

**JAIN INVESTMENT ADVISORS PRIVATE LIMITED**

**DISCLOSURE DOCUMENT**

**PORTFOLIO MANAGEMENT SERVICES**

**DISCLOSURE DOCUMENT OF PORTFOLIO**

**MANAGEMENT SERVICES BEING**

**OFFERED BY**

**JAIN INVESTMENT ADVISORS PRIVATE LIMITED**

**KEY INFORMATION AND DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES UNDERTAKEN BY JAIN INVESTMENT ADVISORS PRIVATE LIMITED**

1. This Disclosure document has been filed with the Board along with a certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations 2020.
2. The purpose of this Disclosure document is to provide essential information about the portfolio management services in a manner to assist and enable the Investors in making decisions for engaging Portfolio Manager.
3. This disclosure document contains necessary information about the Portfolio Manager, required by an Investor before investing and the Investor is advised to retain the Disclosure document for future reference.
4. Details of the Principal Officer so designated by the Portfolio Manager is as under:

<b>Name of the Principal Officer</b>	Mr. Vinod Jain
<b>Address</b>	02, Andheri Anurag Bhardawadi, Near ICICI Colony, Andheri (W), Mumbai-400058, India
<b>Phone</b>	022-66898300
<b>E-mail</b>	<a href="mailto:vix@jaininvestment.com">vix@jaininvestment.com</a>
<b>Website</b>	<a href="http://www.jaininvestmentadvisors.com">www.jaininvestmentadvisors.com</a>

**Investors should carefully read the entire document before making a decision to invest and should retain it for future reference.**

**Disclosure Document dated – 30<sup>th</sup> September 2024**

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## **1. Disclaimer Clause**

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 and has been filed with the Securities and Exchange Board of India (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.

This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

## **2. Definitions**

In this Disclosure Document, unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:

- (i) "Act" means the Securities and Exchange Board of India Act 1992 (15 of 1992).
- (ii) "Agreement" or "Portfolio Management Services Agreement" or "PMS Agreement" means the agreement executed between the Portfolio Manager and its Clients in terms of Regulation 22 and as per Schedule IV of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 and amendments to the Act from time to time.
- (iii) "Applicable Law" means any applicable Indian statute, law, ordinance, regulation, rule, order, bye-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. For the avoidance of doubt, the term 'Applicable Law' shall include the Regulations.
- (iv) "Board" means the Securities and Exchange Board of India.
- (v) "Bank" means any scheduled commercial bank, with which the Portfolio Manager will open and operate the bank accounts for the purpose of portfolio management services.
- (vi) "Client" or "Investor" means any person who registers with the Portfolio Manager and enters into an agreement with the Portfolio Manager for availing the services of portfolio management.
- (vii) "Custodian" means any entity(s) appointed as custodian by the Portfolio Manager from time to time and on case-to-case basis to provide custodial services and to act as a custodian on the terms and conditions agreed between the custodian and the Portfolio Manager.
- (viii) "Depository" means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL").
- (ix) "Disclosure Document" means this disclosure document issued by Jain Investment Advisors Private Limited for offering portfolio management services prepared in terms of Regulation 22 and Schedule V of the SEBI (Portfolio Managers) Regulations 2020.
- (x) "Financial year" means the year starting from 1<sup>st</sup> April and ending on 31<sup>st</sup> March of the following year.

- (xi) "Funds" means the moneys placed by the Client with the Portfolio Manager and any accretions there to including the proceeds of the sale or 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.
- (xii) "Initial Corpus" means the value of the funds and the value of readily realizable securities brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
- (xiii) "Portfolio" means the total holdings of securities managed by the Portfolio Manager on behalf of the client by the Portfolio Manager, on the terms and conditions contained in the agreement and includes any further securities placed by the client with the Portfolio Manager for being managed pursuant to the Agreement, securities acquired by the Portfolio Manager through Investment of Funds and bonus and rights shares in respect of securities forming part of the portfolio, so long as the same is being managed by the Portfolio Manager.
- (xiv) "Portfolio Manager" means Jain Investment Advisors Private Limited, incorporated under the Companies Act, 2013 and having its registered office at 02, Andheri Anurag Bhardawadi, Near ICICI Colony, Andheri (W), Mumbai-400058, India
- (xv) "Principal Officer" means a person who has been designated as Principal Officer by the Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations 2020 and he will be responsible for the activities of Portfolio Manager.
- (xvi) "Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020, including rules, guidelines or circulars issued in relation thereto from time to time.
- (xvii) "SEBI" means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act 1992.
- (xviii) "Securities" means and includes Securities as defined under Securities Contracts (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 governing portfolio management services.

### **3. Description**

#### **a) History, Present Business and Background of the Portfolio Manager**

Jain Investment Advisors Private Limited was incorporated on 20<sup>th</sup> April, 2010 at Mumbai.

Mr. Vinod Jain and Mr. Harshit Singhvi are the founders of Jain Investment Advisors Private Limited. Jain Investment Advisors Private Limited is also the Sponsor to Jain Investment Advisors Trust Category III AIFs registered with SEBI.

**b) Promoters of the Portfolio Manager, Shareholders and their background**

Mr. Vinod Jain is the founder of Jain Investment Advisors Private Limited holding 72.35% of the ownership, Mr. Harshit Singhvi holds 23.53% of the ownership and M/s. Jain Investment Holding holds 4.12% of the ownership.

He began his financial services career with Birla Sun Life Distribution where he handled finance followed by a brief stint with India's largest bourse National Stock Exchange.

A chartered accountant (Merit holder) with B.A. (Hons.) Economics under his belt, Vinod founded Jain Investment, a boutique wealth advisory firm in 2001 with a vision to help investors make smart investment choices.

Vinod also serves on the board of Foundation of Independent Financial Advisors (FIFA), a professional association of financial advisers, where he advises the Board on policy framework for developing and nurturing the mutual fund distribution community.

He is regularly quoted in the media and has been featured in several news portals and publications like Mint, Business Standard, Morningstar, Café mutual and ET Wealth.

**Details of Key Investment Management and other personnel**

Name	Designation	Years of Experience	Brief Profile
Mr. Vinod Jain	Principal Advisor and Principal Officer	25	A number cruncher and astute stock picker, Vinod has been investing in markets since the age of 19. He has been managing the firm's domestic Portfolio Management Service (PMS) registered with Securities and Exchange Board of India (SEBI) and the offshore fund Assetica India Equity Fund domiciled in Mauritius. Both funds have delivered benchmark beating returns by protecting downside risk.
Mr. V Balasubramanian	CIO and Fund Manager	35	A veteran of the financial markets, V. Balasubramanian has seen many different market cycles during his career. These valuable experiences have further enriched his vast knowledge in investing. He entered the markets during the 90s, when FIIs didn't hold any significant stake in the Indian markets. From an era of lacuna of data to information overload, he has learnt the art of sifting information from noise which helps him identify businesses that will evolve and adapt in this disruptive business environment. In his last stint, he was the Chief Portfolio Strategist at Mahindra Manulife Mutual Fund. Prior to joining Mahindra Manulife Mutual Fund, he had worked as CIO with IDBI Mutual Fund and with the Treasury team at Indian Bank. He has over 35 years of work experience, of which, 25 years have been in the mutual fund industry and 8 years in the treasury dept
Mr. Harshit Singhvi	Head- PMS Division	17	An MBA in Finance, Harshit has 17 years of experience in capital markets. He initially started in Jewelry business and then started a broking firm and subsequently partnered with Jain Investment for Portfolio Management Services in 2010. Harshit's broking firm has been acquired by Jain Investment. He is a partner in Jain Investment Advisors Private Limited - portfoliomangement services division

Mr. Pallab Kumar Chatterjee	COO	30	Pallab brings with him over three decades of experience spanning operations, investor relations, retail sales and marketing. He joined us in November 2017 and currently heads operations and investor relations. In his role as COO, Pallab is focused on bringing operational efficiency and effectiveness to ensure clients have a seamless experience. Before joining us, he has held diverse roles in leading organizations like Mirae Asset India, HDFC Mutual Fund, IDBI Mutual Fund, SSI Limited and Nagarjuna Group. Pallab has earned his PG in Industrial Relations & Personnel Management.
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**Top 10 Group Companies/Firms of the Portfolio Manager on turnover basis (as on 31st March 2024)**

Sr. No.	Name of the Entities
1	Jain Privy Client Private Limited
2	Jain Investment Alternate Strategies
3	Jain Investment Services
4	Jain Info X LLP
5	Jain Investment Offshore Portfolio Managers IFSC Private Limited
6	Jain Portfolio Managers LLP

**c) Details of the services and investment approaches/strategies being offered:**

The Portfolio Manager is currently providing discretionary portfolio management services but may in future provide Advisory and non-discretionary services.

The broad details of the services are given as below:

**i. Discretionary Portfolio Management Services**

In the case of discretionary portfolio management services, the Portfolio Manager shall independently manage the funds and securities of the Client in accordance with the provisions of the portfolio management service agreement. The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the Client in any type of security as per the executed agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit. The Portfolio Managers' decision in deployment of the Clients' account is absolute and final and cannot be called to question or review at any time during the currency of the agreement or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. Investment under the portfolio management services will be only as per the applicable SEBI regulations. The un-invested parts of the Client's Funds may at the discretion of the Portfolio Manager be held in cash or deployed in liquid fund schemes, exchange traded liquid or index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits, or other short-term avenues for investment. The Client's portfolios under the discretionary services are based on Client's investment objectives and should not be construed as any scheme promoted by the company.

