

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

(For private circulation only)

MARCH 2026

DSP BHARAT NIRMAN FUND

BY DSP ALTERNATIVE INVESTMENT FUND CATEGORY III

'DSP Alternative Investment Fund Category III' is registered with SEBI as a Category III Alternative Investment Fund with effect from June 13, 2013

Registration No. IN/AIF3/13-14/0059

Trustee: DSP Trustee Private Limited

Sponsor: DSP HMK Holdings Private Limited and DSP Adiko Holdings Private Limited

Investment Manager: DSP Asset Managers Private Limited

*This private placement memorandum ("**Memorandum**") is being furnished to you on a confidential basis for you to consider investing in the Units of **DSP BHARAT NIRMAN FUND** ("**Fund**" or "**Scheme**"), a scheme of DSP Alternative Investment Fund Category III ("**Trust**") established as a trust under the Indian Trusts Act, 1882. This Memorandum shall not be reproduced or provided to others without the prior written permission of the Investment Manager.*

The information contained in this Memorandum may not be provided to others who are not directly concerned with your decision regarding the proposed investment. By accepting delivery of this Memorandum, you agree to the foregoing, and to return this Memorandum if you do not invest in the Units of the Fund/Scheme. Investors are requested to note that no returns from the Fund/Scheme are assured or guaranteed.

Name of Investor: _____

Copy No: _____

IMPORTANT NOTICE

An investment in **DSP BHARAT NIRMAN FUND** is suitable only for sophisticated and/or private Investors including fund of funds, government institutions, corporates, public sector undertakings, and private banks, insurance companies, global development financial institutions and multilateral organizations, and high net worth individuals and requires the financial ability and willingness to remain invested for the total tenure of the Fund, to accept the high risks and lack of liquidity inherent in an investment in a fund of this nature.

No assurance can be given that the Fund's investment objective or investment strategy will be achieved. There can be no assurance that the Fund will achieve its target returns or returns comparable to those achieved by the entities with which the Sponsor or the Manager or their Affiliates have been associated.

The **DSP BHARAT NIRMAN FUND** is an open-ended Fund.

(Signature of Investor)

Name of Investor: _____ Name of the Distributor (if applicable): _____

Date : _____

Place : _____

DISCLAIMER

This confidential Memorandum is issued in connection with and relates to an investment in the Units of the Fund. The Fund is registered with SEBI as a Category III Alternative Investment Fund under the Regulations. This Memorandum does not constitute an offer or a solicitation of an offer to subscribe to the Units described herein from any Person other than the Person whose name appears on the cover page of this Memorandum. No Person, other than such Person, receiving a copy of this Memorandum may treat the same as constituting an offer or a solicitation of an offer to subscribe to the Units of the Fund as described herein.

This Memorandum is not registered and does not intend to register in any jurisdiction other than India. Investors from jurisdictions other than India are requested to review regulatory norms of their respective jurisdictions before investing in the Fund.

By accepting delivery, the Person receiving this Memorandum agrees (a) to keep strictly confidential the contents hereof and to not disclose the same to any third party, other than professional advisors of such person, or otherwise use the same for any purpose other than evaluation by such Person of a potential investment in the Units; (b) not to reproduce this Memorandum in whole or in part; and (c) to return this Memorandum to the Fund if (i) such Person decides not to invest in the Units of the Fund; or (ii) such Person's proposed investment is not accepted. If this Memorandum is received by an unauthorized Person, such recipient shall not be entitled to request for other related documents or other information. However, such Person shall be bound by the confidentiality terms of this Memorandum.

The information in this Memorandum of the Fund is not exhaustive and may be changed. This Memorandum is not an offer to subscribe to the Units and does not solicit an offer to subscribe to the Units in any jurisdiction where the offer or sale is not permitted. An offer or solicitation in respect of the Units in the Fund will be made only through the final form of this Memorandum.

The information in this Memorandum is current as at the date of this Memorandum, and may be supplemented, amended or modified from time to time by any further information in a supplemental information memorandum in which event the information in this Memorandum shall be read as supplemented, amended or modified by such additional information, as the case may be. The supplemental information memorandum shall be provided to the Investors within reasonable time (in no case later than 6 months) from the date of effective change regarding which this Memorandum is supplemented, amended or modified.

Notwithstanding anything contained in the Fund Documents, the Investment Manager shall continue to be responsible for the compliance with the Regulations and Applicable Laws in relation to operations and reporting by the Fund. The Investment Manager has taken all reasonable care to ensure that the information in this Memorandum is true and accurate in all material respects and that there are no material facts, the omission of which would make any statement in this Memorandum, whether of fact or opinion, misleading. No other representation, warranty or undertaking is given in respect of the information in this Memorandum by the Investment Manager or by any other Person duly authorized by the Investment Manager and neither the Investment Manager nor any other Person duly authorized by the Investment Manager takes responsibility for the consequences of reliance upon any statement or information contained in, or any omissions from, this Memorandum.

Certain information contained in this Memorandum constitutes “forward-looking statements” which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue”, “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

The Investment Manager reserves the right to withdraw or modify this offering at any time prior to the acceptance of subscriptions from the Investors. The Investment Manager also reserves the right to close the subscription before the indicated period or amount of capital has been subscribed.

