationally, events that are of significant impact such as war, terrorism, sanctions and trade embargoes, natural calamities, acts of God etc. Market values, liquidity and yields of fixed and variable income instruments are likely to fluctuate depending on the prevailing interest rates in the market, liquidity preferences, impact cost changes, re-ratings of the issuer or the instruments, competing instruments, etc.

7.14 Stock Specific Risk

Performance of the issuer companies will have significant influence on market prices of its securities. This will further depend on, in addition to external factors, its own ability to perform, management, changes therein, frauds by and on the management etc. These are known as internal risks.

7.15 Transaction and Settlement Risk

The Portfolio faces additional risks such as timing risks, short delivery or delayed delivery from markets, reduced liquidity, etc.

7.16 Portfolio Manager Competency Risk

The Portfolio faces risks based on management and operational efficiencies and controls of the Portfolio Manager i.e., the risk is based on ability of the Portfolio Manager in identifying opportunities or misjudging trends and late investments and/ or early liquidations, either at a loss or at reduced profits, or misjudging opportunities completely.

7.17 Allied Service Provider Risk

The Portfolio faces risks due to other service providers that the Portfolio Manager may engage to render the services such as banking, broking, clearing and settlement, Custodian services, courier services, auditing services etc.

7.18 Portfolio Allied Operations Risk

The Client also faces risks from usage of technology for recording transactions and accounts, communication of information to and fro, data computing and storage, leakages of data / information from various points including at the Portfolio Manager's operations etc.

7.19 Regulatory Risk

Changes made by the government in any of the policy parameters, including in respect of taxation, etc., that affect working of companies have positive / negative impact on market prices of those stocks and to that extent, in the value of the Portfolio. Such changes may also apply to the manner in which Portfolio is being operated and on taxability of profits made on divestment, tax treatment for dividends, etc.

7.20 Vacancy Risk

In certain circumstances, the securities purchased by the Client may derive their value from income generated from the underlying asset. In such cases, the value and return on the securities may be impacted in case the underlying asset is not able to generate income, which may be due to various factors. Further, the Portfolio Manager may offer investment opportunities to other clients, which may compete with the investment made by you.

7.21 Title Risk

As a Portfolio Manager, we may appoint advisors and service providers to undertake due diligence of underlying asset, however, there is an inherent risk associated with any due diligence exercises as it relies on the vendor to provide all information, accurately and truthfully.

7.22 Litigation Risk

The value and marketability of the securities or the underlying asset may be impacted due to commencement of litigation in relation to the client, the issuer of security or the underlying asset through which the securities derive their value.

7.23 Key Person Risk

Key persons of the Portfolio Manager may be involved in various capacities (such as partners/directors or shareholders) with the issuer of securities purchased the Client and there may be a potential non-alignment or conflict of interest in such cases. Some of the transactions between the Portfolio Manager and the issuer of securities purchased by the Client will be treated as related party transactions.

8. CLIENT REPRESENTATION/TRACK RECORD

The Portfolio Manager is a first-time portfolio manager and has no prior experience or track record to showcase under the PMS segment. However, the Portfolio manager entity acts as the investment manager to a recently set-up AIF viz. Artha Global Opportunities Fund, a Category III AIF registered with IFSC bearing registration no. IFSC/AIF3/2024-25/0159.

9. THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (BASED ON AUDITED FINANCIAL STATEMENT)

The Portfolio Manager has been recently registered with the IFSCA as a Registered FME (non retail) effective from August 1, 2024 and hence the financial performance of the Portfolio Manager is not available as on date.

10. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER FOR THE LAST THREE YEARS, AND IN CASE OF DISCRETIONARY PORTFOLIO MANAGER DISCLOSURE OF PERFORMANCE INDICATORS CALCULATED USING TIME WEIGHTED RATE OF RETURN IN TERMS OF REGULATION 22 OF THE FM REGULATIONS

The Portfolio Manager is a first- time portfolio manager and has no prior experience or track record to showcase under the PMS segment.

DPMS:

| Sr. No. | Portfolio TWRR (Net of all fees & charges levied by the portfolio manager) / Benchmark | Year 1 | Year 2 | Year 3 |
|---------|--|--------|--------|--------|
| -NA- | | | | |

NDPMS:

| Sr. No. | Portfolio Performance (annual yield %). Net of all fees and charges levied by the Portfolio Manager. | Year 1 (2024 – 25) | Year 2 (2025 – 26) | Year 3 (2026 – 27) |
|---------|--|-----------------------|-----------------------|-----------------------|
| 1. | NA- | NA- | NA- | NA- |
| 2. | NA- | NA- | NA- | NA- |

11. AUDIT OBSERVATIONS

There are no audit observations for the preceding three years.