**DIRECT ON-BOARDING OF CLIENTS:** Jain Investment Advisors Private Limited provides the facility for direct on-boarding of clients i.e. on-boarding of clients without intermediation of distributors.

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

(i)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made thereunder.	NO
(ii)	The nature of the penalty/direction.	NO
(iii)	Penalties imposed for any economic offence and/or for violation of any Securities laws.	NO
(iv)	Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.	NO
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency.	NO
(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 Regulations made thereunder.	NO

**5. Services Offered**

**(i) Discretionary – the portfolio account of the client is managed at the full discretion and liberty of the Portfolio Manager. Investment Objectives and Policies**

The Portfolio Manager proposes to provide various portfolios/services based on the mandate of the client as agreed upon between the Portfolio Manager and the Client in the application form / agreement signed by the Client. The investment objectives of the portfolios of the Clients depending on the Clients' needs could fall under any one or more of the following or any combination thereof:

- a) To seek to generate capital appreciation/regular returns by investing in equity/debt/money market instruments/equity related securities and/or units of mutual funds;
- b) to seek to generate capital appreciation / regular returns by investing exclusively in units of mutual funds;
- c) to seek to generate regular returns by primarily investing in debt and money market instruments; and
- d) to seek to generate capital appreciation/regular returns by investing exclusively in gilt securities issued by the Central/State Government securities.

The type of securities where investments may be made by the Portfolio Manager under any of the above-mentioned Services include the following:

- a) shares, scrips, stocks, bonds, debentures, debentures stock or other market able securities of a like nature in or of any incorporated company or other body corporate;
- b) derivatives;
- c) units or any other instrument issued by any collective investment scheme;
- d) security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002;
- e) government securities;
- f) units or any other such instrument issued to the investors under any scheme of mutual fund;
- g) alternative investment fund or venture capital fund;
- h) any certificate or instrument (by whatever name called), issued to any investor by any issuer being a special purposes distinct entity which possesses any debt or receivable, including mortgage



debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;

- i) such other instruments as may be declared by the Central Government to be securities; and
- j) rights or interest in securities.

The above-mentioned securities are illustrative in nature. Investments can be made in various equity and equity related securities including convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, units of alternative investment funds, exchange traded funds (“ETFs”) and other eligible modes of investment as may be permitted by the Regulations from time to time.

The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of mutual funds/liquid ETF. Investments can be made in listed, unlisted, convertible, non-convertible, secured, unsecured, rated, or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (“IPOs”), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

The debt category will include all types of debt securities including but not limited to securitized debt, pass through certificates, debentures (fixed, floating, variable coupon, and equity index/stocks/stocks basket linked), bonds, government securities issued or guaranteed by Central or State Government, non-convertible part of partially convertible securities, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, units of SEBI registered alternative investment funds and venture capital funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements etc. as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

Asset classes for investment will always be subject to the scope of investments as may be agreed upon between the Portfolio Manager and the Client by way of any agreement, explicit or implied including this disclosure document, addendum thereof, other documents and communications in writing and emails duly authenticated and exchanged between the client and the Portfolio Manager.

Presently the Portfolio Manager is predominantly investing in Listed Equity Shares on stock exchanges in India.

## **(ii) Investment Approach/Strategies**

Investment objectives and strategies may vary from client to client. The investment objectives of the client are understood and captured from the application form and the client agreement. The application form/client agreement captures the client’s expectation of returns and risk tolerance and other terms. Further, depending on the individual client requirements and specifications, the portfolio can be tailored or made.

**Diversification Policy:** The Portfolio Manager has a diversification policy in place, which covers the following considerations in managing Client’s funds and mitigating risk that could arise from non-diversification.

- Portfolio construction basis Investment Approach objectives.
- Number of securities and level of concentration of securities basis percentage, sectors/industry.
- Adhering to the limits of investment prescribed under the applicable Regulation.
- Client’s guidance on limits/restriction for investment in securities
- Nature of securities viz. equity, debt, liquid, and market-capitalization, sector, industry, etc.
- Liquidity nature of the securities

## 6. Risk Factors

### General Risk Factors

- (i) Investments in Securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- (ii) The past performance of the Portfolio Manager in any Portfolio is not indicative of future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- (iii) The performance of the Portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- (iv) The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the marketplace, company specific and industry specific and macro-economic and regulatory factors.
- (v) The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the marketplace and industry specific and macro-economic factors.
- (vi) The debt investments and other fixed income Securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- (vii) Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- (viii) The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities which may expose the Client's Portfolio to liquidity risks.
- (ix) Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party.
- (x) Portfolio services using derivatives, futures and options are affected by risk different from those associated with stock and bonds. Such investments 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 derivatives and futures and options. Some of the risks relate to mist-pricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Additionally, the derivatives and future adoptions market is nascent in India.
- (xi) The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the portfolio management services. All Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
- (xii) Investment decisions made by the Portfolio Manager may not always be profitable.
- (xiii) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investments strategy and asset allocation.
- (xiv) The arrangement of pooling of funds from various clients and investing them in Securities could be construed as an 'Association of Persons' ("AOP") in India under the provisions of the Income-Tax Act 1961 and taxed accordingly.
- (xv) In case of investments in schemes of mutual funds, alternative investment funds and venture capital funds, the Client shall bear the recurring expenses and performance fee, if any, of the portfolio management services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.
- (xvi) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situations, the Clients may suffer opportunity loss.
- (xvii) The investment objectives of one or more of the investment profiles could result in concentration of a specific asset/asset

class/sector/issuer etc., which could expose the Clients 'Portfolio to risks arising out to fanon-diversification, including improper and/or undesired concentration of investment risks.

### Specific Risk Factors

- (i) **Market Risk:** The Value of the Portfolio will react to the securities market movements. The investor could lose money due to fluctuation in the value of Portfolio in responseto factors such as economic and political developments, changes in interest rates andperceived trends in securities market movements and over longer periods during market downturns.
- (ii) **Market Trading Risks-Absence of Active Market:** Although Securities are listed on theexchange(s), there can be no assurance that an active secondary market will developor be maintained.
- (iii) **Lack of Market Liquidity:** Trading in Securities on the exchange(s) may be halted because of market condition, so for reasons that in the view of the exchange Authorities or SEBI, trading in a particular Security is not advisable. In addition, trading in Securities is subject to trading halts caused by extra ordinary market volatility and pursuant to exchange and SEBI 'circuit filter' rules. There can be no assurance that therequirements of the market necessary to maintain the listing of Securities will continue to be met or will remain unchanged.
- (iv) **ETF may trade at prices other than NAV:**ETF may trade above or below their NAV. The NAV or ETF will fluctuate with changes in the market value of Scheme' holdings' of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAV as well as market supplyand demand of ETF. However, given that ETF can be created and redeemed only in creation units directly with the mutual fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.
- (v) **Regulatory Risk:** Any changes in trading regulations by the exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discountto NAV for ETFs. In the event of a halt of trading in market the Portfolio may not be able to achieve the stated objective.
- (vi) **Asset Class Risk:** The returns from the types of Securities in which the Portfolio Manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of our performance and under performance in comparison of the general securities markets.
- (vii) **Performance Risk:** Frequenters balancing of Portfolio will result in higher brokerage/transaction cost. Also, as the allocation to other Securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by under lying securities.
- (viii) **Interest Rate Risk:** Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of mutual fund in which the Portfolio Manager may invest from time to time. Normally the NAV of the liquid scheme increases with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatileleading to the possibility of movement super down in the NAV of the units of the liquid/debt funds.
- (ix) **Credit Risk:** Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.
- (x) **Model Risk:** Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the Securities selected for hedging may significantly differ from thereturns predicted by the mathematical models.
- (xi) **Investments in Derivative Instruments:** As and when the investments are done in derivative market, there are risk factors and issues concerning the use of derivatives that the investors should understand. Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivative requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "Counter Party") to comply with the terms of the derivative contract. Other risks in using derivatives include but are not limited to:

