

# NIVESHAAY INVESTMENT MANAGEMENT PRIVATE LIMITED

## DISCLOSURE DOCUMENT

As required under Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

### Declaration:

- The Disclosure Document (hereinafter referred as the “**Document**”) has been filed with Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (“**Regulations**”).
- The purpose of the Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making informed decision for engaging “**Niveshaay Investment Management Private Limited**” (hereinafter referred as the “**Co-Investment Portfolio Manager**”) as the Co-Investment Portfolio Manager. The Co-Investment Portfolio Manager holds a valid certificate of registration under the SEBI (Portfolio Managers) Regulations, 2022, vide registration number INP000009506.
- The Document contains the necessary information about the Co-Investment Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the Document for future reference.
- The name, phone number, and e-mail address of the principal officer as designated by the Co-Investment Portfolio Manager, along with the address of the Co-Investment Portfolio Manager, is as follows:

PRINCIPAL OFFICER	CO-INVESTMENT PORTFOLIO MANAGER
<b>Name : Gunjan Kabra</b>	<b>Niveshaay Investment Management Private Limited</b>
<b>Phone : +91 8160379116</b>	
<b>E-Mail : investment.management@niveshaay.com</b>	<b>Registered and Correspondence Address:</b> Office No. 610, 6 <sup>th</sup> Floor, SNS Platina, Vesu, Surat – 395007, Gujarat, India.

The Disclosure Document is dated November 21, 2025.

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## PART 1 STATIC SECTION

### 1. Disclaimer

- a) Particulars of this Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Manager) Regulations 2020 as amended till date and filed with SEBI.
- b) This Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of the contents of the Document.

### 2. Definitions

In this Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

- (a) **Agreement:** means the co-investment portfolio management services agreement entered between the Co-Investment Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- (b) **AIF Regulations:** means the SEBI (Alternative Investment Funds) Regulations, 2012 as amended and modified or superseded from time to time and including any circulars/notifications issued pursuant thereto.
- (c) **Alternative Investment Fund or AIF:** means any fund established or incorporated in India in the form of a trust or company or a limited liability partnership or a body corporate set up in accordance with SEBI (Alternative Investment Funds) Regulations, 2012, as may be amended from time to time.
- (d) **Applicable Laws:** means any applicable Indian statute, law, ordinance, regulation including the Regulations, AIF Regulations, 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.
- (e) **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
- (f) **Client / Investor:** means such person(s) whose money or portfolio is advised or directed or managed by the Co-Investment Portfolio Manager and is specified in **Schedule I** of the Agreement.

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- (g) **Co-Investment:** shall have the meaning given under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended or superseded from time to time.
- (h) **Co-Investment Portfolio Manager:** means **Niveshaay Investment Management Private Limited**, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at Office No. 610, 6<sup>th</sup> Floor, SNS Platina, Vesu, Surat – 395007, Gujarat, India, which pursuant to a contract or arrangement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor, the administration of Co-Investment by the Client/Investor, as the case may be.
- (i) **Co-investment Management Fee:** means the co-investment management fee payable to the Co-Investment Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (j) **Disclosure Document or Document:** means this document filed by the Co-Investment Portfolio Manager with SEBI and made available to the Client as required under the Regulations and as may be amended by the Co-Investment Portfolio Manager from time to time.
- (k) **Investment Approach:** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Co-Investment Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current investment approach or such investment approach that may be suitably introduced by the Co-Investment Portfolio Manager, from time to time.
- (l) **Performance Fee:** means the performance-linked fee payable to the Co-Investment Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (m) **Portfolio or Client Portfolio:** means the total holdings of Securities of the Client belonging to the Client in accordance with the Agreement.
- (n) **Portfolio Entity:** means companies, enterprises, bodies corporate, or any other permitted entities in the Securities of which the Client co-invests alongside the Alternative Investment Fund subject to Applicable Laws.
- (o) **Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies by the Client, pursuant to Co-Investment services provided by the Co-investment Portfolio Manager to the Client under the Agreement from time to time.
- (p) **Principal Officer:** means an employee of the Co-Investment Portfolio Manager who has been designated as such by the Co-Investment Portfolio Manager and is responsible for:
- (i) the decisions made by the Co-Investment Portfolio Manager for the management or administration of Portfolio of Securities/Portfolio Investments or the funds of the Client, as the case may be; and
  - (ii) all other operations of the Co-Investment Portfolio Manager.

- (q) **Co-Investment Portfolio Management Services (CPMS):** means the co-investment portfolio management services provided by the Co-Investment Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws.
- (r) **PML Laws:** means the Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records) Rules, 2005, the guidelines, circulars and notices issued by SEBI and/or any other authority thereto under Applicable Laws, as amended and modified from time to time.
- (s) **Regulations:** means the SEBI (Portfolio Managers) Regulations, 2020 as amended and modified and/or superseded from time to time and including any circulars/notifications issued pursuant thereto.
- (t) **Securities:** shall mean unlisted securities or other securities as specified by SEBI from time to time or permissible under the Regulations and as per Applicable Laws.
- (u) **SEBI:** shall mean 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.
- (v) **Tax(es):** means and includes:
  - a. all forms of tax (direct or indirect), levy, duty, fee, surcharge, cess, impost, withholding tax, tax collected at source including income tax, GST, tax payable in a representative assessee capacity, minimum alternate tax or other amount whenever or wherever created or imposed by, or payable to any tax authority whether due to past, present or potential obligations; and
  - b. all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax

Any term used in this Document but not defined herein (but defined in the Regulations or the AIF Regulations) shall have the same meaning as assigned to them in the Regulations and/or AIF Regulations, as applicable.

### 3. Description

#### (i) History, Present Business and Background of the Co-Investment Portfolio Manager

The Co-Investment Portfolio Manager is a company incorporated under the Companies Act, 2013 on February 15, 2024 at Office No. 610, 6th Floor, SNS Platina, Vesu, Surat – 395007, Gujarat, India. The Co-Investment Portfolio Manager is currently acting as an investment manager of Niveshaay Sambhav Fund, a scheme of Niveshaay Growth Trust, a Category II AIF registered under the AIF Regulations, bearing registration number IN/AIF2/24-25/1607.

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The Co-Investment Portfolio Manager is also acting as an investment manager of Niveshaay Hedgehogs Fund, a scheme of Niveshaay Investment Trust, a Category III AIF registered under the AIF Regulations, bearing registration number IN/AIF3/24-25/1571.

**(ii) Promoters, directors of the Co-Investment Portfolio Manager, and their background**

**I. Promoters of the Co-Investment Portfolio Manager**

**2. Mr. Vikram Sharma (Director)**

Vikram Sharma, Partner and Head of Research at Niveshaay Investment Advisors, started his journey in 2017.

Prior to this, he completed a 16-month internship in company secretarial practices at CS Ranjit Kejriwal's Firm, where he managed intricate compliance matters related to company and securities law for various private and publicly listed entities. This experience sparked his interest in equity markets. With a robust comprehension of multiple sectors such as renewables, pipes, electronics, building materials, and metals, he has developed a profound understanding of the intricate interplay between data analytics and emerging business trends. His process involves thorough numerical analysis, comprehensive examination of business models, and active engagement with business stakeholders including entrepreneurs, dealers, and distributors. As one of the longest-serving team members, he has played a pivotal role in streamlining business processes, client communication and acquiring invaluable insights into building a business, thereby contributing substantially to the firm's overall growth.

Mr. Vikram holds a Chartered Secretary degree from ICSI and he also has the Chartered Financial Analyst designation, conferred by the CFA Institute, USA.

**3. Ms. Gunjan Hemantkumar Kabra**

Gunjan Hemantkumar Kabra, Research Head at Niveshaay Investment Advisors, started her equity research and investing journey in 2017.

