

Office No. 503, 5th Floor, Vatsal Rishabh Raj, A Wing, Next to Bank of Baroda, S. V. Road, Kandivali(W), Mumbai - 400 067.  
Cell : 98198 39188, E Mail : kamleshmehtaca@gmail.com, kpm@kamleshpmehta.com - Website : www.kamleshpmehta.com

**CERTIFICATE**

We have been requested by **M/s AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED** (the “Portfolio Manager”) having its registered office at Door No 7A Infra Gallant, Layam Road, Ernakulam, Kerala-682011, India a SEBI registered Portfolio Manager (**Reg no. INP000009296**), to certify the contents and information provided in the Disclosure Document required to be filed with Securities and Exchange Board of India (SEBI) as per Regulation 22(5) of SEBI (Portfolio Managers) Regulations, 2020.

We have verified Disclosure Document and the details with the respective documents, system generated reports provided by the management of the Portfolio Manager and have relied on various representations made to us by the management wherever necessary.

Based on our verification of the records and the information and explanations given to us, we hereby certify that the contents and information provided in the Disclosure Document dated **30<sup>th</sup> October, 2025** and annexed hereto are true, fair and adequate to enable the investors to make a well-informed decision.

We further certify that the Disclosure Document complies with the requirement specified in Schedule V of Regulation 22 of the Securities and Exchange Board (Portfolio Managers) Regulations, 2020.

We have relied on the representation given by the management about the penalties or litigation against the Portfolio Manager mentioned in the disclosure document. We are unable to comment on the same.

The certificate has been issued solely for complying with the requirements of SEBI (Portfolio Managers) Regulations, 2020 for the sole purpose of certifying the contents of the Disclosure Document for Portfolio Management and should not be used or referred to for any other purpose without our prior written consent.

**For Kamlesh P. Mehta Associates**

Chartered Accountants

**Firm Registration No: 120063W**

**KAMLESH  
PRANLAL  
MEHTA**

**Kamlesh P Mehta**

Proprietor

**Membership No.:045573**

**UDIN No: 25045573BMHWYC5970**

**Date: 30.10.2025**

**Place: Mumbai**

Digitally signed by KAMLESH PRANLAL MEHTA  
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# **AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED**

**PORTFOLIO MANAGEMENT SERVICES  
(SEBI PMS Registration No INP000009296)**

## **DISCLOSURE DOCUMENT**

**FORM C**

To  
Investments Management Department  
Division of Funds -1  
Securities and Exchange Board of India  
SEBI Bhavan 3rd Floor, A. Wing  
Plot No C4-A, G Block,  
Bandra Kurla Complex, Bandra (East)  
Mumbai: 400 051

30th October 2025

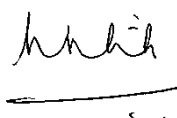
From  
Satish Nedumattummal Rajan  
Principal Officer  
Aialpha Financial Advisory Services Private Limited  
7A Infra Gallant,  
Layam Road,  
Ernakulam,  
Kerala 682011  
Phone: 91 9746602650 Email : [satish@aialpha.in](mailto:satish@aialpha.in)

Dear Sir / Madam,

This is to certify that as per information regarding Regulation 22, we confirm that:

- (i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- (ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/investment through the Portfolio Manager.
- (iii) the Disclosure Document has been duly certified by an independent chartered accountant as on 30th October 2025.

**For AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED**



Name: **SATISH NEDUMATTUMMAL RAJAN**

Designation: Principal Officer

Address: Door No 7A Infra Gallant, Layam Road, Ernakulam, Kerala 682011, India

## AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED

### DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES

- (i) This Document has been filed with the Securities and Exchange Board of India (SEBI), along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Rules and Regulations, 2020.
- (ii) The purpose of this Disclosure Document is to provide essential information about the portfolio services of Aialpha Financial Advisory Services Private Limited in a manner to assist and enable you in making an informed decision for engaging Aialpha Financial Advisory Services Private Limited as a Portfolio Manager.
- (iii) This document gives necessary information about the portfolio manager, Aialpha Financial Advisory Services Private Limited, as a 'Portfolio Manager', required by you as an investor before investing. You are advised to read this document and retain this document for future reference.
- (iv) All the intermediaries involved in this Portfolio Management service are registered with SEBI as on the date of this document
- (v) The details of Principal Officer of Aialpha Financial Advisory Services Private Limited is as follows:

Name of the principal officer	<b>SATISH NEDUMATTUMMAL RAJAN</b>
Address	7A, Infra Gallant, Layam Road, Ernakulam, Kerala 682011, India
Phone number	9746602650
E-mail address	satish@aialpha.in

- (vi) Corporate details of Aialpha Financial Advisory Services Private Limited

**Registered Office:** 7A Infra Gallant, Layam Road, Ernakulam, Kerala 682011, India

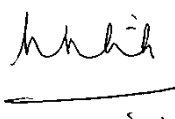
**Corporate Office:** 67/5988A, 4<sup>th</sup> Floor, Shenoy Chambers, Shanmugham Road, Ernakulam, Kerala 682031

**Operational Office:** 38/1989/2, Adiyat Lane, West Fort, MG Road, Poothole PO, Thrissur, Kerala 680004 Ph. No. 0487-2990766

Website: [www.aialpha.in](http://www.aialpha.in)

SEBI Registration No: INP000009296

CIN No: U66190KL2024PTC087452



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## **PART-I STATIC SECTION:**

### **1. DISCLAIMER CLAUSE**

This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions.

## 2. DEFINITIONS

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

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

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.
4. **“Advisory Services”** means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
5. **“Agreement”** or **“Portfolio Management Services Agreement”** or **“PMS Agreement”** means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
6. **“Applicable Law/s”** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.

7. **“Assets Under Management” or “AUM”** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
8. **“Associate”** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **“Board” or “SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
11. **“Business Day”** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **“Client(s)” / “Investor(s)”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **“Disclosure Document” or “Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.