Prospective investors should review the Fund Documents carefully. Nothing in this Memorandum and the information contained in it or any other information supplied in connection with the Fund (other than the Fund Documents, the terms set out in “**SECTION VII: PRINCIPAL TERMS OF THE FUND**” of this Memorandum to the extent incorporated in the Fund Documents by reference, and the confidentiality understanding contained herein) shall form the basis of any contract.

The Units of the Fund are not being offered for sale or subscription to public but are being privately placed with a limited number of eligible Investors as per the Regulations. Information provided herein has not been approved by SEBI or any other legal or regulatory authority in India, nor has any such regulatory authority passed upon or endorsed the accuracy or adequacy of this Memorandum. An investment in the Fund involves certain significant investment risks, including loss of a prospective Investor’s entire investment. **SEE “SECTION X: RISK FACTORS” FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.** There will generally be no public market for the Units, and they will not, subject to certain conditions as stated in this Memorandum, be freely transferable.

The information on taxation contained in this Memorandum is a summary of certain tax considerations but is not intended to be a complete discussion of all tax considerations. The contents of this Memorandum are not to be construed as investment, legal, or tax advice. Investors should consult their own counsel, accountant or investment advisor as to legal, tax, and related matters concerning their investment. This Memorandum contains a fair summary of the material terms of the aforesaid documents. However, prospective investors should not assume that such summaries are complete. Such summaries are qualified in their entirety by reference to the texts of the aforesaid documents which will be made available by the Fund to prospective investors upon request.

Investors may request additional information in relation to the Fund by writing to the Investment Manager:

Name of the Investment Manager: DSP Asset Managers Private Limited	Name of Contact Person: Dr. Pritesh Majmudar, Head – Legal & Compliance	Communication Address: The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar West, Mumbai 400028
Telephone No.: 022-66578050	Email: pritesh.majmudar@dspim.com	

PART – A

DIRECTORY

Sponsor	<p>1. DSP HMK Holdings Private Limited</p> <p>Address: Mafatlal Centre, 11th Floor, Nariman Point, Mumbai 400021, India.</p> <p>Tel.: 1800-208-4499 / 1800-200-4499</p> <p>2. DSP Adiko Holdings Private Limited</p> <p>Address: Mafatlal Centre, 11th Floor, Nariman Point, Mumbai 400021, India.</p> <p>Tel.: 1800-208-4499 / 1800-200-4499</p> <p>Email: Pcsingh@dspinvest.com / compliance@dspinvest.com</p>
Investment Manager	<p>DSP Asset Managers Private Limited</p> <p>Address: The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar West, Mumbai 400028.</p> <p>Tel.: 1800-208-4499 / 1800-200-4499</p> <p>Email: dsp_aif@camsonline.com</p>
Trustee	<p>DSP Trustee Private Limited</p> <p>Address: The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar West, Mumbai 400028</p> <p>Tel.: 1800-208-4499 / 1800-200-4499</p> <p>Email: dsp.secretarial@dspim.com</p>
Legal Advisor	<p>IC RegFin Legal Partners LLP</p> <p>Address: Times Square Building, Suite 3, 12th floor, E-Wing, Marol, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India.</p> <p>Tel.: +91 22 61849900</p> <p>Email: regfinlegal.com</p>
Tax Adviser	<p>G.M. Kapadia & Co.</p> <p>Address: 1007, Raheja Chambers, 213, Free Press Journal Marg, Nariman Point, Mumbai 400021.</p>

	<p>Tel.: 022-66116611</p> <p>Email: manoj.dixit@gmkco.com</p>
Merchant Banker	<p>Socradamus Capital Private Limited</p> <p>Address: Gala No. 303, Cama Industrial Estate, Sun Mill Compound Lower Parel, Delisle Road, Mumbai - 400 013</p> <p>Tel - 022 - 4961 4235</p>
Custodian	<p>Hongkong and Shanghai Banking Corporation Limited HSBC Securities Services</p> <p>Address: NESCO IT Park, NESCO Complex, 11th Floor, Building No. 3, Western Express Highway, Goregaon, Mumbai 400063.</p> <p>Tel.: 022-61223760</p> <p>Email: arvin.david@hsbc.co.in</p>
Registrar and Transfer Agent	<p>M/s. Computer Age Management Services Limited</p> <p>Address: Rayala Towers, Tower 3, 2nd Floor, 158 Anna Salai, Chennai 600002.</p> <p>Tel.: 044-61093477</p> <p>Email: dsp_aif@camsonline.com</p>
Auditor	<p>M/s. MSKA & Associates (Member firm of BDO International)</p> <p>Address - 602, Floor 6, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon East, Mumbai - 400063</p> <p>Tel - 022-62380519</p> <p>Email - swapnilkale@mska.in</p>

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SECTION I: EXECUTIVE SUMMARY

The principal terms are summarized in the following table. The information in this table is subject to the detailed information provided elsewhere in this Memorandum. Investors should read this Memorandum in its entirety before making an investment.