She has a strong grip on multiple sectors like metals, ancillary plays, paper, power, capital goods, hotels, and more. Over the years, she has developed a knack for identifying growing sectors and companies, fostered a structured approach to analyzing business models, and understood the nitty-gritty of business models. Her hands-on approach involves a deep dive into the company, active participation in industry exhibitions, and interaction with business people, dealers, and distributors relevant to the sectors under her research purview. She is widely recognized within the investor community for her meticulous stock research. As a student of economics, she devoted considerable time to analyzing fiscal and monetary trends, conducting thorough research to comprehend diverse industries and economies, which ultimately sparked her interest in equity markets. Since the inception of Niveshaay, she has been an integral member, utilizing her tenure to cultivate skills and grasp the nuances of business development and team management, thereby contributing substantially

to the firm's overall growth. She holds a steadfast belief that India is a growth-based story. Moreover, she perceives the current business environment as furnishing a framework for India to achieve substantive and meaningful growth.

Ms. Gunjan holds B.Sc. in Economics degree holder from NMIMS, Mumbai. She has also achieved Level II certification of the Chartered Financial Analyst course conferred by the CFA Institute, USA.

4. **Mr. Arvind Ashokkumar Kothari**

Arvind Ashokkumar Kothari is the founder of Niveshaay Investment Advisors, a SEBI registered investment advisory firm, he established in 2017.

Prior to this, he worked at ICICI Bank, where he conducted comprehensive industry research on various sectors like solar, capital goods etc. Post this, with an intention to make wealth management and investing simple, he established Niveshaay Investment Advisors. Throughout his decade long experience, his approach remains unchanged: deeply understanding businesses, investing in promising entrepreneurs, conducting ongoing research, and maintaining continuous engagement with industry professionals and entrepreneurs. This commitment has enabled him to minimize bias across sectors and capitalize on emerging opportunities often overlooked by other investors, such as in renewables and electronics. He firmly believes in trusting entrepreneurs' judgments over scrutinizing quarterly performance, a principle ingrained in the culture of his firm.

A firm believer in Indian entrepreneurial blossoming and the India growth story, Mr. Arvind wants to scout for such great managements, play a significant role in these companies by either providing growth capital or helping them by leveraging his entrepreneurial /investors network built over the years. Apart from this, he also actively participates in webinars, talking about emerging industry trends and his investment strategies and also got featured in prominent publications like Economic Times, Business Standards, Money Control, Live Mint, among others.

Mr. Arvind Ashokkumar Kothari has completed his Chartered Accountancy from the ICAI. He also has the Chartered Financial Analyst designation, conferred by the CFA Institute, USA.

**Directors of the Co-Investment Portfolio Manager**

1. **Mr. Vikram Sharma (Director)**

*Please refer to clause 3 (ii) (1) (1) of this Document for a brief profile of Mr. Vikram Sharma.*

2. **Ms. Gunjan Hemantkumar Kabra**

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*Please refer to clause 3 (ii) (I) (2) of this Document for a brief profile of Ms. Gunjan Hemantkumar Kabra.*

3. **Mr. Arvind Ashokkumar Kothari**

*Please refer to clause 3 (ii) (I) (3) of this Document for a brief profile of Mr. Arvind Ashokkumar Kothari.*

**(iii) Top 10 Group companies/firms of the Co-Investment Portfolio Manager on turnover basis (latest audited financial statements may be used for this purpose)**

- Niveshaay Fanatics LLP
- Niveshaay Hedgehogs LLP
- Niveshaay Investment Advisors
- Niveshaay Trendquest LLP
- Niveshaay Moats LLP
- GVA Consultants LLP

**(iv) Details of the services being offered:**

The Co-Investment Portfolio Manager proposes to offer co-investment portfolio management services in accordance with and as permitted under the Regulations, to the investors of Niveshaay Sambhav Fund, and such other schemes that may be launched from time to time (“AIF”), by the Co-Investment Portfolio Manager. The Co-Investment Portfolio Manager shall make investments only in Securities of Portfolio Entities where the aforesaid AIFs make investments.

**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 SEBI or the directions issued by SEBI under the SEBI Act, 1992 or rules or regulations made thereunder.

Nil.

- ii. The nature of the penalty/direction.

Not applicable.

- iii. Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.

Nil.

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

Nil.

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- v. Any deficiency in the systems and operations of the Co-Investment Portfolio Manager observed by the SEBI or any regulatory agency.

Nil.

- vi. Any enquiry/ adjudication proceedings initiated by SEBI against the Co-Investment Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Co-Investment Portfolio Manager or its directors, principal officer or employee, under the SEBI Act or rules or regulations made thereunder.

Nil.

## 5. Services Offered

- (i) **The present investment objectives and policies, including the types of securities in which it generally invests, shall be clearly and concisely stated in the Document for easy understanding of the potential investor.**

**(a) Investment Objective**

The main objective of the Applicant as a Co-Investment Portfolio Manager is to act and render CPMS to the investors of Niveshaay Sambhav Fund, a scheme of Niveshaay Growth Trust, a Category II AIF registered under SEBI (Alternative Investment Funds), Regulations, 2012, bearing registration number IN/AIF2/24-25/1607, and any other funds/schemes launched or managed by the Applicant and as permitted under Applicable Laws.

**(b) Type of securities in which the Co-Investment Portfolio Manager will invest**

The Co-Investment Portfolio Manager shall invest one hundred percent of the assets under management in Securities of Portfolio Entities of Category II Alternative Investment Funds managed by it as an investment manager.

- (ii) **Investment Approach of the Co-Investment Portfolio Manager**

The Co-Investment Portfolio Manager shall invest in equity, equity-linked instruments, debt or such other permitted Securities as it deems appropriate, where Category II AIFs managed by it as investment manager and/or sponsor, makes investment and as outlined in the relevant private placement memorandum of the AIF being managed by the Co-investment Portfolio Manager.

- (iii) **The policies for investments in associates/group companies of the Co-Investment Portfolio Manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.**

No investments will be made in the associate/group companies by the Co-Investment Portfolio Manager.

## 6. Risk factors

### General Risk:

- Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the CPMS will be achieved.
- The Co-Investment Portfolio Manager has no previous experience/track record in the field of CPMS and has obtained a license to function as a Co-Investment Portfolio Manager. However, the Principal Officer, directors and other key management personnel of the Co-Investment Portfolio Manager have rich individual experience.
- Without prejudice to the above, the past performance of the Co-Investment Portfolio Manager and its directors/employees/Principal Officer, does not in any manner, indicate its future performance.
- Any act, omission or commission of the Co-Investment Portfolio Manager would be solely at the risk of the Client and the Co-Investment Portfolio Manager will not be liable for any act, omission or commission or failure to act, save and except in cases of gross negligence, willful default and/or fraud of the Co-Investment Portfolio Manager in rendering CPMS to the Client.
- The CPMS is subject to risk arising out of non-diversification as the Co-Investment Portfolio Manager under its CPMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.
- If there are any transactions of purchase and/or sale of securities by Co-Investment Portfolio Manager and employees who are directly involved in investment operations that conflicts with transactions in any of the Client Portfolio, the same shall be disclosed to the Client.
- The group companies of Co-Investment Portfolio Manager may offer services in nature of consultancy, sponsorship etc., which may be in conflict with the activities of portfolio management services.
- The provisions of the Agreement and the principal and returns on the Securities subscribed by the Co-Investment Portfolio Manager may be subject to force majeure and external risks such as war, natural calamities, pandemics, policy changes of local / international markets and such events which are beyond the reasonable control of the Co-Investment Portfolio Manager. Any policy change / technology updates / obsolescence of technology would affect the investments made by the Co-Investment Portfolio Manager.