12. NATURE OF EXPENSES

12.1 The following are indicative types of costs and expenses for clients availing the Portfolio Management Services.

12.2 The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.

12.2.1 Investment management and advisory fees

The portfolio management fees relate to Portfolio Management Services offered to the Clients. The fee may be a fixed fee or performance-based fee or a combination of both, as agreed by the Client in the PMS Agreement. Charges pertaining to partial withdrawal / closure would be levied as per the terms provided in PMS Agreement.

12.2.2 Brokerage and Transaction Costs

Brokerage and / or transaction cost on transactions would be levied at the prevailing rates charged by the brokers and / or any such other intermediary including applicable goods and services tax, stamp duty, securities transaction tax, turnover tax, any other levies thereon, as may be applicable from time to time.

12.2.3 Exit Load

Portfolio Manager shall charge exit load to the Client in the following manner:

- In the 1st year of investment: Maximum 3% of the amount redeemed
- In the 2nd year of investment Maximum 2 % of the amount redeemed
- In the 3rd year of Investment: Maximum 1% of the amount redeemed
- After period of 3 years from the date of investment: Nil

12.2.4 Other operating expenses

Over and above the fixed fee, performance fee and the transactions cost as mentioned above, the Portfolio Manager would recover charges levied by the Custodian for acquiring, holding, sale & transfer of investments in de-materialised form (like custody charges, transaction charges, depository charges, out of pocket expenses, etc., at actual), audit fees for auditing and reporting of individual Client's account and any other charges that the Portfolio Manager may have to incur while running the portfolio management services. The above fees, transaction cost and other charges shall be directly debited to the Client's account as and when the same becomes due for payment. These include:

- (a) Custodian/Depository fees: The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.
- (b) Registrar and transfer agent fee Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges; cost of affidavits, notary charges, postage stamp and courier charges.

- (c) Certification and professional charges payable for outsourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.
- (d) Incidental Expenses in connection with the inter alia courier expenses, stamp duty, Goods and Services Tax, postal, telegraphic, opening and operation of Bank Account and Trading Account.
- (e) Audit Fees Actual charges levied by the auditor to be recovered by the Portfolio Manager from the Client, based on pre-determined criteria.

Manner of payment of fees and/ or expenses: The Portfolio Manager shall recover directly from the bank accounts of the Client maintained under PMS, all the fees, transactions cost and other charges as specified above.

Indicative Expenses

| Sr. No. | Nature of Expenses (Indicative) | Indicative Rate of Fee (%) |
|---------|--|--|
| 1. | Investment Management and Advisory fee | |
| | A) Fixed Fee | Up to 3% |
| | B) Performance Linked Fee as permitted under the Regulations | 20% over a hurdle rate of 8% IRR based on High Water Mark Principle. |
| 2. | Brokerage and transaction costs | The current average brokerage rate is upto 15 bps+STT (exclusive of GST) for 'buy' and 'sell' transaction from the pool account. Such costs are either added (in case of 'buy') or reduced (in case of 'sale') from the trade value. To be charged at actuals. |
| 3. | Exit Loads | <p>In case client portfolio is redeemed in part or full, the Portfolio Manager may charge Exit Load as follows:</p> <p>a) In the first year of investment, upto 3% of the amount redeemed.</p> <p>b) In the second year of investment, upto 2% of the amount redeemed.</p> <p>c) In the third year of investment, upto 1% of the amount redeemed.</p> <p>d) After a period of three years from the date of investment, no exit load.</p> <p>It is hereby clarified that the Portfolio Manager may, in its sole discretion, have the power to waive off these charges or apply a different rate of Exit Load, on a case-by-case basis, depending upon the costs of liquidation, if any.</p> |
| 4. | Other operating expenses (Includes Custody fees, Audit fees, Franking, Notary) | Up to 0.5% per annum on average daily Assets Under Management or at actuals whichever is lower. |

| | | |
|---|---|--|
| | Charges, Miscellaneous expenses and excludes brokerage and fees charged by the Portfolio Manager) | |
| Basis of Charge – Indicative (one or a combination of the below) or otherwise agreed with the Client under the Agreement. | | |
| a. | | On Average Daily Assets Under Management |
| b. | | On Capital Invested |
| c. | | On Capital Committed |
| d. | | On Average Daily Equity portion of the Portfolio |

Note: The Portfolio Manager may also be entitled to recover transaction fee, brokerage charges, demat fees, and/or disbursement made in respect of the investments (and/or disbursements) and/or any incidentals in the form of stamp duties, registration charges, professional fees, legal fees, consultancy charges, service charges etc. and such other expenses, duties, charges incurred on behalf of the Client on account of the Service provided to him/her/it.