ALTERNATIVE INVESTMENT FUND	<p>DSP Alternative Investment Fund Category III (“Trust”) is registered under the SEBI (Alternative Investment Funds) Regulations, 2012.</p> <p>The Trust has been constituted vide the Indenture of Trust dated May 28, 2013 (the “Indenture” or “Indenture of Trust”) in accordance with the provisions of the Indian Trusts Act, 1882, pursuant to the Indenture entered into between the Settlor and the Trustee and registered under the provisions of the Registration Act, 1908.</p> <p>SEBI Registration No. IN/AIF3/13-14/0059.</p>
SCHEME	DSP Bharat Nirman Fund , is an open-ended scheme of the Trust.
SPONSOR (S)	<p>DSP HMK Holdings Private Limited, a company incorporated under the Companies Act, 1956, vide Co. Reg. No. 29544 dated 15th March, 1983, with the main object to make investments in various classes of assets. The Company is registered with RBI vide Certificate of Registration No. B-13.01798 dated 3rd June, 2005, as a Non Deposit taking Non-Banking Finance Company (NBFC). Further, a fresh Certificate of Registration No.-13.01798 dated August 07, 2024 has been issued by the RBI for conversion from Type-II to Type-I NBFC for not availing public funds and not having customer interface.</p> <p>DSP ADIKO Holdings Private Limited, a company incorporated under the Companies Act, 1956, vide Co. Reg. No. 29547 dated 15th March, 1983, with the main object to make investments in various classes of assets. The Company is registered with RBI vide Certificate of Registration No.-13.01576 dated 8th March, 2002, as a Non Deposit taking Non-Banking Finance Company (NBFC). Further, a fresh Certificate of Registration No.-13.01576 dated August 07, 2024 has been issued by the RBI for conversion from Type-II to Type-I NBFC-ND for not availing public funds and not having customer interface.</p>
INVESTMENT MANAGER	DSP Asset Managers Private Limited , a company incorporated under the Companies Act, 2013, having its registered office at The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar West, Mumbai 400028
AFFILIATE	<i>Not Applicable.</i>

<p>INVESTMENT OBJECTIVE AND STRATEGY</p>	<p>The investment objective of the Fund is to carry on the activity of a Category III AIF as permissible under the Regulations, so as to seek to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing investments in infrastructure, both by the public and private sector.</p> <p>Details are given under “SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS” of this Memorandum.</p>
<p>INVESTMENT ALLOCATION</p>	<p>Details are given under “SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS” of this Memorandum.</p>
<p>TARGET CORPUS</p>	<p>The aggregate Capital Commitments of all the Contributors of the Scheme, subject to a minimum corpus of INR 20,00,00,000/- (Rupees Twenty Crores only) (“Scheme Size”).</p> <p>The target corpus of the Fund is up to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores) with a green shoe option of up to Rs. 200,00,00,000 (Indian Rupees Two Hundred Crores).</p> <p>Total Fund corpus is Rs. 500, 00, 00,000 (Indian Rupees Five Hundred Crores) (including the green shoe option).</p>
<p>SHARE CLASS/ CLASS/ CLASSES / SERIES OF UNITS</p>	<p>Class A Unit means one unit of face value of Rs. 100 (Indian Rupees One Hundred) each, representing Class A entitling rights and interest, including right to Distribution Proceeds, as per the distribution waterfall accruable to DSP Asset Managers Private Limited against the minimum investment amount as prescribed by the Regulations and in accordance with the terms and conditions set out in the relevant Contribution Agreement. Accordingly, as per the current Regulations, DSP Asset Managers Private Limited (being the Investment Manager of the Scheme) shall make Capital Commitments to Class A Units which shall be at least 5% of the Scheme Size or INR 10,00,00,000 (Indian Rupees Ten Crores), whichever is lower (“Class A Unit”). The Investment Manager will only contribute towards Class A Unit.</p> <p>Class Unit means one unit of face value of Rs. 100 (Indian Rupees One Hundred) each, entitling the holder thereof to rights and interest, including right to Distribution Proceeds, in accordance with the terms and conditions set out in the relevant Contribution Agreements (“Class B1, Class B2, Class B3, Class C1, Class C2, Class C3, Class D1, Class D2, Class D3, Class D4, Class E1, Class E2, Class E3, Class E4 Unit and Class F Units”). Class B1, Class B2, Class B3, Class C1, Class C2, Class C3, Class D1, Class</p>

D2, Class D3, Class D4, Class E1, Class E2, Class E3, Class E4 and Class F Units will be divided as described herein below, depending on the Capital Commitment made by the Contributors in accordance with their respective Contribution Agreement(s) and fees charged.