Other risks arising from the investment objectives, investment strategy, Investment Approach and asset allocation are stated as under:

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### **Risks associated with investments in equity and equity linked securities**

- Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
- In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
- The value of the Client Portfolio, may be affected generally by factors affecting securities markets, such as interest rates, currency exchange rates, changes in policies of the government, taxation laws or policies of any appropriate authority and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
- Client may note that Co-Investment Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

*Investment and Liquidity Risks:* There may be no active secondary market for investments of the kind that the Co-Investment Portfolio Manager may make for the Client Portfolio. Such investments may be of a medium-to-long term nature. There are a variety of methods by which unlisted investments may be realized, such as the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant approvals. However, there can be no guarantee that such realizations shall be achieved, and the Portfolio's investments may remain illiquid. Further, the divestments of Co-Investments will at all time be subject to the Regulations and Applicable Law.

Since the Portfolio may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the CPMS.

*Identification of Appropriate Investments:* The success of the CPMS as a whole depends 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 Co-Investment Portfolio Manager may invest, and other factors outside the control of the Co-Investment Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Co-Investment Portfolio Manager.

### **Risks associated with investments in fixed income securities/products**

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

- **Interest Rate Risk:** As with all debt securities, changes in interest rates affects the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of portfolios.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.
- **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Due to this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Rating Risk:** Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.
- **Price Volatility Risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these Securities may be less liquid than that for other higher rated or more widely followed Securities.

### Management and Operational risks

#### **Reliance on the Co-Investment Portfolio Manager**

- The success of the CPMS will depend to a large extent upon the ability of the Co-Investment Portfolio Manager to source, select, complete and realize appropriate investments and also on reviewing the appropriate investment proposals. The Co-Investment Portfolio Manager shall

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have considerable latitude in its choice of Portfolio Entities and the structuring of investments. Furthermore, the team members of the Co-Investment Portfolio Manager may change from time to time. The Co-Investment Portfolio Manager relies on one or more key personnel and any change/removal of such key personnel may have material adverse effect on the returns of the Client.

- The investment decisions made by the Co-Investment Portfolio Manager may not always be profitable.
- Investments made by the Co-Investment Portfolio Manager are subject to risks arising from the investment objectives, Investment Approach, investment strategy and asset allocation.

Exit Constraints: Client may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations. Further, subject to Applicable Laws, the Portfolio Investments shall be exited by the Client on the same terms and timing as the relevant scheme of Alternative Investment Fund that has invested in such Portfolio Investment.

Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of Securities and permissible instruments.

No Guarantee: Investments in Securities are subject to market risks and the Co-Investment Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as delisting of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Co-Investment Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

Ongoing risk profiling risk: The Client would be subject to ongoing risk profiling in accordance with the Regulation. If in the event of any such ongoing risk profiling, it is found that the Client is not suitable for the investments in Securities or it appears that the Client does not have the requisite risk appetite, the Co-Investment Portfolio Manager may terminate the Agreement with the Client.

### **India-related Risks**

Political, economic and social risks: Political instability or changes in the government could adversely affect economic conditions in India generally and the Co-Investment Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no

assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Co-Investment Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Many countries experienced outbreaks of infectious illnesses in recent decades, including severe acute respiratory syndrome and the COVID-19. The COVID-19 outbreak had resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The spread of the COVID-19 has, had, and might continue to have a material adverse impact on portfolio entities, local economies and also the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. Additionally, the Co-Investment Portfolio Manager's operations could be disrupted if any of its member or any of its key personnel contracts the COVID-19 and/or any other infectious disease. Any of the foregoing events could materially and adversely affect the Co-Investment Portfolio Manager's ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences may arise with respect to other comparable infectious diseases.

### **Legal and Tax risks:**

*Tax risks:* Clients/ Investors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Client Portfolio are subject to change, and tax liabilities could be incurred by the Clients/ Investors as a result of such change. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. The tax consequences of an investment in the Portfolio Entities are complex, and the full tax impact of an investment in the Portfolio Entities will depend on circumstances particular to each Client/ Investor. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes. Alternative tax positions adopted by the income tax authorities could also give rise to incremental tax liabilities in addition to the tax amounts already paid by the Client/Investors. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability.

General Anti-Avoidance Rules ("GAAR"): The GAAR provide that an arrangement whose main purpose is to obtain a tax benefit and which also satisfies at least one of the four specified tests

(i.e. arrangement is not at arm's length, misuse or abuse of tax laws, lacks or is deemed to lack commercial substance or not carried out for bonafide purpose) can be declared as an "impermissible avoidance arrangement". Further, the GAAR provisions, if invoked, could override the provisions of the applicable Double-taxation Avoidance Agreements ("DTAA").

The provisions of GAAR would be applicable to any transaction undertaken on or after April 1, 2017. There is a risk that the Indian tax authorities could challenge transactions entered into by the Client under the GAAR provisions, which could result in additional tax liabilities to the Client.

Multilateral Convention to implement DTAA related measures to prevent Base Erosion and Profit Shifting ("MLI"): Client should be aware that on 7 June 2017, several countries signed a multilateral convention implementing tax treaty related measures arising from the OECD's "Action Plan on Base Erosion and Profit Shifting" or "BEPS" initiative. The effect of the multilateral convention will be to amend the terms of existing bilateral tax treaties between the signatory states (once ratified domestically by the relevant states) to introduce either a "principal purpose" or "limitation on benefits" restriction (or, in some cases, both) into the existing tax treaties in force between the signatory states. This could result in additional reporting and disclosure obligations for Client and/or the co-investment portfolio manager and/or additional tax being suffered by the Client, which may adversely affect the returns for the Client.

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

On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Bankruptcy of Portfolio Entity: Various laws enacted for the protection of creditors may operate to the detriment of the CPMS if it is a creditor of a Portfolio Entity that experience financial difficulty. For example, if a Portfolio Entity becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Portfolio Investment to other creditors. If the Client holds equity securities in any Portfolio Entity that becomes insolvent or bankrupt, the risk of subordination of the Client's claim increases.

Change in Regulation: Any change in the Regulation and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the CPMS.

## **Risk pertaining to Investments**

### Investment in Securities/Instruments

- The Client Portfolio may comprise of investment in unlisted securities. The Co-Investment Portfolio Manager's ability to protect the investment or seek returns or liquidity may be limited.

- Some of the Portfolio Entities in which the Co-Investment Portfolio Manager will invest may get their Securities listed with the stock exchange after the investment by the Co-Investment Portfolio Manager. In connection with such listing, the Co-Investment Portfolio Manager may be required to agree not to dispose of its Securities in the Portfolio Entity for such period as may be prescribed under the Applicable Law, or there may be certain investments made by the Co-Investment Portfolio Manager which are subject to a statutory period of non-disposal or there may not be enough market liquidity in the Security to effect a sale and hence Co-Investment Portfolio Manager may not be able to dispose of such investments prior to completion of such prescribed regulatory tenures and hence may result in illiquidity.
- The Client Portfolio may be invested in listed securities (earlier in unlisted which may get listed at later time) and as such may be subject to the market risk associated with the vagaries of the capital market.

In addition to the above, the Client understands that all risks associated with such Alternative Investment Funds (as applicable) managed by the Co-investment Portfolio Manager, is applicable to Portfolio Investments sourced through the Co-investment Portfolio Manager.

## 7. Nature of expenses

The following are the general costs and expenses to be borne by the Clients availing the services of the Co-Investment Portfolio Manager. However, the exact nature of expenses relating to each of the following services is annexed to the Agreement in respect of each of the services provided.

### i. Co-investment Management Fee:

The Co-investment Management Fee relates to the CPMS offered to the Clients. The Co-investment Management Fee shall be upto 2% (two percent) p.a. of the quantum of the funds being advised as agreed in the Agreement. The fees shall be exclusive of indirect taxes, if any.