21. **“Foreign Portfolio Investors”** or **“FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
23. **“Funds”** or **“Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.<sup>1</sup>
25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. **“IT Act”** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
29. **“Non-resident Investors”** or **“NRI(s)”** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.

34. **“Portfolio Manager”** means [Name of the Portfolio Manager], [a company / limited liability partnership] incorporated under [the Companies Act, [2013/1956] / the Limited Liability Partnership Act, 2008], registered with SEBI as a portfolio manager bearing registration number INP000009296 and having its registered office at Door No 7A Infra Gallant, Layam Road, Ernakulam, Kerala 682011, India .
35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
- (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and (ii) all other operations of the Portfolio Manager
36. **“Regulations” or “SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
37. **“Related Party”** means –
- (i) a director, partner or his relative;
  - (ii) a key managerial personnel or his relative;
  - (iii) a firm, in which a director, partner, manager or his relative is a partner;
  - (iv) a private company in which a director, partner or manager or his relative is a member or director;
  - (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
  - (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
  - (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:  
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
  - (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;
  - (ix) a related party as defined under the applicable accounting standards;
  - (x) such other person as may be specified by the Board:  
Provided that,
    - (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
    - (b) any person or any entity, holding equity shares:
      - (i) of twenty per cent or more; or
      - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;

38. “**Securities**” means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

### 3. DESCRIPTION

#### i. HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED (AIA) was incorporated on 28<sup>th</sup> April 2024, as a Private limited company under the name and style of AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED at Ernakulam bearing the registration number U66190KL2024PTC087452 as evidenced by its incorporation certificate dated 28<sup>th</sup> April 2024 issued by the Registrar of Companies, Central Registration Centre. The company received the Certificate for Commencement of Business on 23<sup>rd</sup> September 2024 from the Registrar of Companies, Kerala. SEBI PMS Registration certificate INP000009296 was received on 3<sup>rd</sup> March 2025.

The main activities of our Company are - To engage in the business of financial advisory services, and to render portfolio management, wealth management, investment management and dealing in stocks, shares, debentures, mutual funds and to act as security brokers.

#### ii. PROMOTERS OF THE PORTFOLIO MANAGER, DIRECTORS AND THEIR BACKGROUND

Name	Designation
Satish Nedumattummam Rajan	Promoter & Managing Director
Prabhakaran Ramakrishnan	Director
Lisa Satish	Promoter
Anand Venkatraman	Promoter
Sreedev Vishwanathan	Promoter
Hareesha Sadashiva	Promoter
Anil Kumar Madhusoodanan	Promoter

**Satish Nedumattummam Rajan** is a Fellow Chartered Accountant (FCA) and Investment Adviser with over 35 years of experience in finance and investment management across India and the Middle East. After graduating from Calcutta University, he built his career working at Kochi Refineries Ltd (now BPCL) before moving to Saudi Arabia where he served as Accounting Manager at Almarai Company and later as CFO at Arabian Shield Cooperative Insurance Company. Upon returning to India, he established himself as Managing Director of Clubmillionaire Financial Services Company before transitioning to Investment Advisory. His expertise spans financial accounting, wealth management, investment strategy, tax planning and portfolio management.

**Prabhakaran Ramakrishnan** is a veteran of the Indian real estate industry. He is a Bachelor of Engineering (Electrical and Electronics) and MBA with wide experience in senior positions in some of the leading real estate companies like DLF, Lodha Group and Sobha Developers. He is an innovative and results driven senior real estate professional focussed on achieving exceptional results in highly competitive environment. He has a proven track record of consistently delivering real estate solutions in a very dynamic business environment. He is skilled in all phases of real estate including land acquisition, project development, property management and asset management.

**Lisa Satish** is a BA (Sociology) from Gandhiji University, Kerala. She has experience of capital markets as an Associated Person for a period of five years.

**Anand Venkatraman** is an accomplished Sales and Marketing professional with over 15 years of experience in senior management roles at globally renowned Fortune 500 companies, including Nestlé and Reckitt Benckiser. His leadership journey has been defined by a deep expertise in driving growth strategies, operational excellence and market expansion across diverse industries and geographies.

**Sreedev Vishwanathan** is a seasoned sales professional in the field of FMCG with over 30 years of experience in Middle East & India and has worked with world class brands/organisations viz. Haagen Dazs, Cadbury, Red Bull, Rauch, Mars and Reckitt Benckiser. His strengths include distributor management, developing go-to-market strategy, developing distributor capabilities, consolidation strategies, development & implementation of annual sales plans and monthly priorities, liaison/negotiation at different levels between organizations amongst others. He transitioned successfully into entrepreneurship over the last decade as an FMCG product aggregator, managing complex supply chains across Europe, Southeast Asia, and Australia.

**Hareesha Sadashiva** is an experienced logistics and supply chain professional with 16+ years in FMCG and trading sectors across the UAE and India. He is skilled in end-to-end logistics, supply planning, inventory and order management, with proven ability to optimize processes, reduce costs, and ensure on-time deliveries. He has a strong background in vendor/customer negotiations and cross-functional coordination, with a foundation in accounts and finance. Having worked with leading organizations such as United Consumer Brands JLT, DORCO MEA FZE, and Reckitt Benckiser JAFZA, Hareesha has successfully developed and implemented logistics strategies that improved delivery performance, controlled costs, and enhanced operational efficiency.

**Anil Kumar Madhusoodanan** is the Managing Director of Sinmar Company Ltd, a visionary leader who has played a crucial role in shaping the company into a prominent player in the contracting and trading industry in the Middle East. Based in Riyadh, Saudi Arabia, Sinmar is recognised for its expertise in Civil Engineering, Interiors, MEO, print pack, fire and safety. Under his leadership, the company has grown into a multifaceted enterprise operating across Saudi Arabia, UAE, Bahrain and India.