Class of Units	Capital Commitment and fees charged
Class B1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore) and who will be charged Total Fees and Performance Fees.
Class B2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees and Performance Fees
Class B3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees and Performance Fees
Class C1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore) and who will be charged Total Fees
Class C2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees
Class C3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees
Class D1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
Class D2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs.10 Crore (Rupees Ten Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
Class D3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) but $<$ Rs.25 Crore (Rupees Twenty-Five Crore), investing

		directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
	Class D4	Capital Commitment \geq Rs. 25 Crore (Rupees Twenty-Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
	Class E1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees
	Class E2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs.10 Crore (Rupees Ten Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees
	Class E3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) but $<$ Rs.25 Crore (Rupees Twenty-Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees
	Class E4	Capital Commitment \geq Rs. 25 Crore (Rupees Twenty-Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees
	Class F	Capital Commitment \geq Rs. 25 Lakhs (Rupees Twenty-Five Lakhs), to be issued to employees and/or directors of the Investment Manager.
<p>For further details on the Classes of Units, please refer to paragraph 3 titled 'Classes of Units' under "SECTION VII: PRINCIPAL TERMS OF THE FUND" of this Memorandum.</p>		

	<p>The Investment Manager reserves the right to modify the mode of distribution over and above the Hurdle Rate pertaining to Class B Unit Holders and Class D Unit Holders, including payout in cash. The economic interest of any Class of Unit Holders shall remain unaffected irrespective of the mode of distribution.</p> <p>Class D and Class E shall not entail any Placement Fee directly or indirectly.</p> <p>Additional Classes of Units: Trustee / Investment Manager shall be entitled to issue additional class (es) of Units (including a Sub-class / series thereof).</p>																
<p>TERM OF THE FUND</p>	<p>The Scheme is an open-ended Scheme of the Trust. ("Term of the Scheme" or "Tenure of the Scheme").</p>																
<p>MINIMUM CAPITAL COMMITMENT</p>	<p>Total amount that a Contributor agrees in writing, to contribute to the Scheme by way of subscription to Units of the Scheme in terms of the Contribution Agreement ("Capital Commitment") and that portion of the Capital Commitment contributed by a Contributor towards acquisition or subscription of Units ("Capital Contribution").</p> <p>Upon signing the Contribution Agreement, the Investor shall be required to contribute towards the full Capital Commitment.</p> <p>Subject to the Regulations, the minimum Capital Commitment from each Contributor shall be as under:</p> <table border="1" data-bbox="651 1272 1422 1989"> <thead> <tr> <th><i>Class of Units</i></th> <th><i>Minimum Capital Commitment</i></th> </tr> </thead> <tbody> <tr> <td>Class A Units</td> <td>5% of the Scheme Size or INR 10 Crores (Indian Rupees Ten Crores), whichever is lower (as per the Regulations)</td> </tr> <tr> <td>Class B1, C1, D1 & E1 Units</td> <td>>= Rs. 1 Crore (Rupees One Crore) but < Rs. 5 Crore (Rupees Five Crore)</td> </tr> <tr> <td>Class B2, C2, D2 & E2 Units</td> <td>>= Rs. 5 Crore (Rupees Five Crore) but < Rs.10 Crore (Rupees Ten Crore)</td> </tr> <tr> <td>Class B3 & C3</td> <td>>= Rs. 10 Crore (Rupees Ten Crore)</td> </tr> <tr> <td>Class D3 & E3 Units</td> <td>>= Rs. 10 Crore (Rupees Ten Crore) but < Rs.25 Crore (Rupees Twenty-Five Crore)</td> </tr> <tr> <td>Class D4 & E4 Units</td> <td>>= Rs. 25 Crore (Rupees Twenty-Five Crore)</td> </tr> <tr> <td>Class F Units</td> <td>>= INR 25,00,000 (Indian Rupees Twenty-Five Lakh)</td> </tr> </tbody> </table>	<i>Class of Units</i>	<i>Minimum Capital Commitment</i>	Class A Units	5% of the Scheme Size or INR 10 Crores (Indian Rupees Ten Crores), whichever is lower (as per the Regulations)	Class B1, C1, D1 & E1 Units	>= Rs. 1 Crore (Rupees One Crore) but < Rs. 5 Crore (Rupees Five Crore)	Class B2, C2, D2 & E2 Units	>= Rs. 5 Crore (Rupees Five Crore) but < Rs.10 Crore (Rupees Ten Crore)	Class B3 & C3	>= Rs. 10 Crore (Rupees Ten Crore)	Class D3 & E3 Units	>= Rs. 10 Crore (Rupees Ten Crore) but < Rs.25 Crore (Rupees Twenty-Five Crore)	Class D4 & E4 Units	>= Rs. 25 Crore (Rupees Twenty-Five Crore)	Class F Units	>= INR 25,00,000 (Indian Rupees Twenty-Five Lakh)
<i>Class of Units</i>	<i>Minimum Capital Commitment</i>																
Class A Units	5% of the Scheme Size or INR 10 Crores (Indian Rupees Ten Crores), whichever is lower (as per the Regulations)																
Class B1, C1, D1 & E1 Units	>= Rs. 1 Crore (Rupees One Crore) but < Rs. 5 Crore (Rupees Five Crore)																
Class B2, C2, D2 & E2 Units	>= Rs. 5 Crore (Rupees Five Crore) but < Rs.10 Crore (Rupees Ten Crore)																
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Class F Units	>= INR 25,00,000 (Indian Rupees Twenty-Five Lakh)																