### ii. Performance fee:

The performance fee relates to the share of profits charged by the Portfolio Manager, subject to hurdle rate and high water mark principle as per the details provided in the Agreement. The Performance Fee shall be upto 20% (twenty percent) p.a. of the return on the Portfolio which shall be charged annually.

### iii. Other fees and expenses:

The Co-Investment Portfolio Manager may incur the following expenses which shall be charged/reimbursed by the Client:

- (a) Transaction expenses including, but not limited to, statutory fees, documentation charges, statutory levies, stamp duty, registration charges, commissions, charges for transactions in Securities, fees for fund accounting, valuation charges, audit and verification fees,

depository charges, and other similar or associated fees, charges and levies, legal fees, incidental expenses etc.;

- (b) Brokerage shall be charged at actuals;
- (c) Legal and statutory expenses including litigation expenses, if any, in relation to the Portfolio;
- (d) Statutory taxes and levies, if any, payable in connection with the Portfolio;
- (e) Valuation expenses, valuer fees, audit fees, levies and charges;
- (f) All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above, whether agreed upon in the Agreement or not, arising out of or in the course of managing or operating the Portfolio.

Provided the Co-Investment Portfolio Manager shall not charge any up-front fees to the Client whether directly or indirectly. Notwithstanding the above, the Co-Investment Portfolio Manager may charge up-front costs and expenses so attributable to the Client in terms of the Agreement.

## 8. Taxation

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

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

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

The following summary is based on the law and practice of the Income-tax Act, 1961 (the "IT Act" or 'ITA'), the Income-tax Rules, 1962 (the "IT Rules") and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the

relevant year, and this summary reflects the amendments enacted in the Finance Act, 2020.

I. The Tax Rates for different Entities for the Financial Year 2024-25 (Assessment Year 2025-26) are as follows:

1. Company:

Tax Rates:

- Foreign Company: 35% (plus applicable surcharge and cess).
- Domestic Company: Different rates are applicable as under:

Type of Company	Tax rate	MAT applicability
Domestic “manufacturing” companies opting benefit under section 115BA of the Act	25%	Applicable
Domestic companies opting benefit under section 115BAA of the Act	22%	Inapplicable
New domestic manufacturing companies opting benefit under section 115BAB of the Act	15%	Inapplicable
Small domestic companies with turnover of less than INR 400 Crore or less in the Financial Year 2022-23	25%	Applicable
Other domestic companies	30%	Applicable

**Notes:**

1. As per the Minimum Alternate Tax (“MAT”) provisions under the IT Act, from FY 2019-20 onwards, the portfolio companies shall be liable to pay tax at the rate of 15% on the book profits, if such tax amount calculated is higher than the tax amount calculated at the rate of 25%/30% on a net income basis.
2. In respect of a portfolio entity which qualifies as ‘eligible start-up’ and fulfils other conditions specified under the Act, 100% deduction of the profits and gains derived from eligible business is available for any three consecutive assessment years out of ten years beginning from the year in which the eligible start-up is incorporated.
3. Further, as per the provisions of section 80M as introduced by the Finance Act, 2020, a Domestic Company in computing its total taxable income shall be allowed a deduction of an amount equal to the income by way of dividends received from any other Domestic Company, foreign company or a business trust. However, the deduction shall **be available** only to the extent of amount of dividend further distributed by such Domestic Company on or before a specified due date.
4. The above tax rates shall be increased by surcharge and cess as under:

Surcharge on Income Tax:

Net Income Range	Foreign Company	Domestic Company
If Taxable Income does not exceed INR 10 Million	Nil	Nil
If Taxable Income is in the range of INR 10 Million to INR 100 Million	2% of Income Tax	7% of Income Tax
If Taxable Income exceed INR 100 Million	5% of Income Tax	12% of Income Tax

Health and Education Cess (HEC):

4% of Income Tax and applicable surcharge.

2. FIRMS:

A firm is taxable at the rate of 30% plus applicable surcharge and cess as under:

Surcharge: 12% of Income Tax if net income exceeds INR 10 Million.

HEC: 4% of Income Tax and applicable surcharge.

3. Individual, Hindu undivided families (HUF), AOPs, BOIs – The tax rates applicable to individuals are also applicable to a HUF, AOP, BOI or an artificial juridical person. The rates are as below:

Net Income Range	Income Tax Rates	Surcharge	Health and Education Cess (HEC)
Upto INR 3,00,000	Nil	Nil	Nil
INR 3,00,001- INR 7,00,000	5%	Nil	4% of Income Tax
INR 7,00,001- INR 10,00,000	10%	Nil	4% of Income Tax
INR 10,00,0001- INR 12,00,000	15%	Nil	4% of Income Tax
<b>INR 12,00,0001- INR 15,00,000</b>	<b>20%</b>	<b>Nil</b>	<b>4% of Income Tax</b>
INR 15,00,001- INR 50,00,000	30%	Nil	4% of Income Tax

INR 50,00,001- INR 1,00,00,000	30%	10% of the Total Income Tax	4% of Income Tax and Surcharge
INR 1,00,00,001- INR 2,00,00,000	30%	15% of the Total Income Tax	4% of Income Tax and Surcharge
Above INR 2,00,00,001	30%	25% of the Total Income Tax	4% of Income Tax and Surcharge

Note- The above rates are considering new tax regime under section 115BAC of the IT Act.

Note- Where the total income includes any income chargeable under section 111A and section 112 of the IT Act, the rate of surcharge on the amount of income tax computed on that part of income shall not exceed 15%.

## **II. Residential status and taxability**

### **Taxability of resident investors**

Any income earned from the investor will be taxed in India.

### **Taxability of non-resident investors**

As per provisions of the Act, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the DTAA between India and the country of residence of the non-resident investor (subject to GAAR and MLI provisions discussed below). However, no assurance can be provided that the DTAA benefits will be available to the non-resident investor or the terms of the DTAA 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 DTAA or where the non-resident investor is from a country with which India has no DTAA, would be as per the provisions of the IT Act.

In order to claim DTAA benefits, the non-resident investor has to obtain Tax Residency Certificate ('TRC') as issued by the foreign tax authorities. Further, the non-resident investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.

Further, the CBDT vide Notification No 3 of 2022 has specified Form 10F to be furnished on the e-filing portal electronically. Accordingly, going forward, form 10F will be required to be furnished electronically on the income-tax e-filing portal by the non-resident investor.

The Income-tax authorities may grant DTAA (after verifying the TRC) based on the facts of each case.

### **Residential status for non-corporate investors**

A non-corporate investor will be said to be resident of India based on the number of days such individual is present in India. Further, as per the Finance Act, 2020, with effect from 1 April 2020,

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an Individual being an Indian citizen, having total income, other than the income from foreign sources, exceeding fifteen lakh rupees during the previous year shall be deemed to be resident in India in that previous year, if he is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature.

As per newly introduced section 2(29A) of the IT Act, “liable to tax”, in relation to a person and with reference to a country, means that there is an income-tax liability on such person under the law of that country for the time being in force and shall include a person who has subsequently been exempted from such liability under the law of that country.

### **Residential status for corporate investors**

As per the provisions of the Act, amended by the Finance Act, 2016 with effect from 1 April 2016, a company would be considered a resident of India if (i) it is an Indian company; or (ii) its “place of effective management” (‘POEM’), in that year, is in India. Further, it is provided that for this purpose, the POEM would be the place where the key management and commercial decisions that are necessary for the conduct of the business of the entity as a whole are, in substance made. Therefore, a foreign company could be considered a tax resident of India if its POEM is determined to be in India.