- (a) Credit Risk: This occurs when a counter party defaults on a transaction before settlement and therefore it involves negotiation with another counter party, at the then prevailing (possibly unfavorable) market price, to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement, but one takes the performance risk on the exchange.
  - (b) Market Liquidity: This risk is where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates, and indices.
  - (c) Model Risk: This is the risk of mispricing or improper valuation of derivatives.
  - (d) Basis Risk: This risk arises when the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in future pricing. As a result, a relatively small price movement in a derivative contract may result in an immediate and substantial loss or gain. However, the Portfolio Manager will not use derivative instruments, options or swap agreements for speculative purposes or to leverage its net assets and will comply with applicable SEBI Regulations. There may be a cost attached to buying derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. The possible lack of a liquid secondary market for a derivatives contract may result in inability to close the derivatives positions prior to their maturity date.
  - (e) Illiquidity Risk: The corporate debt market is relatively illiquid vis-à-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Further, liquidity may occur only in specific lot sizes. Liquidity in a Security can therefore suffer. Even though the Government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual restriction in market volumes or on occasions when an unusually large transaction has to be put through. Trading in specified debt securities on the Exchange may be halted because of market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in the specified debt security is not advisable. There can be no assurance that the requirements of the securities market necessary to maintain the listing of specified debt security will continue to be met or will remain unchanged. In such a situation, the Portfolio Manager at his sole discretion will return the Securities to the Client.
- (xii) Zero Return Risk: Returns on investments undertaken in structured securities would depend on occurrence /non-occurrence of the specified event. Thus, returns may or may not accrue to an investor depending on the occurrence/non-occurrence of the specified event.
  - (xiii) Redemption Risk: The payoffs as envisaged in structured securities are such that the Client may lose a part/entire amount invested.
  - (xiv) Risk of Real Estate investment: Investment in Securities of companies investing in real estate is subject to risk of fluctuations in real estate prices. Portfolio returns are dependent on real estate market. Investor could lose money if real estate prices go down at the time of maturity.
  - (xv) Identification of Appropriate Investments: The success of the Investments strategy of Jain Investment Advisors Private Limited would depend on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the LLP may invest, and other factors outside the control of the LLP. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, Portfolio Manager.
  - (xvi) Specific Risk factors and Disclosures pertinent to Structured Notes & Securitized debt instruments:
    - (a) Presently, secondary market for such securitized papers is not very liquid. There is no assurance that a deep secondary market will develop for such Securities. This could limit the ability of the investments to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
    - (b) Securitized transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the Investors. The certificates represent an undivided beneficial interest in the underlying receivables and there is

no obligation of either the issuer or the seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and there by the Investor or payouts may get affect if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to re payhis obligation, the Seller may repossess and sell the underlying asset. However, many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that obligor.

- (c) The structured notes like the index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the under lying index could have a large impact on their value and may also result in a loss.
- (d) The issuer of equity index linked securities or any of its agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (here in after referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may beat variance with or a symmetrical to those on the securities, and they manage in other public and private financial transactions (including the purchase of privately placed investment sores crudities or other assets). The forgoing activities of the issuer of index linked securities or any of its agents and related markets (such as the foreign exchange market) may affect the value of the Securities. In particular, the value of the securities could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inactions of 'The Issuer of index linked securities' or any of its Agents;
- (e) The equity Index linked securities, even after being listed, may not be marketable or may not have a market at all;
- (f) The returns on the structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity bench mark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the under lying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the Securities) the security holder may receive no income/return at all or negative income/return on the Security, or less income/return than the Security-holder may have expected, or obtained by investing elsewhere or ins in similar investments.
- (g) The return on investment in Securities would depend on the prevailing market conditions, both domestically as well as internationally. The returns mentioned in the term sheet are indicative and may or may not accrue to an investor accordingly.
- (h) In equity index linked securities, in the event of any discretions to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities /asset management company;
- (i) There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such equity index linked securities over the life and/or part here of or upon maturity, of the securities.
- (j) At any time during the life of such Securities, the value of the Securities may be substantially less than its redemption value. Further, the price of the Securities may go down in case the credit rating of the Company or issuer goes down.
- (k) The Securities and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer of equity index linked securities.
- (l) The Issuer of equity index linked securities or any person acting on behalf of the Issuer of equity index linked securities, may have an interest/position as regardsthe Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with the master transactions of any kind.

- (m) The Issuer of equity index linked securities or any of its agents, have the legal ability to invest in the units offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investor, and/ or its assets.

## 7. Client Representation

Category of Clients	No. of Clients	Funds Managed in Discretionary Services (In INR	Discretionary/ Non-Discretionary
Others			
As at 31 <sup>st</sup> March 2022	469	574.90	Discretionary
As at 31 <sup>st</sup> March 2023	459	656.93	Discretionary
As at 31 <sup>st</sup> March 2024	688	1210.72	Discretionary
Associates/ Group companies			
As at 31 <sup>st</sup> March 2022	Nil	Nil	NA
As at 31 <sup>st</sup> March 2023	Nil	Nil	NA
As at 31 <sup>st</sup> March 2024	Nil	Nil	NA

- (i) Disclosure in respect of transactions with related parties as on March 31, 2024.

### a. Related Parties and their Relationship

Name of Relationship	Name of the Party
Group/Associate Enterprises	Jain Privy Client Private Limited
Group/Associate Enterprises	Jain Investment Alternate Strategies
Group/Associate Enterprises	Jain Investment Services
Group/Associate Enterprises	Jain Info X LLP
Group/Associate Enterprises	Jain Investment Offshore Portfolio Managers IFSC Private Limited
Group/Associate Enterprises	Jain Portfolio Managers LLP
Key Managerial Personnel	Mr. Vinod Fatehchand Jain
Key Managerial Personnel	Mr. Harshit Singhvi

### Significant transactions with related parties as per audited balance sheet as on March 31, 2024: (Rs. in Thousands)

Name of the related party	Nature of transactions	Amount for the year ended 31 <sup>st</sup> March 2024
Harshit Singhvi	Salary	1,626.50
Chanchal Rathod	Salary	3,300.00
Fatehchand Rathod	Salary	3,300.00
Sheetal Jain	Salary	3,300.00
Vinod Jain	Salary	4,043.50

Sasha Jain	Professional Fees	2,367.00
Jain Investment Alternate Strategies	Professional Fees	5,100.00
Vijiya Singhvi	Professional Fees	780.00

**a. Amount due to/from related parties as per audited balance sheet as on March 31, 2024:  
(Rs. in Thousands)**

Name of the related party	Nature of transactions	Amount for the year ended 31 <sup>st</sup> March 2024
NA	NA	NA

**b. Details of investments in the securities of related parties of the Portfolio Manager as on March 31, 2024:**

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 cores)	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
1	All Investment Approaches	None	N.A.	N.A.	N.A.

**8. Financial Performance Summary of Portfolio Manager  
(Rs. in thousands)**

PARTICULARS	As on 31-03-2024 (Audited)	As on 31-03-2023 (Audited)	As on 31-03-2022 (Audited)
Total Income	1,91,596.92	1,15,122.89	1,37,787.78
Total Expenses	1,18,165.36	76,590.57	88,336.40
Profit before Depreciation and Tax	73,678.58	38,576.00	49,509.64
Less: Depreciation	(247.01)	(43.69)	(58.26)
Profit / (Loss) before Tax	73,431.57	38,532.31	49,451.38
Tax Expenses	(18,244.27)	(9,676.45)	(14,563.69)
Profit / (Loss) after Tax	55,187.30	28,855.87	34,887.69
Equity Capital	850.00	850.00	850.00
Free Reserves	2,08,511.80	153,324.50	124,468.63
Net Worth	2,09,361.80	154,174.50	125,318.63

**9. Portfolio Management Performance**

Performance indicators are calculated using time weighted average method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulation, 2020 as amended from time to time. The below returns are net of management fees and any other charges levied by the Portfolio Manager.

Name of the Investment Approach	Current Year (1st April 2024 to 31st Aug 2024)	Year 1 (April, 2023 to March, 2024)	Year 2 (April, 2022 to March, 2023)	Year 3 (April, 2021 to March, 2022)
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	Portfolio	Portfolio	Portfolio	Portfolio
Benchmark - BSE 500 (TRI)	20.20	40.16	(0.91)	22.26
India Equity	29.14	53.17	9.34	1.83
India Dedicated	12.26	42.69	7.21	8.96
Wonder Companies	24.13	64.20	7.32	6.08
Alpha Equity	27.85	66.98	20.86	6.93
Innovative Business	26.38	52.65	12.29	4.21
Exceptional Equity	23.15	26.27	2.61	10.85
Strategic Equity	28.01	53.19	11.70	7.15
Stable Asset	7.06	9.99	3.67	8.38
High Growth Fund	30.85	33.99	(8.76)	53.98
Business Leader	14.51	36.88	3.09	N.A.
Dynamic Business Leader	10.01	25.74	(1.60)	N.A.
Dynamic High Growth	19.62	22.32	(1.76)	N.A.
SIP Fund	N.A.	N.A.	4.77	24.25
Stable+Assets	(13.80)	11.99	4.34	9.09

**Past performance may or may not be sustained in future.** Time weighted - Daily valuation method is used for rate of return calculation. Returns up to 1 year are absolute & over 1 year are Compounded Annualized. The performance disclosed above is based on all clients' portfolios under the investment approach, existing as on the performance calculation date, using Time Weighted Rate of Return (TWRR) of each client. All cash holdings and investments in liquid funds are also considered for calculation of performance and the performance data is net of all fees and all expenses (including taxes). Since inception date stated above is the date on which the first client investment was made under the investment approach. Please note that the actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client investment restrictions, if any, etc. These factors may have an impact on client's portfolio performance and hence may vary significantly from the performance disclosed above. Neither the Portfolio Manager, nor its directors or employees shall in any way liable for any variation noticed in the returns of individual client portfolios. The performance related information provided herein is not verified by SEBI.