	<p>The minimum Capital Commitment per Contributor shall be INR 1 Crore (Rupees One Crore only) per Investor.</p> <p>However, the Investment Manager may, at its discretion, prescribe any amount as minimum Capital Commitment from each Contributor, subject to the Regulations.</p> <p>For further details on minimum Capital Commitment, please refer to paragraph 7 titled '<i>Minimum Capital Commitment</i>' under "SECTION VII: PRINCIPAL TERMS OF THE FUND" of the Memorandum.</p>
<p>MANAGER COMMITMENT</p>	<p>The Investment Manager will commit an aggregate amount equivalent to 5% (Five Percent) of the Corpus or INR 10,00,00,000 (Indian Rupees Ten Crores), whichever is lower, to maintain a continuing interest in the Fund in accordance with the Regulations.</p> <p>Notwithstanding anything to the contrary, the Investment Manager shall always maintain the abovementioned continuing interest and take requisite steps/measures to comply with the same.</p> <p>In addition to the aforementioned continuing interest, the Investment Manager/Sponsors may, at their sole discretion, directly or through their respective entities/affiliates/strategic partners, make an Additional Commitment to the Fund ("Additional Commitment"). It is hereby clarified that such Additional Commitment will not be subject to any obligations prescribed for the Investment Manager / Sponsors under the Regulations.</p> <p>It is hereby clarified that the Capital Commitment provided by Investment Manager, to the extent to meet the minimum Corpus requirement of INR 20,00,00,000 (Indian Rupees Twenty Crores), shall not be reduced or withdrawn or transferred, post expiry of the Initial Offer Period.</p>
<p>INITIAL OFFER PERIOD</p>	<p>The Initial Offer Period means the date fixed by the Investment Manager for the initial subscription of Units of the Fund by the proposed Contributors ("Initial Offer Period").</p> <p>The Initial Offer Period of the Scheme will occur as soon as practicable i.e. subject to the receipt of the aggregate Capital Commitments of at least INR 20,00,00,000 (Indian Rupees Twenty Crores). Notwithstanding anything, the Initial Offer Period will not occur later than 12 months from the date of communication for taking the PPM of the Scheme on record.</p> <p>The Fund has closed its Initial Offer Period on June 28, 2024.</p> <p>Upon expiry of the Initial Offer Period, the Fund shall add new Contributors ("Subsequent Investor") or existing Contributors may increase their Capital Commitment in</p>

	<p>accordance with paragraph 5 titled '<i>Subscription / Offering Price</i>' in this "SECTION VII: PRINCIPAL TERMS OF THE FUND" of this Memorandum.</p>
<p>SUBSCRIPTION / OFFERING PRICE</p>	<p><i>Initial Offer Period:</i></p> <p>During the Initial Offer Period, the Investment Manager shall admit an Eligible Person as a Contributor in the Fund upon execution of Contribution Agreement and receipt of requisite documentation/information by facsimile or scanned copy by email as requested by the Investment Manager, at least 5 (five) Business Days (originals to be received at least 1 (one) Business Day) prior to the expiry of the Initial Offer Period or such period as may be decided by the Investment Manager, from time to time.</p> <p>During the Initial Offer Period, the Contributor shall be issued Units by the Fund at the face value of such Class/Sub-class/series of Units i.e., INR 100 per Unit. Units will not be allotted unless the Investment Manager is satisfied that cleared funds in INR terms have been received by the Fund in full by 5.00 pm (Indian Standard Time) at least 48 (forty-eight) hours prior to the expiry of the Initial Offer Period.</p> <p><i>Expiry of Initial Offer Period:</i></p> <p>After the expiry of the Initial Offer Period, any Subsequent Investors or existing Contributor (making additional Capital Commitment in the Fund) may subscribe to the Fund or increase its Capital Commitment in the Fund, by providing requisite documentation to the Investment Manager, at least 5 (five) Business Days (originals to be received at least 1 (one) Business Day) prior to the relevant Valuation Day or such other period as may be decided by the Investment Manager, from time to time.</p> <p>The subsequent subscription of Units shall be offered at par (face value of Rs. 100/- per unit) on the relevant Dealing Day. Units issued after the Initial Offer Period shall be denominated as separate Series for purposes of accruing Management Fee and Performance Fees applicable to such Units (or for other purposes in the Fund's discretion). The Trustee / Investment Manager, at their discretion, may issue fractional Units. The Fund may consolidate different Series of Units into a single Series at any Year End without the approval or consent of Unit holders; provided, that the consolidation will have no adverse impact on the Management Fee or Performance Fee payable or expenses attributed as to any Unit holders</p> <p>Units will not be allotted during any period unless the Investment Manager is satisfied that cleared funds in INR/ application have been received, in full on or before the</p>