### **III. Characterisation of income**

Gains arising from the transfer of securities held in the portfolio entities may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such securities were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the tax authorities. There have been judicial pronouncements on this issue and have laid down certain guiding principles which are largely driven by the facts and circumstances of each case.

With a view to reducing litigation and maintain consistency, the Central Board of Direct Taxes (‘CBDT’) issued a Circular<sup>1</sup> providing that income from transfer of listed shares/securities (which shall include listed shares, scrips, bonds, debentures, derivative, security receipts, units of mutual fund, government securities, etc.) held for more than 12 months would be treated as capital gains unless the tax payer himself treats the same as stock in trade; in other cases involving sale of listed shares / securities, the characterisation of income would be decided on the basis of previous circulars and instructions issued by the CBDT on this subject. Certain indicative factors emanating from the said CBDT circulars are as below:

- Purchase and resale of a commodity are not allied to usual trade or business – Not business income
- Repetition of transaction (frequency) – Generally, where frequency of trading is low, it may be contended that gains is capital gains in nature and not business income
- Test of intention – Where the intention is to hold it as investments and period of holding is long, it may be contended that gains is capital gains in nature and not business income

<sup>1</sup>Circular No. 6 of 2016, dated February 29, 2016

- Where the sales which produced the surplus were connected with the carrying on of the business of the assessee, it may be contended that gains is a business income.
- Where purchase and sale of shares have been made with a motive of earning profit (and not to hold as a capital asset or for investment purposes), then it may result in the transaction being characterized as being in nature of trade
- Where the object of the investment in shares of a company is to derive income by way of dividend, etc., then the profits accruing by change in such investment (by sale of shares) will yield capital gain and not revenue receipt
- How the shares were valued/held in the books of account, i.e., whether they were valued as stock-in-trade at the end of the financial year for the purpose of arriving at business income or held as investment in capital assets

The above indicative factors shall be applicable for short-term listed shares/ securities and unlisted shares/ securities.

The Circular also provides that a position once adopted by the taxpayer would not be allowed to be changed and it would be applicable for the subsequent assessment years. It is however clarified that the principles as outlined in the circular shall not be applicable in cases where the genuineness of the transaction itself is questionable. Furthermore, with respect to the characterisation of gains arising on transfer of unlisted shares, the CBDT has issued an instruction providing that income from transfer of unlisted shares (for which no formal market exists for trading), except in certain specified circumstances<sup>2</sup>, would be treated as 'Capital Gain' irrespective of period of holding.

The above has been summarised under the tabular form:

Type of security	Period of Holding	Characterisation
Unlisted shares	No specific period of holding prescribed	Capital Gains (subject to certain exceptions as mentioned above)
Listed securities	More than 12 months	Capital Gains
	12 months or less than 12 months	Debatable (Refer discussion below)

The CBDT has from time to time provided certain guidance<sup>3</sup> in respect of characterisation of gains as either capital gains or business income.

<sup>2</sup>In the instruction dated May 2, 2016, the CBDT had carved out three exceptions for the Tax Officers to take an appropriate view on the characterization of income. One of the exceptions is the scenario where the transfer of unlisted shares is made along with the control and management of underlying business. In this regard, CBDT noted that Category I and II AIFs registered with the SEBI invest in unlisted shares of companies, being new set-ups or start-ups, and to safeguard the interest of its investors, such AIFs may exercise some form of control and management in the underlying business of the start-ups. Hence, CBDT has issued an instruction dated 24 January 2017 to clarify that this exception relating to transfer of unlisted shares along with the control and management of the underlying business as mentioned in the CBDT instruction dated 02 May 2016, would not be applicable to SEBI registered Category I and II AIFs only.

<sup>3</sup>vide Instruction: No. 1827, dated August 31, 1989 and Circular No. 4/2007, dated June 15, 2007

Following the same, are some illustrative factors indicative of capital gains characterisation (not business income):

- (a) Intention at the time of acquisition – capital appreciation
- (b) Low transaction frequency
- (c) Long period of holding
- (d) Shown as investments in books of accounts (not stock in trade)
- (e) Use of owned funds (as opposed to loan) for acquisition
- (f) Main object in constitution document is to make investments
- (g) Higher level of control over the Investee Company

No single criteria would be decisive to determine whether the investor is in the business of making investments (qua sale of Listed shares / securities held for a period less than 12 months). The characterisation would depend on the total effect of all criteria applicable to the facts of the case. Therefore, in this regard, the characterisation of income of the investor would need to be evaluated every year, based on the facts existing in that year.

#### **IV. Overview of taxation of different streams of income at the level of investors**

##### ***Dividend Income***

The Finance Act, 2020, has removed the dividend distribution tax ('DDT') levy on the Indian Companies on the dividend distributed by such Investee Companies. Further, the exemption available to the recipient on such Dividend Income under section 10(34) of the Act has been removed. Consequently, such Dividend income shall be taxed in the hands of Investors. Further, the additional tax of 10% on specified Indian residents has been removed. These provisions are effective from 1 April 2020.

The applicable tax rate on such dividend income is:

- 15%/22%/25%/30% for Domestic Company (please refer para I for further details); As per applicable slab rate (maximum being 30%) for (a) Resident Investors, (b) Other Resident Investors in India;
- 20% (subject to tax treaty benefits, if any) for (a) Non – Resident Investors and (d) Other Non - Resident Investors and (e) Foreign Company.

The aforesaid rates are to be increased by applicable surcharge and cess.

Similarly, dividends declared by mutual funds which were exempt from tax in the hands of the Unitholders are now taxable in the hands of the Unitholders at the aforesaid rates.

##### ***Interest Income***

Interest income earned by the investors from Portfolio Entities should be subject to tax in India. The applicable tax rate shall be 15%/22%/25%/30% for Domestic Company (please refer para I for further details); Applicable slab rates (maximum being 30%) for (a) Resident Investors, (b) Other Resident Investors in India, (c) Non – Resident Investors (subject to tax treaty benefits, if any) and 35% for Foreign Company (subject to tax treaty benefits, if any).

The aforesaid rates are to be increased by applicable surcharge and cess.

### **Capital Gains**

As per provisions of the Act, any profits or gains arising from the transfer of capital assets are chargeable to income-tax under the head 'capital gains'. Further, income chargeable as capital gains is the difference between the full value of the consideration received or accrued<sup>4</sup> on the transfer and the cost of acquisition of such asset plus expenditure in relation to such transfer.

Under the Act, capital gains will be taxable in the hands of the Unitholders depending on the nature of securities and the period of holding. Depending on the period for which the securities are held, the gains would be taxable as short term or long-term capital gains.

Further, indexation was available in case where the capital asset was a long-term capital asset as mentioned below and was transferred before July 23, 2024 on transfer of capital asset other than bond or a debenture (other than capital indexed bonds issued by the Government or Sovereign Gold Bonds issued by the RBI under the Sovereign Gold Bond Scheme, 2015).

However, no indexation is available where long-term capital asset is transferred on or after 23 July 2024 as per amendment vide Finance Act, 2024.

Depending on the period for which the securities are held, the gains would be taxable as short term or long-term capital gains. Below is the provision for transfer of capital asset on or after 23 July 2024:

<b>Type of instrument</b>	<b>Period of holding</b>	<b>Characterization</b>
Listed securities, units of equity oriented mutual fund, zero coupon bond or units of Unit Trust of India	More than 12 months	Long-term capital asset
	12 months or less	Short-term capital asset
Other securities	More than 24 months	Long-term capital asset
	24 months or less	Short-term capital asset

**Taxability of capital gains for transfer of securities on or after 23 July 2024 under the Act shall be as follows:**

<sup>4</sup> As per section 50CA of the Act, whereby in a transaction pertaining to transfer of unlisted shares, if the full value of the consideration received is less than Fair Market Value ("FMV") of the shares then, Full Value of Consideration shall be deemed to be the FMV of the shares. The FMV shall be determined in accordance with the IT Rules as prescribed by the Indian tax authorities. As per the Finance (No.2) Act, 2019, the aforesaid provision shall not apply to any consideration received/accruing on transfer from such class of persons and subject to fulfilment of conditions as may be prescribed. Refer CBDT Notification No. 42/2020 dated June 30, 2020.