**10. Audit Observations of preceding 3 years: None**

**11. Nature of Costs and Expenses**

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

- (i) **Management Fees/ Advisory Fees:** Professional charges relate to the portfolio management services offered to clients by the Portfolio Manager. The fee may be a fixed charge or a percentage of the quantum of funds managed and may be return based or a combination of any of these. Return based fees shall be calculated on "High Water Mark Principle". The Fees would typically be in the range of 0.75% to 2.50%
- (ii) **Custodian/Depository/Fund Accounting Fees:** The charges relating to opening and operation of dematerialized accounts, custody, fund administration and transfer charges for shares, bonds and units, dematerialization, dematerialization and other charges in connection with the operation and management of the depository accounts.



The custody charges would range from 1 bps to 8bps and depository charges of INR 5 per debit. Any changes to these charges will be included in the fees schedule to be signed by the client at the time of on boarding.

- (iii) **Registrar and Share Transfer Agent Fee:** Charges payable to registrars and share transfer agents in connection with effecting transfer of Securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.
- (iv) **Brokerage and Transaction Costs:** The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments. Brokerage charges would be in the range of 10 bps to 20 bps. Any changes to these charges will be included in the fees schedule to be signed by the client at the time of on boarding.
- (v) **Certification and Professional Charges:** Charges payable for outsourced professional services like accounting, taxation, audit and legal services, notarizations etc., for certifications, attestations required by bankers or regulatory authorities would be at actuals and shall be borne by the Client. Such fees shall be payable as and when charged by the relevant service provider.
- (vi) **Audit Report Fees:** In terms of Regulation 30(3) of the Regulations, the Client shall be issued an audit report from the internal auditors of the Company for which fee shall be payable by the client. The fee for the Audit Report would be in the range of Rs. 1,000 to Rs. 3,000
- (vii) **Incidental Expenses:** Charges in connection with the courier expenses, stamp duty, notary, postal, telegraphic, printing, and other cost/expenses etc.
- (viii) **Other Charges:** As may be mutually agreed between Client and Portfolio Manager. Further no upfront fees shall be charged by the Portfolio Managers, either directly or indirectly, to the clients at the time of onboarding of the Client. Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service by Jain Investment Advisors Private Limited, shall not exceed 0.50% per annum of the client's average daily Assets under Management.

The Client shall pay by way of cheque/ DD/ Debit to the client portfolio account, as per the respective fee schedule applicable to the portfolio services opted by the Client, as provided in the agreement between the client and the Portfolio Manager.

## 12. Taxation

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

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

It is the responsibility of all prospective client 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.

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 there under from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects the amendments enacted in the Finance (No.2) Act, 2024

The Finance (No.2) Act, 2024, has provided an option to *Individuals and HUF* for payment of taxes at the following reduced rates from Assessment Year 2025-26 and onwards:

Type	Old Regime			New Regime	
Age Bracket	<60Yrs	60-80Yrs	>80Yrs	All Age Groups of Individuals	
Total Income (INR)	Rate*	Rate	Rate	Total Income(INR)	Rate
Upto 250000	NIL	NIL	NIL	Upto 300,000	NIL
From 250,001 to 300000	5.00%	NIL	NIL	From 300,001 to 7,00,000	5.00%
From 300,001 to 500000	5.00%	5.00%	NIL	From 7,00,001 to 10,00,000	10.00%
From 500,001 to 10,00,000	20.00%	20.00%	20.00%	From 10,00,001 to 12,00,000	15.00%
Above 10,00,001	30.00%	30.00%	30.00%	From 12,00,001 to 15,00,001	20.00%
				Above 15,00,000	30.00%

*\*These are also applicable rates for persons other than individuals (HUF, AOI, BOP, and Artificial Juridical Person)*

As per Finance (No.2) Act, 2024 the applicable rate of surcharge on business income for financial year 2024-25 are as follows:

Type/Range of Income	Firm	Domestic Company	Foreign Company
INR 10 million to INR100 million	12.00%	7.00%	2.00%
Exceeding INR 100 million	12.00%	12.00%	5.00%
Special Tax rate u/s 115BAA and 115BAB	NIL	10.00%	NIL

Surcharge is levied on the amount of income-tax at following rates if total income of any otherresident or non-resident assessee exceeds specified limits:-

Assessment Year 2024-25		
Range of Income		
INR 5 million to INR 10 million	INR 10 million to INR 20 million	Above INR 20 million
10.00%	15.00%	25.00%

**Note:** The enhanced surcharge of 25% is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.

Further, for Financial Year 2024-25 (Assessment Year 2025-26) the health and education cess at 4% is leviable.

In this Disclosure document, we have assumed that the highest surcharge rate would be applicable to an investor. Also for companies it is assumed that new regime is opted and accordingly the new regime tax rates have been considered below.

#### i. 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 (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.

The tax implications in the hands of investors on different incomes teams are discussed below:

#### **a) Dividend income**

Till FY 2019-20, dividends declared by Indian companies are exempt from tax in the hands of the Investors under section 10(34) of the IT Act. The Indian company would be liable to pay DDT at the effective rate 20.56% for F.Y.2019-20 of the dividends at the time of distributing dividends to the investors. But Finance Act 2020 has shifted the burden of taxation on recipients and will be taxed at the applicable income slab rate from FY 2020-21 onwards.

As per the amendments in The Finance Act 2020, the dividend income would be taxable directly in the hands of investors. Deduction of interest expense should be allowed under section 57 of IT Act against such dividend income, with overall capping of 20.00% of dividend income. Such net dividend income should be chargeable to tax at the rate of 20.00% as per the provisions of the IT Act.

The Indian company declaring dividend is required to deduct tax at specified rates/ rates in force. In case, the dividend income is paid to an FPI, the rate of tax deduction as per section 196D of the ITA is 20.00% subject to availability of benefits of treaty. However, if treaty benefits are available, gross amount of dividend should be chargeable to tax at the rates stated in treaty.

Prior to Finance Act, 2020, distributions from a mutual fund were also exempt in the hands of all unit holders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01 April 2020, distributions from mutual fund shall be taxable in the hands of the investor at the applicable rates.

#### **b) Interest income**

For F.Y. 2024-25, any income in the nature of interest income in case when borrowing is made in Indian Currency would be subject to tax at the rate of 39.00% (in the hands of individuals, HUF, AOP and BOI investors), 34.94% (in the hands of resident corporate, firm and LLP investors) and 38.22% (in the hands of foreign corporate investors).

For F.Y. 2024-25, any income in the nature of interest income in case when borrowing is made in Foreign Currency would be subject to tax at the rate of 26.00% (in the hands of individuals, HUF, AOP and BOI investors), 23.30% (in the hands of resident corporate, firm and LLP investors) and 21.84% (in the hands of foreign corporate investors).

In case the investments made by the non-resident Indian ('NRI') individual investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, the interest income from specified assets (which includes debentures issued by public companies) should be taxable at the rate of 28.50% on gross basis for F.Y. 2024-25.

#### **c) Capital Gains**

Assuming the gains arising from sale of capital assets such as shares and securities of the Indian portfolio companies is characterized as capital gains in hands of the resident Client, such Client 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:

**If transfer made on or after 23<sup>rd</sup> July 2024:**

Nature of asset	STCA	LTCA
For assets being shares in a company or any other security listed in a recognised stock exchange in India i.e. Listed Stocks, Equity ETF, Listed Bonds, Gold ETF, Bond ETF, REITs, InvITs, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets other than those specified above	Held for not more than 24 months	Held for more than 24 months

**If transfer made till 22<sup>nd</sup> July 2024:**

Nature of asset	STCA	LTCA
For assets being shares in a company or any other security listed in a recognised stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets being shares of a company (other than shares listed on a recognised stock exchange in India)	Held for not more than 24 months	Held for more than 24 months
For assets other than those specified above	Held for not more than 36 months	Held for more than 36 months

**ii. Taxation in hands of Investors:**

**a) Dividend Income:**

➤ **Resident Investor**

The dividends should be taxable directly in the hands of the recipient at the tax rates applicable to them. Further, no deduction shall be allowed for expenses against such dividend income, other than interest expenditure which shall be capped at 20% of such dividend income.

The Finance Act, 2021 has provided relaxation from payment of interest under section 234C of the ITA in cases where accurate determination of advance tax liability is not possible due to the intrinsic nature of the dividend income other

than deemed dividend as per section 2(22)(e) of the ITA.

The Indian Company declaring dividend should be required to deduct tax at 10% (in case of payment to resident investors) if payment exceeds INR 5,000 and at rates in force (in case of payment to non-resident investors). However, in view of section 197A(IF) of the ITA read with CBDT notification, the Indian Company / mutual fund should not be required to deduct tax on dividend paid to the Fund.

In view of the provisions of the Finance Act 2020, dividend declared or distributed by a domestic company or a mutual fund on or after 1st April 2020 would no longer be subject to dividend distribution tax in the hands of the distributing Indian company or the fund but it would be taxed in the hands of shareholders/unitholders at ordinary rate for Indian residents

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

<b>Dividend income earned by</b>	<b>Tax rate for domestic investors</b>
Resident companies (Refer Note 1 and 2)	25.17%
Firms/ LLPs	34.94%
Others (Refer Note 3)	As per applicable slab rates and surcharge being restricted to 15%, maximum being 35.88%

**Note 1:** The Finance Act, 2023 has reduced tax rate to 25% in case of Domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2021-22 (Assessment Year 2022-23). Such reduced tax rate of 25%.