### iii. TOP 10 GROUP COMPANIES/FIRMS OF THE PORTFOLIO MANAGER ON TURNOVER. BASIS (LATEST AUDITED FINANCIAL STATEMENTS)

Sr. No.	Name of Group Company	Nature of interest of applicant company
1	Nil	NA

The portfolio manager does not invest client funds in securities of any group companies. The portfolio manager does not avail of any financial services/ financial products from any group companies.

### iv. DETAILS OF THE SERVICES BEING OFFERED: Discretionary/ Non-discretionary / Advisory.

AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED will provide Discretionary and Non-Discretionary Portfolio Management and Advisory Services, in Equity and Debt. The Portfolio Manager manages each portfolio individually, with a common approach to investing which focuses on capital protection and a reasonable rate of appreciation over long-term. Please refer to Point 5 for further details.

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

i	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made 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 portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any.	Nil
v	Any deficiency in the systems and operations of the portfolio manager observed by SEBI or any regulatory agency.	Nil
vi	Any enquiry/ adjudication proceedings initiated by SEBI against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under.	Nil

## 5. SERVICES OFFERED

**Discretionary Services:** AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED shall provide discretionary services wherein the Portfolio Manager will exercise sole and absolute discretion in managing funds/securities brought in by the client as per the Portfolio Management Agreement. Subject to terms in the agreement, the Portfolio Manager will have complete discretion to manage, invest and reinvest the funds including to buy, sell or deal in any securities and to take day to day decisions in respect to the portfolio of the client including ensuring safe custody of the securities and monitoring book closures, bonus, rights, dividends etc. so that all the benefits may accrue to the Client's portfolio in a timely manner. The client, under these services, may authorise or restrict the portfolio manager to invest the client's portfolio in specific instruments or securities.

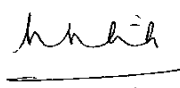
The portfolio manager's decision (taken in good faith) in deployment of the client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. The portfolio of any client may differ from another client's portfolio in the same product/strategy as per the sole discretion of the portfolio manager.

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

The Portfolio Manager will seek to generate superior long-term returns through rigorous fundamental research of companies and debt instruments, deep qualitative and quantitative insights into the companies' business models and management teams as well as a thorough understanding of the range of long term valuations one can rationally ascribe to the companies and debt instruments under study. The investment strategies will largely be agnostic to company size in terms of market capitalization. It is possible that the Portfolio may maintain significant cash in the anticipation of suitable investment opportunity.

**Non – Discretionary Services:** Under the Non – Discretionary Services, the portfolio of the client shall be managed in consultation with and as per the express instructions of the client. Under this service the assets will be managed as per prior instructions issued by the client from time to time. The client will have complete discretion to decide on the investment (stock quantity and price). The portfolio manager, inter-alia manages transaction execution, accounting and recording of corporate benefits, valuation and reporting aspects on behalf of the client.

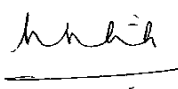
**Advisory services:** The Portfolio Manager will offer clients Advisory Services in relation to the clients' portfolios. Under these services, the portfolio manager will provide advice to the client on investments in general or any specific advice required by the clients and agreed upon in the client's agreement. The portfolio manager will render the best possible advice to the client having regard to the client's needs with regard to portfolio strategy, sectoral strategy, investment or divestment of particular securities, for an agreed free structure, entirely at the Client's risk. The advice provided will be non-binding in nature. The Portfolio Manager shall be solely acting as an advisor to the Client and shall not be responsible for the investment/ divestment of securities and/ or administrative activities of the client and client's portfolio.




## Investment Approaches

PMS Type (Strategy)	Investment Approach	Investment Objective and Approach
Discretionary (Equity Strategy)	AIAAlpha Bluechip Equity Portfolio	<p><b>Investment Objective:</b> The Portfolio aims to deliver capital appreciation in long term from a diversified portfolio that predominantly invests in blue chip equity and equity related instruments across various market capitalisations</p> <p><b>Types of Securities:</b> Equity and equity related instruments as well as debt instruments and mutual funds / ETFs (including international and commodities).</p> <p><b>Basis of selection:</b> At fair value or at a discount to fair value</p> <p><b>Allocation of Portfolio:</b> 0-100 % primarily in Large Caps and large Mid Caps with some exposure to Small Caps plus all ETFs.</p> <p><b>Benchmark:</b> Nifty 50 TRI</p> <p><b>Investment Horizon:</b> 3 - 5 years</p> <p><b>Risks:</b> Market risk</p> <p><b>Other Salient Features:</b> Buy and Hold</p>
Discretionary (Equity Strategy)	AIAAlpha Dynamic Equity Portfolio	<p><b>Investment Objective:</b> The Portfolio aims to deliver capital appreciation in short to medium term by investing in stocks of companies which are emerging as market leaders or offer momentum.</p> <p><b>Types of Securities:</b> Equity and equity related instruments as well as debt instruments and mutual funds / ETFs (including international and commodities).</p> <p><b>Basis of selection:</b> Value / Margin of Safety / Momentum.</p> <p><b>Allocation of Portfolio:</b> 0-100 % primarily in Large Caps and large Mid Caps with some exposure to Small Caps plus all ETFs</p> <p><b>Benchmark:</b> Nifty 50 TRI</p> <p><b>Investment Horizon:</b> 3 - 5 years</p> <p><b>Risks:</b> Market risk</p> <p><b>Other Salient Features:</b> Dynamic portfolio management</p>
Discretionary (Debt Strategy)	AIAAlpha PrimeYield Debt Portfolio	<p><b>Investment Objective:</b> Generate long-term capital appreciation and income through interest and trading of fixed-income securities</p> <p><b>Types of Securities:</b> G-Sec, Corporate Bonds, NBFC &amp; SFB FDs, SDIs (Securitized Debt Instruments).</p> <p><b>Basis of Selection:</b> Fixed income securities in primary and secondary markets</p> <p><b>Allocation of Portfolio:</b> 0-100% in Listed and investment grade fixed income securities</p> <p><b>Benchmark:</b> Crisil Composite Bond Fund Index</p> <p><b>Investment Horizon:</b> 3 - 5 years</p> <p><b>Risks:</b> Market risk</p> <p><b>Other Salient Features:</b> Regular income and capital appreciation</p>

Note: For AIAAlpha Dynamic Equity Portfolio, the benchmark has been changed from BSE200 to Nifty 50 w.e.f September 2025 to comply with the SEBI Circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022 read with APMI Circular APMI/2023-24/02 dated March 23, 2023.