Sr. No.	Nature of Income	Domestic Company, Resident Investors and Other Resident Investors	Foreign Company, Non-Resident Investors and Other Non-Resident Investors
a)	Short-term capital gains on transfer of listed shares on the stock exchange or to be listed shares in an offer for sale, unit of a business trust and units of equity oriented mutual fund provided the transaction has been subject to STT	20% (without indexation)	20% (without indexation)
b)	Other Short-term Capital Gains (not subject to STT) (Note 1)  (includes all other securities other than listed shares, equity oriented mutual fund, units of REIT and InvIT)	Domestic Company - 15%/22%/25%/30% (without indexation) Resident Investors and Other Resident Investors - 30% (without indexation)	Foreign Company - 35% (without indexation) Non-Resident Investors and Other Non-Resident Investors - 30% (without indexation)
c)	Long-term capital gains on transfer of listed shares either on the stock exchange or to be listed shares in an offer for sale, unit of a business trust and units of equity oriented mutual fund provided the transaction has been subject to STT (Note 2)  (includes units of REIT and INVIT)	12.50% (without indexation)	12.50% (without indexation)
d)	Long term capital gains on transfer of any other capital asset	12.50% (without indexation)	12.50% (without indexation)

**Note:**

- Section 50AA of the Act provides that any capital gains arising from transfer or redemption or maturity of (i) units of a specified mutual fund acquired on or after 1 April 2023 or (ii) market linked debentures or (iii) unlisted bond or an unlisted debenture which is transferred or redeemed or matures on or after the July 23, 2024 shall be deemed to be considered as short-term capital gains, irrespective of the period of holding of such securities.

For the purpose of section 50AA of the Act, "Specified mutual fund" means:

(i) Up to March 31, 2025, a Mutual Fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

(ii) From April 1, 2025, onwards, (a) a Mutual Fund by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments; or (b) a fund which invests 65% or more of its total proceeds in units of a fund referred to in (a).

2. Section 112A of the Act provides that the tax payable on the income from capital gains on transfer of long term capital asset, being an equity share in a company or a unit of equity oriented mutual fund or a unit of business trust shall be calculated at the rate of 10% (on transfer undertaken before July 23, 2024) and 12.50% (on transfer undertaken on or after July 23, 2024) if such income exceeds One hundred and twenty five thousand rupees provided STT has been paid on acquisition (in case of shares) and transfer of such asset. However, it is provided that the Central Government would notify a list of transactions / exceptions that shall continue to be eligible for the concessional long-term capital gains tax exemption even though STT has not been paid on acquisition. Considering the above, the CBDT has issued a notification on 1 October 2018. The notification prescribes the following list of transactions of acquisition in respect of which benefit of concessional tax rate benefit under section 112A of Act would be available:

A. Equity shares acquired before 1 October 2004;

B. Equity shares acquired on or after 1 October 2004, which are not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004(23 of 2004), other than the following:

a. where acquisition of existing listed equity share in a company whose equity shares are not frequently traded in a recognised stock exchange of India is made through a preferential issue; provided that nothing contained in this clause shall apply to acquisition of listed equity shares in a company:

i. which has been approved by the Supreme Court, High Court, National Company Law Tribunal, SEBI or RBI in this behalf;

ii. by any non-resident in accordance with foreign direct investment guidelines issued by the Government of India;

iii. by an investment fund referred to in clause (a) of Explanation 1 to section 115UB of the Income-tax Act or a venture capital fund referred to in clause (23FB) of section 10 of the Income-tax Act or a Qualified Institutional Buyer; and

iv. through preferential issue to which the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 does not apply.

b. where transaction for acquisition of existing listed equity share in a company is not entered through a recognised stock exchange of India;

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*Provided that nothing contained in this clause shall apply to the acquisition of listed equity shares in a company which has been made in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956(42 of 1956) as is:*

- i. through an issue of share by a company other than the issue referred to in clause (a);*
  - ii. by scheduled banks, reconstruction or securitisation companies or public financial institutions during their ordinary course of business;*
  - iii. approved by the Supreme Court, High Courts, National Company Law Tribunal, SEBI or RBI in this behalf;*
  - iv. under employee stock option scheme or employee stock purchase scheme framed complying with the guidelines issued by SEBI;*
  - v. by any non-resident in accordance with foreign direct investment guidelines of the Government of India;*
  - vi. is in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;*
  - vii. from the Government;*
  - viii. by Category I and Category II AIF or a venture capital fund or a QIB; by mode of transfer referred to in section 47 or section 50B or sub-section (3) of section 45 or subsection (4) of section 45 of the Income-tax Act, if the previous owner or the transferor, as the case may be, of such shares has not acquired them by any mode referred to in clause (a) or clause (b) or clause (c) other than the transactions referred to in the proviso to clause (a) or clause (b)*
- c. acquisition of equity share of a company during the period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with SEBI Act 1992 and the rules made thereunder.*

*This notification has come into force with effect from the 1st day of April, 2019 and applies in relation to the assessment year 2019-20 and subsequent assessment years.*

### **Redemption premium**

There are no specific provisions under the Act, regarding the characterisation of the premium received on redemption of debentures. Because 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 is decided based on factors surrounding the relevant case. Taxability of “interest” and “capital gains” in the hands of the Unitholders is provided in earlier paragraphs.

### **Proceeds on Buy-back of shares by the company**

With effect from October 01, 2024, proceeds on buy back of shares (whether listed or unlisted) shall be considered as dividend income in the hands of shareholders as per section 2(22)(f) of the IT Act and will be taxable at the rates mentioned in point a) above. The consideration received by the shareholder on buy back of shares shall be deemed to be nil.

Further, no buy-back distribution tax shall be payable by the Indian company on distribution of income by way of buy-back of its shares.

### **Deemed income on Investment in shares / securities of unlisted companies in India**

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The investor may acquire shares / securities of an unlisted Indian company for a consideration which is lower than the fair market value (“FMV”) or without consideration. Such an acquisition could trigger tax implications in the hands of the investor which are discussed in the subsequent paragraphs.

As per the provisions of section 56(2)(x) of the Act, where any person receives any property for a consideration which is lower than the FMV by more than INR 50,000 or without consideration, the difference is taxable in the hands of the acquirer under the head “Income from Other Sources” (“Other Income”). The CBDT has issued rules, which provide the manner in which FMV should be ascertained.

The Finance Act, 2017 has introduced an amendment whereby in case of transfer of unlisted shares of a company at a value lesser than the FMV, the FMV would be deemed to be the full value consideration for computing capital gains. As per section 50CA of the Act, the difference between the fair market value and actual consideration shall be notionally charged to tax.

The CBDT has issued rules, which provide manner in which FMV would be ascertained. Where actual sales consideration is disregarded and FMV, as computed under section 50CA read with the rules is considered for determination of capital gains, the investors may be taxable on an amount that may be greater than gains actually realized.

### **Minimum Alternate Tax**

The Act provides for levy of MAT on corporates and AMT on non-corporates. If MAT or AMT is held to be applicable to the investors on the income receivable by such investors from their investment, such investor shall be liable to pay tax at the rate of 15% or 18.5% respectively of the book profits/adjusted total income, as the case may be, on the book profits, if such tax amount calculated is higher than the tax amount calculated under the normal provisions of the Act, as the case may be, on a net taxable income basis. The MAT provisions are not applicable to a non-resident being a foreign company if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a Permanent Establishment in India; or (b) the assessee is a resident of a country with which India does not have a DTAA and is not required to seek registration under the Indian corporate law.