	<p>relevant Dealing Day or such period as the Investment Manager may deem fit. If cleared funds are not received by such day, then the application will be held over to the following Valuation Day.</p> <p>NAV will be calculated in accordance with Section VIII: DETERMINATION OF NET ASSET VALUE OF THE UNITS' of this Memorandum.</p> <p>Subject to the AIF Regulations and the Fund Documents, the Investment Manager may, in its discretion, accept Capital Commitments in excess of the target size of the Fund. The NAV of the Fund shall be as determined on each Valuation Day (as defined below) calculated in the manner notified by the Investment Manager to the Contributors from time to time. The NAV per Unit shall be calculated separately for each Class, and Sub-class and series.</p> <p>The Investment Manager shall calculate the NAV of the Fund on every 15th day and the last day of each month. However, if the 15th day and the last day of the month is not a Business Day, then the preceding Business Day shall be the Valuation Day. ("Valuation Day").</p> <p>Provided however that, the Valuation Day for the last month of a Financial Year will be last calendar day of that month, which may or may not be a Business Day.</p> <p>It is hereby expressly clarified that the Units will be issued on the Capital Contributions less the applicable stamp duty (payable in relation to the issuance of Units to the Contributors). Therefore, the amount on which the Units shall be issued will differ from the Capital Contribution amount.</p> <p>Payment of Stamp Duty: The Contributor shall bear and pay stamp duty and other charges and expenses payable in connection with execution, registration or notarization of Contribution Agreement and/or issuance of any Unit Certificate.</p> <p>Further, the Contributor will also be liable to pay stamp duty as per the Indian Stamp Act, 1899, as amended through the Finance Act, 2019, and Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.</p> <p>Further details are given under paragraph 5 titled 'Subscription/Offering Price' in "SECTION VII: PRINCIPAL TERMS OF THE SCHEME".</p>
HURDLE RATE OF RETURN	<p>The hurdle rate of return to be distributed to the Contributors of Class B and Class D (and if applicable, each series thereof) shall be at rate of 10% per annum on "Reference Price" of the relevant Financial Year. This is not an entitlement to any absolute or guaranteed amount and is not applicable in case</p>

	<p>the amounts are insufficient to cover the same.</p> <p>Further details are given under paragraph 14 titled 'Hurdle Rate of Return' in "SECTION VII: PRINCIPAL TERMS OF THE SCHEME".</p>								
<p>HIGH WATER MARK</p>	<p>"High Water Mark NAV" means, with respect to any Units subscribed:</p> <p>a) For the first Performance Period: The subscription price</p> <p>b) For subsequent Performance Periods where Performance Fee is charged in the immediately preceding Performance Period:</p> <p>i) The closing post Tax NAV at the end of the last Valuation Day; or</p> <p>ii) Hurdle NAV of such immediately preceding Performance Period, whichever is higher.</p> <p>c) If Performance Fees is not charged in the immediately preceding Performance Period: Then the High Water Mark NAV of such immediately preceding Performance Period</p> <p>"Hurdle NAV" means, with respect to any Units subscribed, the NAV per Unit of such Units arrived at as a return of:</p> <p>a) 10% (Hurdle Rate) for units in existence for one year;</p> <p>b) 10% (Hurdle Rate) pro-rata for the holding period.</p> <p>Over the Reference Price (defined below) in the relevant Performance Period</p> <p>"Reference Price" with respect to any Units subscribed, for the relevant Performance Period shall be the higher of:</p> <p>a) Opening NAV of such Units; or</p> <p>b) High Water Mark NAV applicable for such Performance Period.</p> <p>The Performance Fee will be paid to the Investment Manager when gains exceed the Hurdle NAV in the relevant Performance Period.</p>								
<p>MANAGEMENT FEES</p>	<p>The Scheme will pay management fees ("Management Fees") at an annual rate on the Net Asset Value as mentioned in the below fee structure table prior to charging of fees, costs and expenses, applicable taxes and Performance Fee. Other government duties, statutory charges and levies (like GST etc.), excluding income tax, will be charged over and above this.</p> <table border="1" data-bbox="635 1720 1420 2016"> <thead> <tr> <th colspan="4" data-bbox="635 1720 1420 1765">Fee Structure – Class A</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 1765 919 2016">Capital Commitment by the Investor</td> <td data-bbox="919 1765 1070 2016">Management Fees up to</td> <td data-bbox="1070 1765 1241 2016">Scheme Expenses * (including Trustee Fee)</td> <td data-bbox="1241 1765 1420 2016">Total Fees * (Not to exceed following % of the pre-tax NAV)</td> </tr> </tbody> </table>	Fee Structure – Class A				Capital Commitment by the Investor	Management Fees up to	Scheme Expenses * (including Trustee Fee)	Total Fees * (Not to exceed following % of the pre-tax NAV)
Fee Structure – Class A									
Capital Commitment by the Investor	Management Fees up to	Scheme Expenses * (including Trustee Fee)	Total Fees * (Not to exceed following % of the pre-tax NAV)						

	5% of the Corpus or INR 10 Crores (Rupees Ten Crores only), whichever is lower (as per the Regulations)	0.25%	0.15%	0.40%
* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.				
Fee Structure – Class B (Total Fee and Performance Fee)				
Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)	
>= INR 1 crores - < INR 5 crores (Class B1)	1.75%	0.15%	1.90%	
>=INR 5 crores but < INR 10 crores (Class B2)	1.50%	0.15%	1.65%	
INR 10 crores and above (Class B3)	1%	0.15%	1.15%	
* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.				
Fee Structure – Class C				
Capital Commitment by the Investor	Management Fees up to* (p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)	
>= INR 1 crores - < INR 5 crores (Class C1)	2.25%	0.15%	2.40%	
>=INR 5 crores but <	2.00%	0.15%	2.15%	