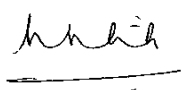

PMS Type (Strategy)	Investment Approach	Investment Objective and Approach
Non-Discretionary	-	<p><b>Investment Objective:</b> Under the Non – Discretionary Services, the portfolio of the client shall be managed in consultation with and as per the express instructions of the client. Under this service the assets will be managed as per prior instructions issued by the client from time to time. The client will have complete discretion to decide on the investment (stock quantity and price). The portfolio manager, inter-alia manages transaction execution, accounting and recording of corporate benefits, valuation and reporting aspects on behalf of the client.</p> <p><b>Benchmark:</b> Nifty 50 TRI /Crisil Composite Bond Fund Index  <b>Investment Horizon:</b> 3 - 5 years  <b>Risks:</b> Market risk  <b>Other Salient Features:</b> Non-Discretionary Services</p>
Advisory	Advisory Portfolio	<p><b>Investment Objective:</b> To generate absolute returns across market cycles <u>by investment advice only</u>, in equities / mutual funds/ ETFs offering growth at reasonable price.</p> <p><b>Types of Securities:</b> Equity and Equity-related instruments as well as debt instruments and mutual funds / ETFs.</p> <p><b>Basis of selection:</b> At fair value or at a discount to fair value  <b>Allocation of Portfolio:</b> 0-100 % in Small Caps, Mid-caps, Large Caps  <b>Benchmark:</b> Nifty 50 TRI  <b>Investment Horizon:</b> 3 - 5 years  <b>Risks:</b> Market risk  <b>Other Salient Features:</b> Advisory services</p>

### Investment Approach – Equity Strategy (Aialpha Bluechip Equity Portfolio and Aialpha Dynamic Equity Portfolio)

Our general philosophy governing investing decisions on behalf of our clients in equity securities is based on the time-tested principles of value investing wherein the aim of capital appreciation is balanced with the objective of capital preservation. Our approach is focused on underlying business fundamentals related to the quality and nature of the business model, operating metrics, historical and expected profitability, balance sheet stability and quality of underlying cash flows. An additional overlay is quantitative and qualitative analysis of business valuation in assessing whether such securities can be purchased at prices which allow for our clients to earn superior rates of return on their capital over long periods of time.

The **Aialpha Bluechip Equity Portfolio** is a long term buy and hold portfolio. We create a portfolio of companies that adhere to the following criteria.

- The company has high returns on capital, consistent profitability and an ethical management
- The company has to be available at prices that are at reasonable discount to their intrinsic value




- iii. The company should have a proven record of high level of profitability, dividend paying capability and a business model that has a proven ability to do well through different economic conditions
- iv. Future prospects for the company over time should look good and the company must be taking the right steps to capitalize on this opportunity

We generally invest in cash rich, dividend paying, highly profitable companies that are available at reasonable discounts to their intrinsic value, but not limited to those only, if alternative opportunities are attractive enough.

In a situation where we do not find sufficiently attractive opportunities, the excess funds would be invested in Bank deposits or debt Mutual Funds / ETFs, / securities. We expect to create a diversified Portfolio of such stocks and debt instruments.

The Portfolio Manager shall whenever deemed appropriate deploy client's funds in derivatives including transactions for the purpose of hedging, as permissible under SEBI Regulations.

The Portfolio is benchmarked against the Nifty-50 TRI, which is a reasonable representation of large, top grade companies in India and the most actively traded companies over time. There are no listed group companies. Therefore, we do not expect to invest in any of Aialpha's group / associate companies.

The **Aialpha Dynamic Equity Portfolio** is a medium to long term dynamic fund, which will be actively managed with a shorter term focus. The portfolio will normally be a mix of some long term holdings as well as short to medium term investments. It will consist of companies which are large cap blue chips along with those emerging as market leaders or where the underlying stocks display momentum. We invest for Medium to Long Term and offer good Value and Margin of Safety. It can also invest money in debt instruments and mutual funds / ETFs.

In a situation where we do not find sufficiently attractive opportunities, the excess funds would be invested in Bank deposits or debt Mutual Funds / ETFs, / securities. We expect to create a diversified Portfolio of such stocks and debt instruments.

The Portfolio Manager shall whenever deemed appropriate deploy client's funds in derivatives including transactions for the purpose of hedging, as permissible under SEBI Regulations.

The Portfolio is benchmarked against the Nifty-50 TRI, which is a reasonable representation of large, top grade companies in India and the most actively traded companies over time. It is a way to measure the overall performance of these companies, considering both the price movement of their shares and the dividends they pay.

There are no listed group companies. Therefore, we do not expect to invest in any of Aialpha's group / associate companies.

The basis of selection and identification of such businesses across both our equity Investment Approaches is highlighted below.

A) **Investment Objective** of the investment approach is to create superior wealth-creation outcomes for our clients by investing in a concentrated portfolio of high-quality businesses and in doing so,

attempt to create robust multi-decade investment-returns both in an absolute sense as well as relative to the performance of broader market indices.