**Note 2:** 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 (plus applicable surcharge and health and education cess), subject to the 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, resident Individual and HUF will have an option to pay tax on their total income at the reduced tax rates, the income would, however, have to be computed without claiming prescribed deductions or exemptions.

Prior to Finance Act, 2020, distributions from a mutual fund were also exempted in the hands of all unit holders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 1<sup>st</sup> April 2020, distributions from Mutual fund shall be taxable in the hands of the investor at applicable rates.

➤ **Offshore Investors:**

Dividend income earned by an offshore unitholder should be taxable at the rate of 20% (excluding applicable surcharge and cess) under the ITA.

The above rates should be subject to availability of Tax Treaty benefits, if any.

If tax treaty benefits are available (and subject to GAAR and MLI), gross amount of dividend should be chargeable to tax at the rates stated in applicable tax treaty.

**b) Interest Income:**

➤ **Resident Investor:**

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

<b>Interest Income received by</b>	<b>Tax Rate of domestic clients</b>
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Resident companies (Refer Note 1 and 2)	25.17%
Firms/LLP	34.94%
Others (Refer Note 3)	As per applicable slab rates, maximum being 39.00%

**Note 1:** The Finance Act, 2023 has reduced tax rate to 25% in case of Domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2021-22 (Assessment Year 2022-23). Such reduced tax rate of 25%.

**Note 2:** 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 (plus applicable surcharge and health and education cess), subject to the 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, resident Individual and HUF will have an option to pay tax on their total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.

➤ **Offshore Investor**

Interest income earned by offshore investors shall be taxed as under:

Nature of Income	Tax Rate for the offshore investors being Foreign Company	Tax rate for offshore investors being Firm/LLPs	Tax rate for other offshore investors
Interest income on borrowings in Indian currency	38.22%	39.94%	39.00% (New Regime)
Interest income on borrowings in foreign currency	21.84%	23.30%	26.00% (New Regime)

The provisions of the ITA would apply to the extent they are more beneficial than the provisions of the Tax Treaty between India and the country of residence of the non-resident investors to the extent of availability of Tax Treaty benefits to the non-resident investors.

**c) Taxation of capital gains**

Capital gains should be taxed in the hands of the Investors as per the IT Act as under:

**a) Resident Investor:**

Depending on the classification of capital gains, the resident unitholder should be chargeable to tax (including cess and surcharge) as per the ITA as under:

If transfer made on or After 23<sup>rd</sup>, July 2024:

Nature of Income	Maximum Tax rate for beneficiaries	Maximum Tax rates for resident	Tax rates for other
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	who are resident companies	Individuals / HUF / Association of Persons / BOI	Residents (Firms, LLPs)
STCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust and on which Securities Transaction Tax ("STT") has been paid	22.88%	23.92%	23.30%
Other STCG	25.17%	42.74% (Old Regime) Or 39.00% (New Regime)	34.94%
LTCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust and on which STT has been paid.	14.30%	14.95%	14.56%
LTCG on transfer of listed securities (other than units of mutual funds, listed bonds and listed debentures) and on which STT has not been paid	14.30%	14.95%	14.56%
LTCG on transfer of listed bonds and listed debentures	14.30 %	14.95%	14.56%
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity oriented fund	14.30 %	14.95%	14.56%
LTCG on transfer of unlisted securities	14.30 %	14.95%	14.56%

(other than unlisted bonds and unlisted debentures)			
LTCG on transfer of unlisted bonds and unlisted debentures	14.30 %	14.95%	14.56%

If transfer made till 22<sup>nd</sup> July 2024:

<b>Nature of Income</b>	<b>Maximum Tax rate for beneficiaries who are resident companies</b>	<b>Maximum Tax rates for resident Individuals / HUF / Association of Persons / BOI</b>	<b>Tax rates for other residents (Firms, LLPs)</b>
STCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust and on which Securities Transaction Tax ("STT") has been paid	17.16%	17.94%	17.47%
Other STCG	25.17%	42.74% (Old Regime) Or 39.00% (New Regime)	34.94%
LTCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust and on which STT has been paid.	11.44% (without indexation)	11.96% (without indexation)	11.65% (without indexation)
LTCG on transfer of listed securities (other than units of mutual funds, listed bonds and listed debentures) and on	11.44% (without indexation) or 22.88% (with indexation),	11.96% (without indexation) or 23.92% (with indexation),	11.65% (without indexation) or 23.30% (with indexation), whichever is lower



which STT has not been paid	whichever is lower	whichever is lower	
LTCG on transfer of listed bonds and listed debentures	11.44% (without indexation)	11.96% (without indexation)	11.65% (without indexation)
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity oriented fund	22.88% (with indexation)	23.92% (with indexation)	23.30% (with indexation)
LTCG on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	22.88% (with indexation)	23.92% (with indexation)	23.30% (with indexation)
LTCG on transfer of unlisted bonds and unlisted debentures	22.88% (with indexation)	23.92% (with indexation)	23.30% (with indexation)

**Notes:**

**Note 1:** The Finance Act, 2023 has reduced the tax rate to 25% (plus applicable surcharge and cess) in case of domestic companies having total turnover or gross receipts not exceeding INR 4000 million in the Financial Year 2021-22 (Assessment Year 2022-23).

**Note 2:** The Finance Act, 2020 has inserted a new section 115BAC in the ITA. 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.

**Note 3:** The LTCG above is considered after deduction of INR 1.25 lakh on following transfers and shall be taxable at 12.5% (plus surcharge and cess):

- listed equity shares (STT paid on acquisition and transfer)
- units of equity oriented mutual fund (STT paid on transfer);
- units of business trust (STT paid on transfer); and
- unlisted shares sold in an Offer for sale (STT paid on transfer)

**Note 4:** The LTCG on listed equity share shall be calculated by considering the following cost of acquisition which shall be higher of:

- Actual cost of Acquisition; and
- Lower of :
  - FMV as on 31st January 2018; and
  - Value of Consideration received upon transfer

**Note 5:** The rate specified for the companies in the above table will be applicable when the company opting for section 115BAA, in other case the tax rate and surcharge will be applicable at different rate.

**b) Offshore Investors:**

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

If transfer made on or after 23<sup>rd</sup> July 2024:

<b>Nature of Income</b>	<b>Tax rate for offshore unitholders being Fo reign company</b>	<b>Tax rate for offshore unitholders being Firms / LLPs</b>	<b>Tax rate for any other offshore unitholders</b>
Short-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust, and on which STT has been paid	21.84%	23.30%	23.92%
Other short-term capital gains	38.22%	34.94%	39.00% (New Regime) Or 42.74% (Old Regime)
Long-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust and on which STT has been paid	13.65%	14.56%	14.95%
Long-term capital gains on transfer of i) listed bonds / listed debentures or other listed securities (other than units of mutual fund) on which STT has not been paid, ii) unlisted securities and iii) units of mutual fund (listed) other than equity oriented fund	13.65%	14.56%	14.95%

If transfer made till 22<sup>nd</sup>, July 2024:

<b>Nature of Income</b>	<b>Tax rate for</b>	<b>Tax rate for offshore</b>	<b>Tax rate for any other offshore unitholders</b>

	<b>Offshore unitholders being Foreign company</b>	<b>unitholders being Firms / LLPs</b>	
Short-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust, and on which STT has been paid	16.38%	17.47%	17.94%
Other short-term capital gains	38.22%	34.94%	39.00% (New Regime) Or 42.74% (Old Regime)
Long-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund (iv) units of a business trust and on which STT has been paid	10.92%	11.65%	11.96%
Long-term capital gains on transfer of listed bonds / listed debentures or other listed securities (other than units of mutual fund) on which STT has not been paid	10.92%	11.65%	11.96%
Long-term capital gains on transfer of units of mutual fund (listed) other than equity oriented fund	10.92%	11.65%	11.96%
Long-term capital gains on transfer of unlisted securities	10.92%	11.65%	11.96%

The non-resident shall be entitled to the provisions of the Treaty to extent beneficial than the ITA, if any, subject to providing a valid Tax Residency Certificate / Form 10F and claim a lower taxability of such income subject to fulfilment of the relevant conditions under the applicable Tax Treaty (if any), GAAR and MLI provisions.

**Notes:**

Note 1: The Indian Revenue authorities may not permit foreign exchange adjustments for computing capital gains taxable in the hands of non-resident investors on a pass-through basis.

Note 2: The government of India has issued a press release dated 24th August 2019 to provide that enhanced surcharge (25% and 37% applicable as the case may be) shall be withdrawn on tax payable at special rate on long-term and short term capital gains arising from the transfer of equity share in a company or unit of an equity oriented fund unit of a business trust which are liable for STT. The above press release has been given effect by way of the Taxation Laws (Amendment) Ordinance 2019.

Note 3: Based on judicial precedents, non-residents may avail the concessional tax rate (as mentioned above). However, the possibility of Indian Revenue Authorities disregarding the said position and applying a tax rate of 20% (plus applicable surcharge and cess) cannot be ruled out.

Note 4: The CBDT is authorised to notify exceptions to the chargeability of STT, pursuant to which it has issued a notification no. 13 dated October 1, 2018, which provides that the condition of chargeability to STT should not be applicable to certain circumstances.