Please note that the figures provided hereinabove are indicative in nature and the Portfolio Manager may, in its sole discretion, vary the Fixed Fee, Performance Linked Fee, Exit Load for different investors in the manner as may be provided in detail under the Agreement.

13. TAXATION

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

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

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

Tax rates provided herein are based on the assumption that investment shall be made on securities listed stock exchange outside India.

The following summary is based on the law and practice of the Income-tax Act, 1961 (the “**IT Act**”), the Income-tax Rules, 1962 (the “**IT Rules**”) and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects the amendments as per the Finance Bill, 2023 for financial year (‘FY’) 2023-24 (assessment year 2024-25) and are inclusive of surcharge and education cess as applicable, unless specified otherwise.

1. Taxation in hands of investors

A. *Characterization of income*

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

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

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

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business.

The below tax rates have been provided on the assumption that the investments are held by the investors as capital asset.

Taxation of Resident investors

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

discussed below:

a) Dividend income

Dividend income is taxable at the rates applicable to the respective assesses as follows:

| Dividend income received by | Tax Rate for the domestic investors |
|------------------------------------|--|
| Resident companies | 34.944%/ 29.12%/ 25.17%/ 17.16% |
| Firms / LLPs | 34.944% |
| Others | As per applicable slab rates, maximum being 35.88% |

No deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income. If the said dividend is taxed in the source country, subject to the conditions specified in the tax treaty entered into between India and source country and provisions pertaining to foreign tax credit (explained below) under the IT Act and IT Rules, the assessee may be able to claim a credit of taxes paid in the source country, while making payment of taxes in India.

b) Interest income

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

| Interest income received by | Tax Rate for the domestic investors |
|------------------------------------|---|
| Resident companies | 34.944%/ 29.12%/ 25.17%/ 17.16% |
| Firms / LLPs | 34.944% |
| Others | As per applicable slab rates, maximum being 42.744% |

Where the new tax slab rates proposed as per Finance Bill 2023 are considered, the highest rate of tax shall be 39%.

c) Capital gains

Assuming the shares/ securities are held as capital assets, gains arising on such assets shall qualify as capital gains. Investors shall be liable to pay taxes on capital gains income as under:

i. Period of holding

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

| Nature of foreign asset | STCA | LTCA |
|---|---------------------------|---------------|
| For shares of companies | Held for not more than 24 | Held for more |
| For assets other than those specified above | Held for not more than 36 | Held for more |

ii. Taxation of capital gains

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

| Nature of Income | Tax rate for investors who are | Tax rates for resident | Tax rates for other resident |
|--|--------------------------------|------------------------|------------------------------|
| STCG on securities | 34.94%/ 29.12%/ 25.17% | 42.74% / 39% | 34.94% |
| LTCG on transfer of securities (other than | 22.88%/ 23.30% | 23.92% | 23.30% |
| LTCG on transfer of bonds and debentures | 22.88%/ 23.30% (witho | 23.92% (witho ut | 23.30% (witho ut |

*Computation mechanism and indexation benefit needs to be evaluated.

iii. Foreign Tax Credit:

India has entered into double taxation avoidance agreements with many countries. The treaties allocate the taxing rights between the source country and the resident country. Many tax treaties contain the provisions that the capital gains arising from the alienation of shares of a company shall be taxable in the source country. Thus, the capital gains arising to a person resident of India from the transfer of foreign shares shall be taxable both in the foreign country (on basis of source rule) and in India (on basis of residence rule). However, the foreign tax credit can be claimed in the country of residence for the taxes paid in the source state based on the

foreign tax credit provisions under the IT Act and IT Rules.

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 source. However, no assurance can be provided that the Tax Treaty benefits would be available to the resident investor or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

Where the income from foreign shares is taxable in both the countries (resident country and the source country) and the assessee has paid tax in the source country, he shall be allowed a credit for the same in the country of residence, by way of deduction or otherwise. The credit shall be allowed in the year in which assessee offered such income to tax or assessed to tax in India. A resident taxpayer shall be required to furnish a statement of income offered to tax and the foreign tax which has been deducted or paid on such income to claim the credit. Such statement shall be furnished in Form No. 67 electronically on or before the due date for furnishing return of income.