**B) Types of securities** of the investment approach – the predominant focus will be toward investing in listed equities. Additionally, funds may be deployed into bank balances, liquid mutual fund products and fixed income instruments for the purposes of liquidity management as well as mutual funds and ETFs

**C) Basis of selection of investments** as part of the investment approach will be as follows:

We will seek to own equity shares of companies as per the discretion of the portfolio manager keeping in mind a number of qualitative and fundamental factors as follows:

1. Understandability & Requisite Domain Expertise - Our ability to comprehend the dynamics of the company and its industry should be robust.
2. Strong Economic Moats & Competitive Advantages - Companies that have wide competitive advantages surrounding their business models which are likely to persist across business cycles.
3. Prudent Capital Allocation Track Records - Companies that deliver sustainable, high returns on capital over long periods of time and have meaningful reinvestment opportunities.
4. High Scalability - Companies which have the potential to reinvest profits into core business areas to fuel future earnings power growth at compelling rates of return on capital invested.
5. Resilience - Companies that have the ability to perform well in a wide variety of alternative outcomes and are not overly reliant on specific macroeconomic or regulatory conditions.
6. Quality of Management & Promoters - Businesses which are run by individuals and teams possessing the highest levels of integrity who treat minority shareholders fairly and as true economic partners of the enterprise.

The portfolio will be concentrated in nature, usually not exceeding 25 investments and may have substantial concentration to specific securities, sectors and industries as per the discretion of the portfolio manager.

#### Bank Balances & Fixed Income Instruments

For the purposes of liquidity management, we may deploy funds in bank balances or fixed income instruments of well reputed, financially robust entities.

**D) Allocation of portfolio** across types of securities – The allocation of portfolio will be focused toward listed equities. In most market conditions, listed equities allocation will be the predominant allocation in the portfolio. The remaining portfolio allocation may be invested in Bank balances/ Fixed Income instruments as per the portfolio manager's discretion. The portfolio created under the Investment Approaches (Both Aialha Bluechip Equity Portfolio and Aialpha Dynamic Equity Portfolio) will be a concentrated portfolio usually not exceeding 25 companies. The underlying equity selection will be agnostic to market capitalisation of selected investments as per the discretion of the portfolio manager.

**E) Benchmark** for comparative performance – Nifty 50 Total Return Index ("TRI") - The Nifty 50 TRIs are diversified 50 stock index accounting for different sectors of the economy that reflects the returns on the index arising from constituent stock price movements and dividend receipts from constituent index stocks. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. Investors usually have the ability to easily invest in a low-cost index fund such as the Nifty 50 TRIs and benefit from the returns provided by the index. Our objective over the long-run is to provide a superior alternative by means of concentrated portfolio construction in high conviction ideas irrespective of market capitalisation of our underlying investments relative to a

broadly diversified index approach. Hence, the Nifty 50 TRIs are suitable benchmarks for assessing comparative performance.

F) **Investment Horizon** – We believe meaningful outperformance relative to broader markets from a concentrated investment approach is more likely over unusually long periods of time and hence, consider a tenure and investment horizon of over 20 years as appropriate. Hence, the approach is most suitable to investors who have the ability and desire to invest over such a long-term time horizon.

G) **Risks** - The strategy is suitable for a high-risk investor who is aware of the risks associated with concentrated investing in equity shares, but who is seeking higher than long term market returns by investing in a concentrated, actively managed long-term portfolio.

H) **Salient Features:** There are two investment options to choose from: Aialpha Bluechip Equity Portfolio and Aialpha Dynamic Equity Portfolio.

### **Investment Approach (Debt Strategy) – Aialpha PrimeYield Debt PMS**

Aialpha PrimeYield Debt PMS is a strategy focusing on fixed-income investments across maturities, credit quality and yields aiming to provide investors with regular income and capital appreciation from their investments.

- A. **Investment Objective:** Generate long-term capital appreciation and income through interest and trading of fixed-income securities (both in the short term and over the long term) in the primary/secondary markets
- B. **Types of Securities:** Instruments (SDIs) having fixed income product features like Pass Through Certificates (PTCs), Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments like Liquid Mutual Fund. Investments would be made in all types of Listed and Investment Grade fixed-income securities including but not limited to debentures of any maturity (fixed, floating, variable coupon), Securitized Debt .
- C. **Basis of Selection:** Fixed income securities from both primary and secondary markets, based on yields available and on thorough due diligence These securities may be acquired through primary market issuances such as a subscription to Initial Public Offers, Follow-on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.
- D. **Allocation of portfolio:** The portfolio will predominantly invest in fixed-income instruments using the securities defined below. The portfolio manager may decide to hold cash/liquid funds if required.
- E. **Benchmark:** Crisil Composite Bond Fund Index
- F. **Investment Horizon:** Aialpha PrimeYield Debt PMS is recommended for investors seeking to hold a fixed-income portfolio over 3 to 5 years.
- G. **Risks:** A moderate risk profile in order to earn a spread over Government Securities.

H. **Salient Features:** There are two investment options to choose from:

Investment Options	Strategy
Income	<ul style="list-style-type: none"> <li>• Monthly/quarterly payout</li> <li>• Regular cash flow for investor</li> </ul>
Growth	<ul style="list-style-type: none"> <li>• Reinvestment of the cashflow</li> <li>• Higher compounding returns</li> <li>• Long term wealth appreciation</li> </ul>

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#### Other Features (applicable to both Equity and Debt Portfolios)

- The minimum investment amount is Rs. 50 Lakhs
- The liability of a Client shall not exceed the Client's investment with the portfolio manager
- The Client may withdraw whole or part of the funds or securities from the portfolio account by giving advance notice and the Portfolio Manager will endeavour to liquidate the securities held in the strategy and return the funds or securities of the strategy, as the case may be, to the Client. In case the Portfolio Manager is for any reason unable to sell the securities, the Client shall be obliged to accept the securities in the portfolio
- The Portfolio Manager will provide periodical reports via email as required under the regulations at the email ID provided by the client at the time of account opening
- The portfolio account will be audited by an independent Chartered Accountant every year and a copy of the Certificate issued by the Chartered Accountant will be given to the Client