Note 5: The Finance Act, 2020 has inserted a new section 115BAC in the ITA. 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.

**d) Deemed Sale Consideration on sale of unquoted shares**

As per the provisions of section 50CA of the ITA as introduced by the Finance Act, 2017, if shares (other than quoted shares) are transferred at a price which is lower than the FMV of such shares, such FMV will be considered as the full value of consideration for the purpose of computing capital gains in the hands of the transferor.

The rules for determining the FMV of shares have been prescribed under the IT Rules (as stated above in para deemed income on investment in shares / securities of Portfolio Companies). Further, the term “quoted share” is defined to mean a share quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business.

The CBDT vide notification no. 42 /2020/F. No.370149/143/2019-TPL dated 30 June 2020 has notified Rule 11UAD which provides that the above provision shall not apply to any consideration received / accruing on transfer from such class of persons and subject to fulfilment of conditions as prescribed.

**e) Gains arising on buy-back of shares by company****For buy-back of shares on or after 1<sup>st</sup> October 2024**

By Finance (No.2) Act 2024, Government withdraws the above provision on buy-back of shares from 1st October, 2024. As per the amended provision, the amount received by the shareholder shall be treated as dividend income liable to tax in the hand of shareholder. And the proceeds on extinguishment of the shares bought-back shall be deemed to be NIL and the shareholder shall be entitled to claim the capital loss in respect of the cost of the shares bought-back (such loss shall be eligible to be set-off as permitted).

**For buy-back of shares up to 30<sup>th</sup> September 2024**

Gains arising on buy-back of shares shall be exempt in the hands of investors. However, a distribution tax at the rate of 23.30% 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 is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. CBDT notified final buyback rules by inserting new Rule 40BB to IT Rules for determining the amount received by an Indian company in respect

of issue of shares.

As per the Finance (No. 2) Act 2019, the above provision shall also be applicable in case of buy-back of shares listed on a recognized stock exchange.

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

As per section 56(2)(x) of the IT Act, as inserted by Finance Act 2017, where any person receives any property, including shares and securities from any person for a consideration which is lower than the FMV by more INR 0.05 million, then difference between the FMV and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("Other Income"). The rules for determining the FMV of shares and securities have been prescribed under the IT Rules.

Accordingly, such Other Income would be chargeable to tax as follow:

Particulars	For resident investors	For offshore investors
In case of companies	25.17%	38.22%
In case of individuals/HUFs/AOPs / BOIs	39.00% (New Regime) Or 42.74% (Old regime) (as per higher slab rate)	39.00% (New Regime) Or 42.74% (Old regime) (as per higher slab rate)
In case of other investors	34.94%	34.94%

**g) Capital Gains Tax implications on conversion of convertible debentures into equity Shares**

Conversion of debentures of a company into shares of that company should not be regarded as a transfer under the ITA. Hence, no capital gains should arise in the hands of the Unit holders on conversion of convertible debentures of a company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible debenture should be deemed to be the cost of acquisition of such equity shares. Further, the holding period of the equity shares should commence from the date of acquisition of such debentures. As per Rule 8AA of the IT Rules, the period of holding of the equity shares should include the period of holding of the convertible debentures prior to conversion.

**h) Capital Gains Tax implications on conversion of convertible preference shares into equity shares**

Conversion of preference shares of a company into equity shares of that company should not be regarded as transfer under the ITA. Hence, no capital gains should arise in the hands of the Unit holders on conversion of convertible preference shares of a Portfolio Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of the convertible preference shares should be deemed to be the cost of acquisition of such equity shares. Further, the period for which the preference shares were held (prior to conversion) should also be considered for determining the period of holding of the equity shares received on conversion of the said preference shares.

**i) Redemption premium**

There are no specific provisions under the ITA, with regard to the characterisation of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as "interest" or as "capital gains". The characterisation of premium on redemption of securities as interest or a capital receipt has to be decided based on factors surrounding the relevant case. Taxability of "interest" and "capital gains" in the hands of the Investors is provided in earlier paragraphs.

**j) Temporary Investments - Other income from fixed deposit**

Interest income earned by the Offshore Investor (being a Foreign Company) from fixed deposits should be subject to tax in India in the hands of Offshore Investor at the rate of 38.22%. Interest income earned by the Offshore Investor being offshore firms / LLPs from fixed deposits should be subject to tax in India in the hands of such Offshore Investor at the rate of 34.94% and at slab rates maximum rate being 42.74% (under old regime) and 39.00% (under new regime) in the case of other Offshore Investors.

**iii. Tax Treaty Benefits for non-resident investors**

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 (“Treaty”) between India and the country of residence of the non-resident investor (subject to 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 Treaty benefits will be available to the non-resident investor or the terms of the 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.

**iv. Tax Residency Certificate (“TRC”)**

In order to be eligible to claim the benefits of the treaty, the non-resident investor should have a TRC issued by the tax authorities of his country of residence and must be renewed on an annual basis.

The ITA, which has been amended, now provides that a non-resident should not be entitled to claim any relief under a tax treaty, unless a TRC, of it being a resident in any country outside India or specified territory outside India, as the case may be, is obtained by it from the government of that country or specified territory. Further, the non-resident is required to file/upload Form 10F directly on the income-tax portal, which contains following particulars (as per Rule 21AB of the IT Rules):

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

The CBDT has clarified that the additional information prescribed in Form 10F may not be required to be provided if it already forms part of the TRC.

The assessee (i.e. non-resident) should be required to keep and maintain the documents that are necessary to substantiate the above information. Further, an income-tax authority may ask for the said documents from the assessee in relation to a claim of benefit under the tax treaty.

**v. Bonus Stripping**

In case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus units) and sold/transferred/redeemed within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be deemed as cost of acquisition of such bonus units.

**vi. Withholding at a Higher Rate**

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

1. Name, e-mail id, contact number;
2. Address in the country or specified territory outside India of which the deductee is resident;
3. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and 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 claimsto be a resident.

**vii. Carry-forward of losses and other provisions (applicable to both Equity productsirrespective 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.

**viii. Minimum Alternate Tax (“MAT”)**

The Taxation Laws (Amendment) Ordinance 2019, reduced base rate of MAT from 18.5% to 15% (plus applicable surcharge and cess thereto). Accordingly, as per the ITA, if the tax payable by any company (including a foreign company) is less than 15% of its book profits, it is liable to pay MAT at the rate of 15% (plus applicable surcharge and education cess) of its ‘book profits’ i.e. profits recorded in its books of accounts.

However, the MAT provisions should not be applicable in case of offshore unitholder, being a Foreign company:

- if such offshore unitholder is a resident of a country with which India has entered into a tax treaty and such offshore unitholder does not have a permanent establishment in India in terms of provisions of applicable tax treaty; or
- if such offshore unitholder is a resident of a country with which India has not entered into a tax treaty and such offshore unitholder is not required to seek registration under any law for the time being in force relating to companies.

Further the excess of MAT over tax under normal provisions can be carried forward and set-off against future normal tax subject to the provisions of the ITA for a period of 15 years. Further, the companies exercising the option under section 115BAA or 115BAB of the ITA have been excluded from the applicability of MAT. Further, MAT credit shall not be available consequent to exercising such option.

**ix. General Anti Avoidance Rule (“GAAR”)**

The Finance Act, 2013 introduced the amended GAAR provisions to be effective from FY 2015-16. However, the Finance Act, 2015 deferred the GAAR provisions by 2 years and it shall now be applicable to the income of FY 2017-18 and subsequent years. Further, investments made up to March 31, 2017 would be grandfathered and GAAR would apply prospectively only to investments made after April1, 2017.

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 indirect/ 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 bonafide business purposes.

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

- a) Dis-regarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- b) Ignoring the arrangement or the purpose of taxation law;
- c) Relocating place of residence of a party, or location of a transaction or sit us of an asset to a place other than provided in the arrangement;
- d) Looking through the arrangement by disregarding any corporate structure;
- 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. Any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

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

Further, recently on January 27, 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations.