Further, MAT provisions will not be applicable to companies opting for this concessional tax regime under section 115BAA and section 115BAB of the Act (discussed in para I).

Further, the AMT provisions will not be applicable to an investor who is an individual or a Hindu undivided family opted for concessional tax regime under section 115BAC of the Act.

Further, the MAT paid will be available as a credit to the Unitholders for a period of 15 years subject to certain conditions.

## **V. Other Provisions**

### **1. Stamp duty and local taxes**

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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. 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%

## 2. Securities Transaction Tax

The concessional tax rate on long-term capital gains (subject to certain exceptions, as discussed above) and short-term capital gains would be applicable only if the sale / transfer of the equity shares takes place on a recognized stock exchange in India. All transactions entered on a recognised stock exchange in India will be subject to STT levied on the transaction value at the applicable rates.

The rates of STT are as follows:

Sr No	Nature of taxable securities	STT Rates (in per cent)	Payable by
		From 01/06/2016	
1(a)	Purchase of an equity share in a company where the transaction is entered into in a recognised stock exchange and the contract is settled by actual delivery or transfer of such shares	0.1	Purchaser
1(b)	Purchase of a unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled by actual delivery or transfer of such units	NIL	NA
2(a)	Sale of an equity share in a company where the transaction is entered into in a recognised stock	0.1	Seller

Sr No	Nature of taxable securities	STT Rates (in per cent)	Payable by
		From 01/06/2016	
	exchange and the contract is settled by actual delivery or transfer of such shares		
2(b)	Sale of a unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled by actual delivery or transfer of such units	0.001	Seller
3	Sale of an equity share in a company/ unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled otherwise than by actual delivery or transfer of shares/ units.	0.025	Seller
4(a)	Sale of an option in securities (STT will be payable on the option premium)	0.0625 <sup>5</sup>	Seller
4(b)	Sale of an option in securities where the option is exercised (STT will be payable on the settlement price)	0.125	Purchaser
4(c)	Sale of a future in securities	0.0125 <sup>6</sup>	Seller
5	Sale of units of an equity-oriented fund to the Mutual Fund	0.001	Seller
6	Sale of unlisted equity shares by any holder of such shares under an offer for sale to the public including in an IPO and where such shares are subsequently listed on a recognized stock exchange	0.2	Seller

The amount of STT paid in respect of the taxable securities transactions entered into in the course of a business during the previous year can be claimed as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and gains from business and profession”.

### 3. Goods and Services Tax (‘GST’)

From July 1, 2017 onwards, India has introduced Goods and Service Tax (‘GST’). Post introduction of GST, 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 rate on such services is currently 18%. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards Management Fee and Trusteeship Fees payable by the Fund to the Investment Manager and Trustee, respectively.

<sup>5</sup> 0.1% with effect from October 1, 2024

<sup>6</sup> 0.02% with effect from October 1, 2024

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In a recent ruling<sup>7</sup> passed by the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in a Service Tax Appeal, it has been held that the trust (registered with SEBI as a venture capital fund) provides 'banking and other financial services' to the contributors/beneficiaries and the expenses incurred (including the return on class b/class c units and the payments made to investment manager) by the trust constitute the consideration for such services on which the trust should charge service tax. While the ruling has been reversed by the High Court, the risk of GST being imposed in respect of expenses incurred (including the returns on Class B/Class C Units and the payments made to Investment Manager) by the Fund on behalf of the relevant Contributors cannot be completely ruled out.

## VI. General Anti-Avoidance Rule ("GAAR"):

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

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

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

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

The above terms should be read in the context of the definitions provided under the 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.

<sup>7</sup> 2021-VIL-278-CESTAT- BANG - ST

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

## VII. Multilateral Instrument 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 DTAA benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLI.

On 25 June, 2019, India has deposited the Instrument of Ratification to OECD, Paris along with its Final Position in terms of Covered Tax Agreements (CTAs), Reservations, Options and Notifications under the MLI, as a result of which MLI will enter into force for India on 1st day of October, 2019 and its provisions will have effect on India’s DTAAAs from FY 2020-21 onwards.

## VIII. FATCA guidelines

According to the Inter-Governmental Agreement read with the United States Foreign Account Tax Compliance Act (FATCA) provisions, certain financial institutions in India are required to report tax information about US account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA reporting in India. A statement is required to be provided online for every calendar year by 31 May. The Reporting Financial Institution<sup>8</sup> is expected to maintain and report the following information with respect to each reportable account:

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

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

## IX. CRS Guidelines

<sup>8</sup> Reporting Financial Institution means: - (a) a financial institution which is resident in India but excludes any branch of such institution that is located outside India; and (b) any branch of a financial institution (other than a non-reporting financial institution) which is not resident in India, if that branch is located in India.

To combat the problem of offshore tax evasion and avoidance and stashing of unaccounted money abroad requiring cooperation amongst tax authorities, the G20 and OECD countries working together developed a Common Reporting Standard (CRS) on Automatic Exchange of Information (AEOI). The CRS on AEOI requires the financial institutions of the “source” jurisdiction to collect and report information to their tax authorities about account holders “resident” in other countries, such information having to be transmitted “automatically” on yearly basis. The information to be exchanged relates not only to individuals but also to shell companies and trusts having beneficial ownership or interest in the “resident” countries. Further, the reporting needs to be done for a wide range of financial products, by a wide variety of financial institutions including banks, depository institutions, collective investment vehicles and insurance companies.

To implement the CRS on AEOI and also the IGA with USA, and with a view to provide information to other countries, necessary legislative changes have been made through Finance (No. 2) Act, 2014, by amending section 285BA of the ITA. IT Rules were amended vide Notification No. 62 of 2015 dated August 7, 2015 by inserting Rules 114F to 114H and Form 61B to provide a legal basis for the Reporting Financial Institutions (RFIs) for maintaining and reporting information about the Reportable Accounts.

The Contributor shall, within Ten (10) days of a reasonable request by the Trustee / the Investment Manager, supply to the Trustee / the Investment Manager such forms, documentation and other information relating to its status as that the Trustee / the Investment Manager reasonably requests for the purposes of the Fund’s compliance with any law, regulation, or exchange of information regime.

**Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on residential status, the facts and circumstances of each case. The Client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his income or loss and the expenses incurred by him as a result of his investment as offered by the Co-Investment Portfolio Manager.**

## 9. Accounting policies

Accounting norms prevalent in the co-investment portfolio management services industry and as may be prescribed/applicable from time to time will be duly followed.