#### Distributor Arrangements

We may avail distribution or solicitation services from any distributors / distribution agents and hence may incur commission costs related to the same. **All clients have the option to onboard directly for portfolio management services offered by the portfolio manager.**

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## 6. RISK FACTORS

### A. General Risks Factors

- (1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
- (2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
- (3) [Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.]
- (4) The names of the Investment Approach do not in any manner indicate their prospects or returns.
- (5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
- (6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
- (7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
- (8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- (9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

## **B. Risk associated with equity and equity related instruments**

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

## **C. Risk associated with debt and money market securities**

- (13) Interest Rate Risk  
Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.
- (14) Liquidity or Marketability Risk  
The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.
- (15) Credit Risk  
Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived

level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

**(16) Reinvestment Risk**

This refers to the interest rate risk at which the intermediate cash flows received from the Securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

**D. Risk associated with derivatives instruments**

(17) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.

(18) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

**E. Risk associated with investments in mutual fund schemes**

(19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

(20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.

(21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.

(22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.



- (23) The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- (24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- (25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- (26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

**F. Risk arising out of Non-diversification**

- (27) The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

**G. Risk arising out of investment in Associate and Related Party transactions**

- (28) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- (29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
- (30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted

under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

## 7. NATURE OF EXPENSES

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

### **Equity PMS (Aialpha Bluechip Equity Portfolio and Aialpha Dynamic Equity Portfolio)**

#### **(a.) Annual Management Fees**

This fee relates to the portfolio management services offered by Portfolio Manager where the clients are charged percentage based annual management fees of up to 2.5% per annum on average daily assets under management charged on a quarterly / annual basis. Taxes including GST are charged on the fees as applicable.

#### **(b.) Performance Fee**

The Portfolio Manager shall charge performance based fees annually ranging from Nil to 20% on increase in portfolio value in excess of the previously achieved highest value (high watermark principle) and a hurdle rate of 6.5% / 8%. Taxes including GST are charged on the fees as applicable.

#### **(c.) Exit Fees**

If the redemption is done prematurely (within 2 years of account opening) at the option of the client, the Portfolio Manager may levy Exit Charges ranging from Nil to 2% of the client corpus.

#### **(d.) Custodian/Depository Participant fee**

The charges relating to opening and operation of demat accounts, custody and transfer charges of shares, bonds and units, custodian charges, etc. will not be exceeding 25 basis points (0.25%) annually of the average daily assets under management of the client. These charges are charged on a quarterly/annual basis as specified in the Portfolio Management Services Agreement. Taxes including GST are charged on the fees as applicable.

#### **(e.) Brokerage and transaction cost**

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

#### **(f.) Registrar and transfer agent fee**

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

#### **(g.) Certification charges and Professional fees**

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

#### (h.) Fund Accounting Charges

The charges relating to investment accounting for purchases and sales, valuation of securities held under custody, income and expense accounting and regulatory reporting are all covered under this section. This will not be exceeding 25 basis points (0.25%) annually of the average daily assets under management of the client. These charges are charged on a quarterly/annual basis as specified in the Portfolio Management Services Agreement. Taxes including GST are charged on the fees as applicable.

#### (i.) Out of Pocket and Other Incidental Expenses

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

### Aialpha PrimeYield Debt PMS

#### Option 1: Annual management fees

- **Fixed fees** for Income option or Growth option (without profit sharing) charged by the Portfolio Manager will not exceed 2.0% p.a. at the time of infusion of the investment fund on the Net Asset Value of the Portfolio (inclusive of all securities and cash/bank balance) or the outstanding capital as detailed in the agreement between the client and the portfolio manager.
- **Performance Fees:** Nil
- **Exit Fees:** The following charges shall be payable by the client upon withdrawal from all strategies above under Option 1:

Withdrawal Made	When	Charges Payable by Client
Up to 6 months		<ul style="list-style-type: none"> <li>● Fixed management fee of up to 2.0% p.a.</li> <li>● Exit load of 3.0% on the total investment amount</li> </ul>
6 to 12 months		<ul style="list-style-type: none"> <li>● Fixed management fee up to 2.0% p.a.</li> <li>● Exit load of 1.0% on the total investment mount</li> </ul>
Post 12 months		<ul style="list-style-type: none"> <li>● Fixed management fee up to 2.0% p.a.</li> <li>● No exit load</li> </ul>

#### Option 2: Annual Management Fees (up to 1% and performance fees of 15% over 8% (without catchup)

- **Fixed Fees:** Fixed fee for all strategies above (with profit sharing) charged by the Portfolio Manager will not exceed 1% p.a. at the time of infusion of the investment fund on the Net Asset Value of

the Portfolio (inclusive of all securities and cash/bank balance) or the outstanding capital as detailed in the agreement between the client and the portfolio manager.

- **Performance Fees:** The Performance fee in this option will not exceed 15% of incremental gains beyond the annualised hurdle rate of 8% based on High Water Mark Principle over the life of the investment. The performance fee will be charged every year in arrears or as agreed with the investor.
- **Exit Fees:** The following charges shall be payable by the client upon withdrawal from all strategies above under Option 2:

Withdrawal When Made	Charges Payable by Client
Up to 6 months	<ul style="list-style-type: none"> <li>● Management fee up to 1.0% p.a.</li> <li>● The Performance fee in this option will not exceed 15.0% of incremental gains beyond the annualised hurdle rate of 8.0% based on High Water Mark Principle over the life of the investment.</li> <li>● Exit load of 3.0% on the total investment amount</li> </ul>
Withdrawal When Made (contd.)	Charges Payable by Client
6 to 12 months	<ul style="list-style-type: none"> <li>● Fixed management fee up to 1.0% p.a.</li> <li>● The Performance fee in this option will not exceed 15.0% of incremental gains beyond the annualised hurdle rate of 8.0% based on High Water Mark Principle over the life of the investment.</li> <li>● Exit load of 1.0% on the total investment amount</li> </ul>
Post 12 months	<ul style="list-style-type: none"> <li>● Fixed management fee up to 1.0% p.a.</li> <li>● The Performance fee in this option will not exceed 15.0% of incremental gains beyond the annualised hurdle rate of 8.0% based on High Water Mark Principle over the life of the investment.</li> <li>● No exit load</li> </ul>

#### (d.) Custodian/Depository Participant fee

The charges relating to opening and operation of demat accounts, custody and transfer charges of shares, bonds and units, custodian charges, etc. will not be exceeding 25 basis points (0.25%) annually of the average daily assets under management of the client. These charges are charged on a quarterly/annual basis as specified in the Portfolio Management Services Agreement. Taxes including GST are charged on the fees as applicable.

#### (e.) Brokerage and transaction cost

The client will also have to bear brokerage charges not exceeding @ 1.50% of the transaction value and other incidental charges/fees/duties and taxes including Securities Transaction Tax (STT) at actuals. The Brokerage and other charges like Service tax, Stamp Duty, Security Transaction Tax, SEBI fees, Exchange fees, Settlement charges, Bank charges, Turnover Tax, Foreign Tax, GST and other charges (if any), as per the rates existing from time to time, will be charged on actual. The investment by Portfolio Manager will be done by any SEBI Registered stock broker only and would be as per the rates negotiated between Portfolio Manager and the broker. The charges relating to brokerage will

be recovered on actual by Portfolio Manager.

**(f.) Registrar and transfer agent fee**

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

**(g.) Certification charges and Professional fees**

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

**(h.) Fund Accounting Charges**

The charges relating to investment accounting for purchases and sales, valuation of securities held under custody, income and expense accounting and regulatory reporting are all covered under this section. This will not be exceeding 25 basis points (0.25%) annually of the average daily under management of the client. These charges are charged on a quarterly/annual basis as specified in the Portfolio Management Services Agreement. Taxes including GST are charged on the fees as applicable.

**(i.) Out of Pocket and Other Incidental Expenses**

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

## 8. TAXATION

### A. General

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

### B. Tax deducted at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

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

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

### C. Long term capital gains

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

## Period of Holding

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

Securities	Position upto 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term capital asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long-term capital asset
	36 months or less	Any period	Short-term capital asset

- **Definition of Specified Mutual Fund:**

Before 1st April 2025:

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

On and after 1st April 2025:

*“Specified Mutual Fund” means, —*

- (a) *a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or*
- (b) *a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).*



- **Definition of debt and money market instruments:**

*“debt and money market instruments” shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.*

- **Definition of Market Linked Debenture:**

*“Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.*

- **For listed equity shares in a domestic company or units of equity oriented fund or business trust**

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

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

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

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

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

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

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

- **For other capital assets (securities and units) in the hands of resident of India**

Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

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

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

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

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

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

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

#### **D. Short term capital gains**

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

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

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

#### **E. Profits and gains of business or profession**

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

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

#### **F. Losses under the head capital gains/business income**

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

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

#### **G. General Anti Avoidance Rules (GAAR)**

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

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

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

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

The GAAR provisions would override the provisions of a treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the Income-tax Rules, 1962. The Income-tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

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

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

## **H. FATCA Guidelines**

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

- (a) the name, address, taxpayer identification number and date and place of birth;
- (b) where an entity has one or more controlling persons that are reportable persons:

- (i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and
- (ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- (c) account number (or functional equivalent in the absence of an account number);
- (d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- (e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

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

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

## 9. ACCOUNTING POLICIES

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

### A. Client Accounting

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

### B. Recognition of portfolio investments and accrual of income

- (7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- (8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- (10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

- (11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
- (12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- (13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

#### **C. Valuation of portfolio investments**

- (14) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
- (15) Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.
- (16) Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.
- (17) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.
- (18) In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

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

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

## 10. INVESTORS SERVICES

### (i) Details of the investor relations officer

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

Name	<b>Manjusha Gopinathan Nair</b>
Designation	Additional Officer
Address	Door No. 67/5988A, 4 <sup>th</sup> Floor, Shenoy Chambers, Shanmugham Road, Ernakulam, Kerala 682031
Telephone	+91 9037747701
Email	manjusha@aialpha.in

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

### (ii.) Grievance Redressal and Dispute Settlement mechanism

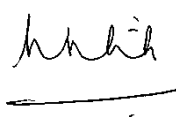
The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time.

AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED has designated **Manjusha Gopinathan Nair** as **Additional Officer** to receive and redress all the queries. The designated email address for all such queries is manjusha@aialpha.in. A complaint form is provided on the portfolio managers website where a client can submit any complaints/ grievances he has directly to the portfolio manager.

The internal deadline for resolving all complaints will be as follows:

- 1) Matters relating to AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED operations i.e. regarding portfolio performance, fund allocation: within 5 working days
- 2) Matters relating to the appointed Custodian: within 7 working days
- 3) Matters relating to dividends and other corporate actions: will be followed up rigorously with all agencies concerned under intimation to Clients.

AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED will ensure that every complaint is attended to immediately and an acknowledgement is given in a timely manner. The register of complaints and grievances received on email will be made available to the internal/ external auditors during the time of Audit and to the regulatory authorities.





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

Portfolio diversification is a strategy of risk management used in investing, which allows to reduce risks by allocating the funds in multiple positions. It helps to mitigate the associated risks on the overall investment portfolio. The Portfolio Manager shall invest in equity and equity related securities. However, from time to time, the portfolio manager may also choose to invest in other permissible securities/products in accordance with the Applicable Laws. The portfolio created under the Investment Approaches – both Equity and Debt will be a concentrated portfolio usually not exceeding 25 positions. The portfolios may have substantial concentration to specific securities, sectors and industries as per the discretion of the portfolio manager, with individual position sizes varying subject to the discretion of the portfolio manager.