## OTHER APPLICABLE TAXES

### I. Securities Transaction Tax

The exemption for long-term capital gains and the reduction of the rate on short-term capital gains are applicable only if the sale or transfer of the listed securities takes place on a recognised stock exchange in India. The Fund will be liable to pay STT on the transactions entered on a recognized stock exchange in India at the following rates:

If transaction made on or after 23<sup>rd</sup> July, 2024

Transactions/Particulars	Payable by Purchaser	Payable by Seller
Delivery based purchase/ sale transaction in equity shares entered into in a recognized stock exchange	0.10%	0.10%
Non-delivery based sale transaction in equity shares or units of equity oriented fund entered in a recognised stock exchange	N.A.	0.025%
Delivery based sale transaction of unit of equity oriented fund	N.A.	0.001%
Sale of unlisted shares under an offer for sale to the public	N.A.	0.2%
Sale of a unit of an equity-oriented fund to the Mutual Fund	N.A.	0.001%
Sale of options in securities	0.125% of the settlement price of the option (In case option is exercised)	0.1%
Sale of futures in securities	N.A.	0.02%
Sale of unlisted shares and units of business trust under an offer for sale	N.A.	0.2%

If transaction made till 22<sup>nd</sup> July, 2024

Transactions/Particulars	Payable by Purchaser	Payable by Seller
Delivery based purchase/ sale transaction in equity shares entered into in a recognized stock exchange	0.10%	0.10%
Non-delivery based sale transaction in equity shares or units of equity oriented fund entered in a recognised stock exchange	N.A.	0.025%
Delivery based sale transaction of unit of equity oriented fund	N.A.	0.001%



Sale of unlisted shares under an offer for sale to the public	N.A	0.2%
Sale of a unit of an equity-oriented fund to the Mutual Fund	N.A.	0.001%
Sale of options in securities	0.125% of the settlement price of the option (In case option is exercised)	0.0625%
Sale of futures in securities	N.A.	0.0125%
Sale of unlisted shares and units of business trust under an offer for sale	N.A.	0.2%

## II. Goods and Services Tax ('GST')

From July 1, 2017, onwards, the Government of India has levied Goods and Service Tax (GST). Post this introduction, many existing indirect tax levies (including service tax) have been subsumed and GST will be applicable on services provided by the Investment Manager and Trustee to the Fund. GST on such services is currently levied at the rate of 18%. Accordingly, GST at the rate of 18% is levied on fees if any, payable towards investment management fee and Trusteeship Fees payable by the Fund to the Investment Manager and Trustee, respectively.

## III. Stamp Duty and Local Taxes

The activities of the Portfolio Entities would be subject to stamp duties and other local/municipal taxes, which would differ from State to State, city to city and between municipal jurisdictions, depending on the location where activities are carried out by the Portfolio Entities. Further, vide SEBI circular dated 30<sup>th</sup> June 2020, issue, transfer and sale of units of the AIF shall be subject to stamp duty with effect from 1st July 2020. The Finance Act, 2019 has made amendments in stamp duty provisions and it is intended to designate stock exchanges and depositories to collect stamp duty on sale or transfer of securities. The amendments are as under:

- All issuance and transfers of 'securities' should be subject to stamp duty (i.e. exemption on transfer of dematerialized securities to be removed)
- Stamp Duty should be calculated on an ad valorem basis on: (i) actual trade price for listed securities; or (ii) price identified in instrument of transfer
- The revised rates of stamp duties with effect from 1 July 2020 are as follows:

Instrument	Stamp Duty Payable
Issuance of debentures (irrespective of whether marketable or not)	0.005%
Transfer of debentures (irrespective of whether marketable or not)	0.0001%
Issuance of securities (other than debentures)	0.005%
Transfer of security –other than debentures (delivery basis)	0.015%
Transfer of security other than debentures (non-delivery basis)	0.003%
Equity and commodity futures	0.002%
Equity and commodity options	0.003%
Currency and interest rate derivatives	0.0001%
Other derivatives	0.002%
Government securities	0%
Repo on corporate bonds	0.00001%

## IV. Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ("MLI")

The Organisation of Economic Co-operation and Development ("OECD") released the 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 7th June, 2017, various countries including India, signed the MLI.

Preamble to the tax treaty specifically states that it intends to eliminate double taxation with respect to the taxes covered by the tax treaty 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 tax treaty for the indirect benefit of residents of third jurisdictions).

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).

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.

The Union Cabinet of India issued a press release dated 12th 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. This means the Entry into Force date of the MLI for India is 1st October 2019. The MLI will take effect for any Covered Tax Agreement from 1st April 2020 i.e. FY 2020-21 provided the date of entry into effect is on or before that date.

India has opted for the basic rule for 'entry into effect'. Hence, no further procedure is now required to be complied with by India for entry into effect of the MLI for the treaties listed by India.

Also, based on India's final MLI Position, for the MLI to take effect for any treaty (listed by India), the timelines as per Article 35(1) of the MLI will apply. The MLI will take effect for any treaty from 1st April 2020 (i.e. FY 2020-21) if:

- India has listed that treaty in its Final MLI Position as a Covered Tax Agreement (CTA);
- The treaty partner is a signatory to MLI;
- The treaty partner has also deposited its instrument of ratification on or before 30th June 2019;
- The treaty partner has also listed India in its Final MLI Position as a CTA.

## **V. Foreign Account Tax Compliance Act ("FATCA") Guidelines**

As a part of various ongoing tax and regulatory developments around the globe e.g. information exchange laws such as FATCA, Common Reporting Standard ("CRS"), financial institutions are being cast with additional investor and counterparty account related due diligence requirements. With the intent of increasing the tax transparency and automatic exchange of financial account information for tax purposes, the Government of India has signed the (i) Intergovernmental Agreement with the Government of the United States of America to implement FATCA; and (ii) Multilateral Competent Authority Agreement to implement CRS) for Automatic Exchange of Information as laid down by the OECD. The CBDT in this regard has notified Rules 114F to 114H, which require Indian financial institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all investors.

A statement is required to be provided online in Form 61B for every calendar year by May 31. The Reporting Financial Institution is expected to maintain and report the following information with respect to each reportable account:

- the name, address, taxpayer identification number [TIN (assigned in the country of residence)] and date and place of birth [DOB, POB (in the case of an individual)];
- where an entity has one or more controlling persons that are reportable persons:
  - the name and address of the entity, TIN assigned to the entity by the country of its residence; and
  - the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the

- country of his residence;
- account number (or functional equivalent in the absence of an account number);
- 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;
- the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and other reportable accounts.

### **IMPORTANT QUALIFICATION**

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

### **13. Accounting policies and valuation**

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 SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time. Accounting under the respective portfolios will be done in accordance with Generally Accepted Accounting Principles and the following accounting policy will be applied for the portfolio investments of clients:

- (i) Investments in listed equity and debt instruments will be valued at the closing market price on the National Stock Exchange (“NSE”) as of the previous day from the date of receipt of security under custody. If the Securities are not traded on the NSE on the Valuation Day, the closing price of the security on the Bombay Stock Exchange will be used for valuation of Securities. In case of the Securities that are not traded on the Valuation Day, the last available traded price shall be used for the valuation of Securities. Investments in units of mutual funds shall be valued at the repurchase price of the previous day or at the last available purchase price declared for the relevant scheme of the mutual fund on the date of the report.
- (ii) Unlisted Securities/investments will be valued at cost till the same are priced at the fair market value. Such fair value may be determined by an agency appointed by the Portfolio Manager, on periodic basis (once in a year).
- (iii) Realised gains/losses will be calculated by applying the ‘First In First Out’ principle.
- (iv) Unrealized gains/losses are the differences between the current market value/ NAV and the historical cost of the Securities.
- (v) Dividends on shares will be accounted on ex-dividend date and dividends on units in mutual funds will be accounted on receipt of information from the mutual fund house and interest, stock lending fees earned etc., will be accounted on accrual basis. The interest on debt instruments will be accounted on accrual basis.
- (vi) Dividends accrued where credited to the Client’s bank account linked to the respective demat account and where the Portfolio Manager does not hold the power of attorney to operate the Client bank account will be shown as corpus outward. In all other cases, dividend accrued and received shall continue to be part of the Corpus.
- (vii) In respect of all interest-bearing investments, income must 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 upto the date of purchase will not be treated as a cost of purchase but will be credited to Interest to be adjusted against the receipt.
- (viii) For derivatives and futures and options, unrealized gains and losses is calculated by marking to market the open positions.
- (ix) Interest received at the time of sale for the period from the last interest due date upto the date of sale will not be treated as an addition to sale value but will be credited to the interest recoverable account.
- (x) Transactions for purchase or sale of investments will 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 are recorded and reflected in the financial statements for that

year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which there is an enforceable obligation to pay the price or, in the event of a sale, when there is an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

- (xi) Bonus shares will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- (xii) The cost of investments acquired or purchased will include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.
- (xiii) The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case to case basis.
- (xiv) Purchases are accounted at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and custodian fees on purchase/sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- (xv) In case of Portfolio products, Portfolio received from the Clients in the form of Securities will be accounted at previous working day's closing price on NSE. Where the Client withdraws Portfolio in the form of Securities, the same will be accounted on the date of withdrawal at the previous working day's closing price. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, closing price on BSE will be used for aforesaid accounting purpose. The Investor may contact the Investor services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues. The Portfolio Manager may change the valuation policy for any particular type of Security consequent to any regulatory changes or the market practice followed for similar type of Securities.
- (xvi) Interest income on debt security is accounted only on receipt of interest i.e. on Cash basis of accounting.

In line with Clause 2.2 of SEBI Master Circular for Portfolio Managers dated March 20, 2023, the portfolio manager keeps the funds of all clients in a separate bank account maintained by the portfolio manager and the following conditions are adhered to:

- There is clear segregation of each client's fund through proper and clear maintenance of back office records;
- Portfolio Managers do not use the funds of one client for another client;
- Portfolio Managers also maintain an accounting system containing separate client-wise data for their funds and provide statement to clients for such accounts at least on monthly basis; and
- Portfolio Managers reconcile the client-wise funds with the funds in the aforesaid bank account on daily basis.

The Portfolio Manager also maintains a separate depository account of each client.

#### **14. Prevention of Money Laundering and Know Your Customer (KYC) Requirements**

SEBI has mandated that all registered intermediaries formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' ("KYC") norms as per the Applicable Law.