	INR 10 crores (Class C2)			
	INR 10 crores and above (Class C3)	1.75%	0.15%	1.90%
<p>* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.</p>				
Fee Structure – Class D				
(Total Fee and Performance Fee)				
	Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)
	>= INR 1 crores - < INR 5 crores (Class D1)	0.55%	0.15%	0.70%
	>=INR 5 crores but < INR 10 crores (Class D2)	0.45%	0.15%	0.60%
	>=INR 10 crores but < INR 25 crores (Class D3)	0.35%	0.15%	0.50%
	INR 25 crores and above (Class D4)	0.25%	0.15%	0.40%
<p>* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.</p>				
Fee Structure – Class E				
	Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)
	>= INR 1 crores - < INR 5 crores (Class E1)	0.75%	0.15%	0.90%
	>=INR 5 crores but <	0.65%	0.15%	0.80%

	INR 10 crores (Class E2)			
	>=INR 10 crores but < INR 25 crores (Class E3)	0.55%	0.15%	0.70%
	INR 25 crores and above (Class E4)	0.40%	0.15%	0.55%
	* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.			
	Fee Structure – Class F			
	Capital Commitment by the Investor	Management Fees up to	Scheme Expenses * (including Trustee Fee)	Total Fees * (Not to exceed following % of the pre-tax NAV)
	INR 25 lakhs and above	0.25%	0.15%	0.40%
	* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.			
	<p>The Management Fee shall be charged on a daily basis or at such other frequency as the Investment Manager may, at its sole discretion, deem appropriate.</p> <p>The level of Management Fee payable may vary according to the Class of Units or Sub-class (and, if applicable, each series thereof).</p> <p>The Investment Manager reserves the right to offer and charge a lower Management Fee.</p>			
ADDITIONAL RETURN	<i>Not Applicable.</i>			
PERFORMANCE FEE	<p>In respect of Class B Units and Class D Units, the Investment Manager shall be paid a Performance Fee (“Performance Fee”).</p> <p>The Performance Fee will be calculated at the end of every Financial Year (“Performance Period”) on a unit-by-unit basis so that each Unit is charged a Performance Fee which equates fairly with that Unit’s performance. The Performance Fee applicable to subscriptions (including subsequent</p>			

subscriptions) received shall be subject to a “high water mark” procedure as described below.

This method of calculation aims to ensure that (i) any Performance Fee is charged only on those Units which have appreciated in value, (ii) all the holders of a Class/Series Unit have the same amount of capital per Unit at risk in the Fund, and (iii) all the Unit have the same NAV per Unit. The first Performance Period was for the period beginning the date after the closure of the Initial Offer Period and ending on March 31, immediately following such period. If a Unit is redeemed, the Performance Period for that Unit shall be deemed to end on the Redemption Date and the Performance Fee shall be payable as of the date of such redemption.

At the end of each Performance Period, the Performance Fee shall be an amount equal to 20% of the appreciation in the pre tax NAV per Unit (before accrual or deduction of the Performance Fee) over the Hurdle NAV (defined herein below) per Unit. The Performance Fee will be subject to the “high water mark” mechanism described above. No Performance Fee shall be paid to the Investment Manager unless; a minimum return of hurdle rate over the Reference Price is made in the relevant Performance Period.

Secondary transfer of Unit during a Performance Period will not be taken into account when determining the amount of Performance Fee payable for that Performance Period. Prospective investors are therefore expected to factor the Performance Fee while negotiating the price for secondary transfer and seek clarifications, if any, from the Investment Manager on the computation and payment of Performance fee. However, switches *inter alia* between the Classes of Units within the Scheme will be considered for the purpose of Performance Fee calculation.

Performance Fee calculation as per High Water Mark mechanism is as described above under the section High Water Mark. The Performance Fee will be paid to the Investment Manager when gains exceed the Hurdle NAV in the relevant Performance Period.

Please refer Annexures to this Private Placement Memorandum (‘PPM’) for illustrations and details of fees, charges and expenses paid by the Scheme.

Performance Fee on the Class B1, Class B2, Class B3, Class D1, Class D2, Class D3 and Class D4 Units shall be equal to 20% over the Hurdle Rate of Return.

The Performance Fee shall be adjusted from the NAV of Class B and Class D Units prevailing as on the date of calculation.