For investments in securities of Associates/ Related Parties, the Portfolio Manager shall comply with the following:

The Portfolio Manager shall invest up to a maximum of 30% of the Client's AUM in the securities of its associates/related parties. The Portfolio Manager shall ensure compliance with the following limits:

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

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

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

The Portfolio Manager shall not make any investment in unrated and below investment grade securities.

## PART-II DYNAMIC SECTION:

### 12. A. CLIENT REPRESENTATION

AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED does not have any interest in any other intermediation business like broking, depository, custody, etc. Its revenues are linked only to the portfolios that it manages. AIA will make best efforts to manage client accounts in the best interest of the client. AIA shall not benefit from individual client accounts in any other manner apart from the management and performance linked fees charged to the client.

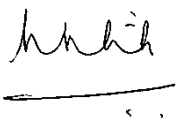
i.

Category of Clients	No. of Clients	Funds Managed (Rs. In Crs)	Discretionary/ Non-Discretionary
<b>Associates/ Group Companies</b>			
F.Y 2023-2024	0	0	0
F.Y 2024-2025	0	0	0
<b>Others</b>			
F.Y 2023-2024	0	0	0
F.Y 2024-2025	0	0	0

### ii. DISCLOSURE IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES PERTAINING TO PORTFOLIO MANAGEMENT SERVICES

Names of related parties where there were transactions during the year

Sr. No.	Name of related party	Nature of relationship
1	Satish Nedumattummil Rajan	Managing Director & Principal Officer
2	Manjusha G Nair	Additional Officer
3	Saji Sunilkumar	Compliance Officer (from 1 <sup>st</sup> November 2025)
4	Sanil Abraham	Compliance Officer (till 31 <sup>st</sup> October 2025)
5	Lisa Satish	Shareholder
6	Aimleap Pvt Ltd	Shareholder
7	Hareesha Christopher	Shareholder
8	Sreedev Vishwanathan	Shareholder
9	Biju TP	Shareholder
10	Anand Venkatraman	Shareholder
11	Anil Kumar Madhusoodanan	Shareholder




Details of related party transactions (Rs in Lakhs)

<b>Nature of transactions</b>	<b>FY 22-23</b>	<b>FY 23-24</b>	<b>FY 24-25</b>
Remuneration paid to KMP	0	0	3.00
Remuneration paid to shareholder	0	0	0.90
Share Application Money	0	0	700.00
Loan from Shareholder (repaid)	0	0	9.05

Notes:

1. As per the requirement of Stock Exchange board of India (SEBI), the company has to report all the portfolio accounts of the related parties in its list of portfolios managed by company. As the company has not commenced portfolio management services as at 31.03.2025, there is no such amounts to be disclosed.
2. The Company is incorporated on 28<sup>th</sup> April 2024; therefore, no amount is reported in FY 22-23 and FY 23-24.

### 13. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

The Portfolio Manager was incorporated on 28<sup>th</sup> April, 2024. The company received SEBI registration INP000009296 on 3<sup>rd</sup> March 2025 for portfolio management services. AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED satisfies the minimum net-worth criteria as mandated by SEBI of INR 5 Crores in accordance with the timeline provided by SEBI (Portfolio Managers) Regulations, 2020. The Financial Performance of the company for the last three financial years are given below: (Rs in '000)

Particulars	FY 22-23	FY 23-24	FY 24-25
Total Income	NA	NA	0
Profit / (Loss) after Tax	0	0	(1,256)

The company is incorporated on 28<sup>th</sup> April 2024; therefore, no amount is reported in FY 22-23 to FY 23-24.

#### 14. PERFORMANCE OF PORTFOLIO MANAGER

The following table provides details of the number of investors, total assets under management (AUM) and portfolio performance (inclusive of all fees and charges) calculated based on the 'Time Weighted Rate of Return' method in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations 2020, of the Portfolio Manager:

Particulars	FY 17-18*	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Since Inception (till date)
Portfolio Performance	NA	NA	NA	NA	NA	NA	NA	NA	NA
Nifty 50	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of investors	NA	NA	NA	NA	NA	NA	NA	NA	NA
Assets under management - INR Crores	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Note:**

1. Please note that performance related data has not been verified by SEBI.
1. The Company registered as PMS on 03<sup>rd</sup> March 2025, No clients are on boarded as at 31<sup>st</sup> March 2025. Hence, performance related data is not reported in the above table.

## 15. AUDIT OBSERVATIONS (of the preceding three years)

The following are the details of the audit observations for the preceding 3 years:

Particulars	Audit observations
F.Y 2021-2022	NA
F.Y 2022-2023	NA
F.Y 2023-2024	NA
F.Y 2024-2025	Nil

In connection with the audit of the Financial Statements of the Company which is examined by the statutory auditor, proper books of accounts are maintained as required by law and complied with the Accounting Standards specified under the act. Based on the audit report given by the statutory auditor it is concluded that the true and fair view on the standalone financial statements of the Company during last financial year (the first year of the company)

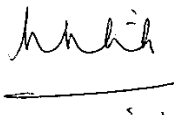
## 16. DETAILS OF INVESTMENTS IN THE SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER

The Portfolio Manager will not invest client funds in the securities of any associate/ group companies / related parties of Portfolio Manager.

### Details of investments in the securities of related parties of the Portfolio Manager:

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

For **AIALPHA FINANCIAL ADVISORY SERVICES PRIVATE LIMITED**



**Satish Nedumattummal Rajan**  
Managing Director  
Place: Ernakulam

Date: 30<sup>th</sup> October 2025



**Lisa Satish**  
Authorised Signatory  
Place: Ernakulam