Accordingly, the Investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of Applicable Law, including the provisions of Income Tax Act 1961, Prevention of Money Laundering Act 2002, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti-money laundering laws and regulations in all of its operations.

Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client does not comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements. Further, the Portfolio Manager has put in place Client due diligence measures including screening procedures whereby names of the Investors will be screened against such database considered appropriate by the Portfolio Manager. Further, the Portfolio Manager shall take necessary action including rejection of application/ refund of application money/ freezing of

investor account for future transactions/ submitting suspicious transactions report (“STR”) to law enforcement authorities if the Portfolio Manager has reasonable grounds to believe/ suspect that the transactions involve money laundering or terrorist financing or proceeds of crime.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account / rejection or refund of the application etc. due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

KYC is mandatory for all investors and registered intermediaries are required to upload the KYC data with Central KYC Records Registry (“CKYCR”). Each investor must undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KYC registration agencies (“KRA”) and the CKYCR. Applications shall be liable to be rejected if the investors do not comply with the said KYC requirements.

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Accordingly, the Investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of Applicable Law, including the provisions of Income Tax Act 1961, Prevention of Money Laundering Act 2002, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti-money laundering laws and regulations in all of its operations.

Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client does not comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements. Further, the Portfolio Manager has put in place Client due diligence measures including screening procedures whereby names of the Investors will be screened against such database considered appropriate by the Portfolio Manager. Further, the Portfolio Manager shall take necessary action including rejection of application/ refund of application money/ freezing of investor account for future transactions/ submitting suspicious transactions report (“STR”) to law enforcement authorities if the Portfolio Manager has reasonable grounds to believe/ suspect that the transactions involve money laundering or terrorist financing or proceeds of crime.

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## 15. Client/Investor Services

### (i) Investor Relations Officer

Name, address and telephone number of the investor relations officer who shall attend to the investor queries and complaints:

Name	Mr.Madhatul Islam Siddique
E-mail	<a href="mailto:pmssupport@jaininvestment.com">pmssupport@jaininvestment.com</a>
Address	02, Andheri Anurag. Bhardawadi, Near ICICI Colony, Andheri (West), Mumbai 400058
Telephone No	022-66898300

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and wherewithal to handle investor complaints.

### (ii) Grievance Redressal and Dispute Settlement Mechanism

The Portfolio Manager has in place a dedicated system for addressing all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Investor and the Portfolio Manager shall abide by the following mechanisms.

**Grievance and Settlement Mechanism through SEBI Complaints Redressal System Platform(SCORES):**

Further in case the resolution provided by the Portfolio Manager is not satisfactory, the matter may be referred to SEBI through the SEBI Complaints Redress System platform("SCORES").

On receipt of complaints through SCORES, SEBI takes up the matter with the concerned market intermediary and follows up with them.

Any action taken by the Portfolio Manager is not taken as complete if the relevant details/supporting documents are not uploaded on SCORES and consequently the complaint will continue to be treated as pending.

A complaint shall be treated as resolved/ disposed/ closed only when SEBI disposes/ closes the complaint in SCORES. Hence mere filing of Action Taken Report ("ATR") with respect to the complaint will not mean that the complaint is not pending against them.

Failure by the Portfolio Manager to file ATR under SCORES within 30 days of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance.

All disputes, differences, claims and questions whatsoever will in the first place be tried to be settled by mutual discussions. In the event of failure of settlement through mutual discussions between the Client and Portfolio Manager, all disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/ or their respective representatives shall be settled in accordance with and subject to the provisions of [the Arbitration and Conciliation Act 1996], or any statutory requirement, modification or re-enactment thereof, or in accordance with such other manner as may be specified in the agreement between the Client and the Portfolio Manager. Such arbitration proceedings shall be held at Mumbai or such other places as the Portfolio Manager thinks fit.

Clients can approach SEBI for redressal of their complaints. On receipt of complaints, SEBI takes up the matter with the concerned PMS provider and follows up with them. Clients may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai -400051.

The Grievance Redressal policy is guided with the following principles:

- 1) Any requests, queries and complaints raised by Investors are treated fairly, efficiently and in a timely manner.
- 2) Investors have the right to raise their queries and complaints within the organization, if they are not satisfied with the resolution of their Queries or Complaints.

We have a dedicated Customer Service Team who is responsible for timely and prompt action in addressing and providing resolution.

Investors can contact us for any queries/complaint or clarifications by emailing at [pmops@jaininvestment.com](mailto:pmops@jaininvestment.com) or call us at our Boardline number: 022-6689-8300 on any Business Days between 9.30 am to 6.00 pm, through website [www.jaininvestmentadvisors.com](http://www.jaininvestmentadvisors.com) under section "Contact us" and by way of letter addressed to Manager – Investor Relations, Jain Investment Advisors Pvt Ltd. 02, Andheri Anurag, Bhardawadi Road, Near ICICI Colony, Andheri (West), Mumbai - 400 058.

The Investor Relations Team shall endeavour to respond to the queries/complaints within 3 to 7 business days. (Depending on the nature of the query/complaint, few responses may take more time.) If the investors are not satisfied with the response from the Investor Relation Team, they can escalate their concern following the below escalation matrix.

Normal query can be written to [pmssupport@jaininvestment.com](mailto:pmssupport@jaininvestment.com) .

Escalation : [grievance@jaininvestmentadvisors.com](mailto:grievance@jaininvestmentadvisors.com).

(ii) **Compliance Officer**

Name, address and telephone number of the Compliance officer who shall attend to the investor queries and complaints:

Name	Ms.Divya Jain
Address	02, Andheri Anurag. Bhardawadi, Near ICICI Colony, Andheri (West), Mumbai 400058
Telephone No	022-66898300

The official mentioned above will ensure compliance services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and wherewithal to handle the compliance process.

**16. Details of investments in the securities of related parties of the portfolio manager**

The Portfolio Manager does not make any investments in securities of its related parties.

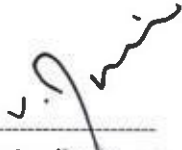
**17. Details of the diversification policy of the portfolio manager**

The portfolio will be diversified across upto 15-40 stocks from various sectors in order to minimize the sector specific risks. Further, there will be a ceiling to maximum exposure of 15% allocation while investing in a particular stock.

**18. General**

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

For Jain Investment Advisors Private Limited



Mr. Vinodkumar Jain  
Director  
DIN: 02869800



Mr. Harshit Singhvi  
Director  
DIN: 02969367

Date: 30<sup>th</sup> September 2024  
Place: Mumbai





## FORM C

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

[Regulation 22]

Name	Jain Investment Advisors Private Limited
Address	02, Andheri Anurag Chs Bharadawadi, Andheri West, Mumbai – 400058
Phone	+91-022-66898300
Email	pmssupport@jaininvestment.com

We confirm that:

1. 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;
2. 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 through the Portfolio Manager.
3. The Disclosure Document has been duly certified by an independent chartered accountant as on 19<sup>th</sup> September, 2024. The details of the Chartered Accountant are as below:

Name of the Firm	Gandhi and Associates LLP
Firm Registration No.	102965W/W100192
Address	208, Hari Chambers, 58/64 Shahid Bhagat Singh Road, Fort, Mumbai – 400001
Telephone No.	022 4976 4832

Enclosed a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision.

**Name of the Principal Officer:** Mr. Vinod Jain

**Address** : 02, Andheri Anurag Chs Bharadawadi, Andheri West, Mumbai – 400058.

For Jain Investment Advisors Private Limited

Mr. Vinod Jain  
Principal Officer



Date: 30<sup>th</sup> September 2024

Place: Mumbai





**Independent Practitioner's Certificate on Disclosure Document under SEBI (Portfolio Managers) Regulations.**

1. This certificate is issued in accordance with the terms of our engagement letter dated 27<sup>th</sup> September 2024.

**Party's Responsibility for the Accounting Procedures:**

2. The disclosure document of portfolio management services (the 'Document') (**Annexure A**) to be filed with Security and Exchange Board of India ('SEBI') is the responsibility of Jain Investment Advisors Private Limited (the 'Party') having SEBI Portfolio Management Registration No. INP000004979. The responsibility includes the preparation and maintenance of all relevant supporting records and documents. Further the responsibility also includes the design, implementation and maintenance of control relevant to the document and making estimates that are reasonable in the circumstances.

**Practitioner's Responsibility for the Certificate**

3. Pursuant to the requirements of SEBI for compliance, it is our responsibility to provide reasonable assurance in the form of an opinion based on our examination of relevant supporting records and documents whether data/information/contents have been appropriately disclosed in the document.
4. The examination is conducted in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires compliance with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.





## Opinion

6. Based on the examination of records available to us, we hereby state that the data, information and contents mentioned in the Document attached at **Annexure A** are true, fair and adequate to enable the investor to make informed decision regarding investment in portfolio management schemes.

## Restriction on Use

7. The certificate is addressed to and provided to the Party to submit the same to SEBI and to investors solely for the purpose to enable the investors to make a well-informed decision, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For GANDHI & ASSOCIATES LLP**  
**Chartered Accountants**  
FRN: 102965W/W100192

*Jmshah*



**Jigar Shah**  
**Partner**  
Membership No. 140186  
Place: Mumbai  
Date: 30<sup>th</sup> September 2024