## 10. Investors services

The Co-Investment Portfolio Manager seeks to provide the Clients with a high standard of service. The Co-Investment Portfolio Manager is committed to put in place and upgrade on a continuous basis, the systems and procedures that will enable effective servicing through the use of technology. The Client servicing essentially involves:

- (a) Reporting portfolio actions and Client statement of accounts at pre-defined frequency;
- (b) Attending to and addressing any Client query with least lead time;

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- (c) Ensuring Portfolio reviews at predefined frequency.
- (i) **Name, address and telephone number of the investor relation officer who shall attend to the Investor queries and complaints:**

<b>Name</b>	Yugal Rathi
<b>Designation</b>	Investor Relation Officer
<b>Address</b>	Office No. 610, 6 <sup>th</sup> Floor, SNS Platina, Vesu, Surat – 395007, Gujarat, India.
<b>Telephone No.</b>	+91 8200730374
<b>Email id</b>	yugal.rathi@niveshaay.com

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

The aforesaid personnel of the Co-Investment Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest. The Co-Investment Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle Client complaints. The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Client. Effective grievance management would be an essential element of the Co-Investment Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously and any Client grievance shall be redressed by the Co-Investment Portfolio Manager within 21 calendar days from the date of receipt of complaint from the Client, in line with the Regulations:

1. **Quick action** – As soon as any grievance comes to the knowledge of the aforesaid personnel, it would be identified and resolved. This will lower the detrimental effects of the grievance.
2. **Acknowledging grievance** – The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
3. **Gathering facts** – The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
4. **Examining the causes of grievance** – The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
5. **Decision making** – After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
6. **Review** – After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance

Officer, namely Ms. Vidhya Sanwal and subject to the Regulations. The Compliance Officer will endeavor to address such grievance in a reasonable manner and within 21 calendar days from the date of receipt of complaint from the Client. The coordinates of the Compliance Officer are provided as under:

<b>Name</b>	Vidhya Sanwal
<b>Address</b>	Office No. 610, 6 <sup>th</sup> Floor, SNS Platina, Vesu, Surat – 395007, Gujarat, India.
<b>Telephone No.</b>	+91 7096078870
<b>Email id</b>	vidhya.sanwal@niveshaay.com

If the Client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Co-Investment Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to mediation / conciliation/ arbitration under online dispute resolution as specified by SEBI vide its master circular no. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated July 31, 2023 and further amendments thereto.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which the complaint will be either routed to the Co-Investment Portfolio Manager or to SEBI (as applicable), which may then forward the complaint to the Co-Investment Portfolio Manager and the Co-Investment Portfolio Manager will suitably address the same. SCORES is available at <https://scores.sebi.gov.in/>.

#### 11. Details of diversification policy for Co-Investment Portfolio Manager

This provision is not applicable to co-investment portfolio management services.

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## PART II DYNAMIC SECTION

### 12. Client Representation

- (i) The Co-Investment Portfolio Manager has no previous experience/track record in the field of co-investment portfolio management services and has obtained a certificate of registration to function as a Co-Investment Portfolio Manager on account of being an investment manager to an Alternative Investment Fund and therefore has no record of representing any persons/entities in the capacity of a Co-Investment Portfolio Manager.
- (ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

Nil.

### 13. The Financial Performance of Co-Investment Portfolio Manager (based on audited financial statements)

(INR in Crores)

	As on March 31, 2023	As on March 31, 2024	As on March 31, 2025
<b>Paid-up Share Capital</b>	Nil	0.001	0.01
<b>Free reserves</b> (excluding revaluation reserves)	Nil	0	0.2819
<b>Profit / (Loss) Before Tax</b>	Nil	0.001	0.3785
<b>Profit / (Loss) After Tax</b>	Nil	0.001	0.2819

The Co-investment Portfolio Manager is a newly incorporated entity, hence does not have financial information for last three financial years. We have provided information available from inception on March 2024.

### 14. Performance of the Co-Investment Portfolio Manager

The Co-investment Portfolio Manager has no previous experience/track record in the field of co-portfolio management services. Accordingly, the same is not applicable.

### 15. Audit Observations for the preceding three years

The Co-Investment Portfolio Manager was incorporated on February 15, 2024, and hence there are no audit observations for the preceding three years.

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## 16. Details of investments in the securities of related parties of the Co-Investment Portfolio Manager

Not Applicable.

## 17. General

### Prevention of Money Laundering

The Co-Investment Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Co-Investment Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and the investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its Know Your Client (“KYC”) policy and with a view to monitor transactions in order to prevent money laundering, the Co-Investment Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record investor’s telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client, holding the funds/securities in his name, is legally authorised/entitled to invest the said funds/securities through the services of the Co-Investment Portfolio Manager, for the benefit of the beneficiaries.

The Co-Investment Portfolio Manager will not seek fresh KYC from the Clients who are already KYC Registration Agency (“KRA”) compliant except the information required under any new KYC requirement and may also request certain information for verifying the KYC information available and/or when an update to the KYC information available is required. The Clients who are not KRA compliant, the information will be procured by the Co-Investment Portfolio Manager and uploaded.

The Co-Investment Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client’s account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy. If the Co-Investment Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws, then it will report the same to FIU-IND.

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Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. Clients/Investors are advised to read the Document carefully before entering into an Agreement with the Co-Investment Portfolio Manager.

**For and on behalf of Niveshaay Investment Management Private Limited**

<p>Arvind Kothari Director DIN: 05251856</p> <p>ARVIND ASHOKKUM AR KOTHARI</p> <p><small>Digitally signed by ARVIND ASHOKKUMAR KOTHARI DN: 2025.11.21 14:39:35 +05'30'</small></p>	<p>Gunjan Kabra Director DIN: 07050415</p> <p>Gunjan Hemantku mar Kabra</p> <p><small>Digitally signed by Gunjan Hemantkumar Kabra Date: 2025.11.21 14:37:37 +05'30'</small></p>
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**Place: Surat**

**Date: 21-11-2025**

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## FORM C

Securities and Exchange Board of India (Co-Investment Portfolio Managers) Regulations, 2020  
[Regulation 22]

<b>Name</b>	Niveshaay Investment Management Private Limited
<b>Address</b>	Office No. 610, 6 <sup>th</sup> Floor, SNS Platina, Vesu, Surat – 395007, Gujarat, India.
<b>Phone Number</b>	+91 8160379116
<b>Fax Number</b>	NA
<b>Mobile Number</b>	+91 8160379116
<b>Email</b>	investment.management@niveshaay.com

We confirm that:

- (i) the Disclosure Document forwarded to SEBI is in accordance with the SEBI (Co-Investment Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time;
- (ii) the disclosures made in the Document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment through the Co-Investment Portfolio Manager;
- (iii) the Disclosure Document has been duly certified by an independent Chartered Accountant, as on February 18, 2025. The details of the Chartered Accountants are as follows:

Name of the Firm : G P R S & ASSOCIATES  
Registration Number : 131682W  
Partner : CA GAUTAM PRAJAPATI  
Membership Number : 136715  
Address: : 8001, World Trade Centre, Ring Road, Surat-395002  
Telephone Number : 0261-4893023

*(enclosed is a copy of the Chartered Accountants' 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).*

**For and on behalf of Niveshaay Investment Management Private Limited**

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Date: Signature of the Principal Officer: Gunjan Kabra

Place: **Address:** Office No. 610, 6<sup>th</sup> Floor, SNS Platina, Vesu,  
Surat – 395007, Gujarat, India.

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## CERTIFICATE

To,  
Niveshaay Investment Management Private Limited,  
610, SNS Platina, Vesu,  
Surat, 395007.

We have examined the Disclosure Document dated November 11, 2025 for portfolio management produced before us, and prepared by the management of Niveshaay Investment Management Private Limited, (“the company”) in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations 2020 (updated time to time); having PMS Registration No. INP000009506 and its registered office at Office No. 610, 6 th Floor, SNS Platina, Vesu, Surat – 395007, Gujarat, India.


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


1. The list of persons classified as Associates or Group companies and the transactions with related parties are as per the Unaudited Balance Sheet as of March 31, 2025 are relied upon as provided by the company.
2. The Promoters, director’s & Key Managerial Personnel’s qualification, experience, ownership details are as declared by them and have been accepted without further verification.
3. We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
4. We have relied on the Financial Performance Summary of the Portfolio Manager mentioned in the Disclosure document being stated on the basis of the Unaudited data for the year ended March 31, 2025.
5. We have relied on the representation made by the management regarding the No of Clients and Assets under management being **NIL** as on **Oct 31, 2025**.

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

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

**Place:** Mumbai  
**Date:** 20<sup>th</sup> November, 2025  
**UDIN:** 25178498BMHVUE7122

  
**Harsh Sanghvi**  
Partner  
M. No. 178498



Signature valid