Taxation of Non-resident investors

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

Exemption to non resident investors

Regarding taxability of the non-resident investors, under Section 10(4G) of the IT Act any income received by a non-resident from portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident, in an account maintained with an Offshore Banking Unit in any International Financial Services Centre, to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India, shall be tax exempt in India and no tax shall be payable on such income.

Other aspects

i. Minimum Alternate Tax

The IT Act provides for levy of Minimum Alternate Tax (‘MAT’) on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the

case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Corporate assesseees operating in International Financial Services Centre (‘IFSC’) shall be charged MAT at the concessional rate of 9%.

For domestic companies exercising option to pay tax at the rate of 22% (plus applicable surcharge and cess), MAT provisions do not apply.

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

II. Alternate Minimum Tax

AMT at the rate of 18.5% (plus applicable surcharge and cess) is applicable to persons, other than companies except in cases where option referred to in section 115BAC or section 115BAD of the Act are exercised, subject to certain exceptions, on the adjusted total income if the tax amount so calculated under AMT is higher than the tax amount calculated under the normal provisions of the IT Act. Further, non-corporate assessee operating in International Financial Services Centre ('IFSC') and which derives its income solely in convertible foreign exchange shall be charged AMT at the concessional rate of 9%.

Assessee opting for tax regime under section 115BAC or section 115BAD will not be required to pay AMT.

III. TCS on remittance made via liberalised remittance scheme ('LRS') route

Under clause (a) of section 206C(1G) of the IT Act, an authorised dealer who receives an amount for remittance out of India from a buyer, being a person remitting such amount out of India under LRS, shall at the time of debiting the amount payable by the buyer or at the time of receipt of such amount from the said buyer (by any mode) whichever is earlier, collect from the buyer TCS @ 5%. The TCS to be collected by an authorised dealer from the buyer shall be equal to 5% of the amount or aggregate of the amounts in excess of INR 7 lakh remitted by the buyer in a financial year, where the amount being remitted is for a purpose other than purchase of overseas tour program package.

For the purposes of the above provisions authorised dealer means a person authorised by the Reserve Bank of India under sub-section (1) of section 10 of the Foreign Exchange Management Act, 1999 (42 of 1999) to deal in foreign exchange or foreign security.

The Finance Bill 2023 proposes to increase the rate of TCS to be collected on LRS remittances under the above provisions from 5% to 20%. Further, the Finance Bill 2023 also proposes to amend the provisions to remove the threshold of INR 7 lakh.

IV. Carry-forward of losses and other provisions:

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

and set-off against long term capital gains arising during the subsequent 8 assessment years.

V. General Anti Avoidance Rule (“GAAR”)

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

- a. Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- b. It results in direct / indirect misuse or abuse of the IT Act;
- c. It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- d. It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

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

- a. Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- b. Ignoring the arrangement for the purpose of taxation law;
- c. Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- d. Looking through the arrangement by disregarding any corporate structure; or
- e. Reallocating and re-characterizing equity into debt, capital into revenue, etc.
- f. Disregarding or treating any accommodating party and other party as one and the same person;
- g. Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The above terms should be read in the context of the definitions provided under the IT Act. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

The provisions of GAAR are applicable with effect from financial year 2017-18 and onwards.

VI. Multilateral Instrument (‘MLI’)

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.

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 MLI.

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 9 August 2019, India had notified the provisions of Multilateral Convention under section 90(1) of the IT Act and has specified the date of entry into force as 1 October 2019. In order 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).

Once MLI evolves in future, one would need to analyse its impact at that point in time on the existing tax treaties that India has entered into with other countries.

VII. GST

Goods and Service Tax (GST) will be applicable on services provided by the Company to investors. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards portfolio management fee to the Company. However, in respect of International Financial Services Centre ('IFSC'), there is a relaxation in respect of levy of GST on transactions carried out in IFSC exchanges, and on services provided to offshore investors. Services provided to resident investors from IFSC are subject to GST at the rate of 18%.

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

14. ACCOUNTING POLICIES

- 14.1 Books and records would be separately maintained in the name of the Client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the FM Regulations. Accounting under the respective Portfolios will be done in accordance with Generally Accepted Accounting Principles in India.
- 14.2 The Portfolio Manager and the Client can adopt any specific norm or methodology for valuation of investments or accounting the same may be mutually agreed between them on a case specific basis.
- 14.3 The Portfolio Manager shall keep and maintain proper books of accounts, record and documents for each Client so as to explain transactions for each Client and to disclose at any point of the portfolio holding of each Client.
- 14.4 The following accounting policies will be applied for the Portfolio investments of Clients.

14.4.1 *Basis of Accounting*

The financial statements are prepared on an accrual basis of accounting under the historical cost convention.

14.4.2 *Use of estimates*

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and reported revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

14.4.3 *Capital*

Capital represents infusions (net of withdrawals, if any) of cash/Securities contributed by the Client under the PMS Agreement.

14.4.4 *Investments*

- (a) Accounting for investment transactions: Purchase and sale of investments are recorded on trade date basis, after considering brokerage, if any. Securities Transaction Tax levied on purchase/sale of Securities during the financial year is recognized as an expense in the books of accounts. Investments as at the Balance Sheet date are reflected at cost. Investments are allocated to the Client based on pre-determined criteria at weighted average price of the day's transaction.
- (b) Bonus rights and splits are recorded on the respective ex-dates notified by the company.

14.4.5 Revenue Recognition

- (a) Profit or loss on sale of investments is recognised on the date of transaction and is determined by applying the First in - First out principle.
- (b) Dividend income is accounted for when unconditional right to receive is established.
- (c) Interest on fixed deposits is accrued on a time proportionate basis at the underlying interest rates.

14.4.6 Expenses

All expenses are accrued and accounted on following basis:

| Audit Fees | Allocated based on pre-determined criteria. |
|---|---|
| Depository Charges & Transaction Charges | At actuals based on actual invoice received from the Custodians. |
| Management fees & Performance based fees | Accrued in accordance with the Agreement entered with the Client. |
| Securities Transaction Tax | At actuals on basis of allocation of investment. |

14.4.7 Provision for tax

No provision for tax has been made on the income earned during the period since as per the PMS Agreement, all tax liabilities are the Client's sole responsibility. Tax Deducted at Source on interest income is recorded on confirmation obtained from bank.

The above accounting policies are proposed to be consistently applied by the Portfolio Manager.

15. INVESTOR SERVICES

15.1 The Contact details of the investor relation executive who shall attend to the investor queries and complaints:

Name : Madhuri Gurwani

Telephone no.: +91 7567312824

Address : Unit No. B-111, Plot no. T1 & T4, Ground Floor, N/A Road 1A, Block 11, Zone 1, SEZ-PA, Gandhinagar – 382 355

Email : info@arthabharat.com

15.2 In case of escalation, Client may also approach the Compliance Officer of the Portfolio Manager.

15.3 **Grievance redressal and dispute settlement mechanism**

15.3.1 The Compliance Officer will be the interface between the Portfolio Manager and the Client. Grievances, if any, that may arise pursuant to the Agreement entered into by the Client of the Portfolio Manager and the Portfolio Manager shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to Regulations and any amendments made thereto from time to time.

15.3.2 However, all legal actions and proceedings are subject to the jurisdiction of court in Gujarat, India only and are governed by Indian laws. The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Client remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Client and the Portfolio Manager shall abide by the dispute settlement mechanism mentioned below:

15.3.3 Any dispute unresolved by the above grievance redressal mechanism of the Portfolio Manager, within 21 (twenty one) days from the date of receipt of such notice, the parties shall resolve the same through arbitration. Any unresolved claim, dispute, or controversy of whatever nature arising out of or in relation to the Agreement shall be submitted to arbitration under the Arbitration and Conciliation Act, 1996.

15.3.4 The Portfolio Manager and the Client shall jointly appoint a sole arbitrator mutually acceptable to them. In the event of failure to agree upon a sole arbitrator for a period of 15 days of receipt of notice, the arbitrator shall be appointed in accordance with the Arbitration and Conciliation Act, 1996. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. The seat of arbitration shall be Gandhinagar, Gujarat, India. Such arbitration proceedings shall be held at Gujarat, India and the language of the arbitration shall be English.

15.3.5 The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time.

16. **DIRECT ON-BOARDING**

We are hereby happy to launch direct onboarding facility through our website www.arthabharat.com (effective shortly). This facility shall ease Clients to have direct connection Portfolio Manager's personnel rather than routing through any distributor/referral or channel partners. For more details about the same, the Client is requested to write an email isc@arthabharat.com.

It is clarified that the Portfolio Manager also engages with distribution partners to on-board Clients.

Notwithstanding anything contained in this Disclosure Document, the provisions of International Financial Services Centres Authority (Fund Management) Regulations, 2022 as amended from time to time shall be applicable.

For Artha Bharat Investment Managers IFSC LLP

| | |
|--|--|
| Sachin Srinivas Sawrikar Designated Partner |  |
|--|--|

Place: Gandhinagar
Date: April 10, 2025