The Performance Fee shall be inclusive of all applicable

	<p>Taxes and levies such as any GST leviable on such fees, and the same shall be borne by the Fund.</p> <p>The Investment Manager, in its sole discretion, may waive/reduce the Performance Fee charged to any Contributor/Class/Sub-class/series. Any such waiver or reduction shall not result in any other Investor bearing liability accrued or accruing to other Investors of the Fund.</p> <p>There shall be no Performance Fee payable with respect to Class A Units, Class C Units, Class E Units and Class F Units.</p>
<p>EXPENSES OF THE FUND</p>	<p>Set-up Expenses: Set-up Expenses from each holder of Class A Units, Class B Units, Class C Units, Class D Units, Class E Units, Class F Units and such other Classes of Units as may be designated by the Investment Manager on actuals, and amortized for a period of 3 years from Initial Offer Period (“Set-up Expenses”).</p> <p>The Set-up Expenses are expected to be utilized towards, <i>inter alia</i>:</p> <ul style="list-style-type: none"> a) setting up and offering costs; b) costs involved in marketing of the Fund; c) costs directly attributable to the establishment of the Fund and obtaining or maintaining various licenses, approvals and registrations, registration expenses; d) commitment or similar fees; e) legal and professional expenses (including fees paid for legal opinions, if any) incurred in relation to the preparation and negotiation of the Fund Documents or any other documents applicable to the Fund; f) printing costs in relation to the Fund Documents; g) stamp duty and registration charges incurred with respect to formation of Fund and execution of Fund Documents; and h) Travel expenses of the Investment Manager team for the execution of the Contribution Agreements. <p>The said fees would be within the limit specified in “Scheme Expenses (including Trustee Fee)”.</p> <p>Operating Expenses: The operational expenses of the Fund will be borne by the Fund on actuals and allocated to the holders of all Classes of Units subject to a cap of 0.15% p.a. + GST and taxes / levies, if any.</p> <p>Placement Fee: The Fund may use the services of arrangers, distributors or placement agents, as may be necessary from time to time.</p> <p>Such Placement Agent/s shall charge a placement fee at their discretion, which would be borne by the Investment Manager from the Management Fees on equal trail basis as provided</p>

	<p>under paragraph 21 titled '<i>Fees in relation to the Fund</i>' under this "Section VII: PRINCIPAL TERMS OF THE FUND". The Investment Manager shall disclose the Placement Fees paid to the Placement Agent/s in connection with the Contributors who are sourced through the said Placement Agents, under their respective Contribution Agreements in accordance with the Applicable Laws.</p> <p>No upfront Placement Fee shall be charged to the Scheme directly or indirectly.</p> <p>It is hereby clarified, for avoidance of doubt, that Placement Fees shall not be allocated to Contributors, coming in the Fund directly and <i>pro-rata</i> invested capital of such direct plan Contributors will be computed/adjusted accordingly.</p> <p>Please refer para 21 titled '<i>Fees in relation to the Fund</i>' under "SECTION VII: PRINCIPAL TERMS OF THE FUND" and "SECTION XII: ILLUSTRATION OF FEES, EXPENSES AND OTHER CHARGES" of this Memorandum for further details.</p>
<p>REDEMPTION</p>	<p>The Investment Manager shall allow redemption of Units, subject to the payment of Exit Load (as defined below), at the relevant Dealing Day as set under the paragraph 10 titled 'Redemption' in "SECTION VII: PRINCIPAL TERMS OF THE SCHEME".</p> <p>Units will be available to be redeemed on the relevant Dealing Day, based on the Post Tax NAV (net of Performance Fees) of such Units on the relevant Valuation Day and Investment Manager will endeavor to pay the redemption proceeds will be paid within 7 (seven) Business Days thereof.</p> <p>No part of the redemption proceeds will be paid to the Contributors until the Investment Manager has received the original exit request signed by the Contributor requesting the exit or by an authorized signatory of such Contributor.</p> <p>The acceptance of the request for exit by Contributor may be determined by the Investment Manager and is subject to availability of liquidity. If the request for exit is accepted, the Investment Manager will endeavour to pay the Exit Proceeds to the exiting Contributor. Notwithstanding the above, the Investment Manager may accept the exit form and provide redemption to the Contributors anytime at its own discretion.</p> <p>The Contributors exiting the Fund shall be paid an amount equal to the Net Exit Proceeds (defined below).</p> <p>The Fund is entitled to set-aside from any pre-Tax Exit Proceeds, amounts necessary to pay/ create reserves for Taxes and to create appropriate reserves for expenses and liabilities of the Fund, as well as for any required Tax</p>

withholdings or provisions for Taxes (“**Exit Proceeds**”) computed based on a methodology adopted at the discretion of the Investment Manager and/or Trustee (in consultation with and advice of the Investment Manager). Such Tax reserve could be utilized by the Fund/Trust to discharge any Taxes, if required under the Applicable Laws. Further, any income-tax withholding, retention, or provision made in accordance with the provisions of the ITA, where applicable and in accordance with the provisions of the ITA, shall be paid to the credit of the permanent account number (“**PAN**”) of the Fund and not the Contributor. Such Tax shall not appear in Form 168 of the Contributor. In case of change in the provisions of the ITA requiring the Fund to withhold income-tax against any accretion or distribution of income or proceeds to the Contributors, the Fund shall withhold Tax at the rates prescribed under the ITA and deposit the same to the credit of PAN of the Contributors, if required under the ITA.

Subject to above, the Exit Proceeds payable to the exiting Unit Holders shall be further charged an applicable Exit Load and Performance Fee, if any (“**Net Exit Proceeds**”) by the Investment Manager.

Redemptions made shall be subject to a redemption fee (“**Exit Load**”) as follows or such other rate as may be prescribed by the Trustee on the recommendation of the Investment Manager.

<i>Timelines (from the date of allotment)</i>	<i>Applicable Exit Load (of pre-Tax exit proceeds)</i>
<=12 months	2% (two percent)
> 12 months	<i>Nil</i>

The Exit Load will be increased by any applicable GST and other statutory charges and Taxes payable thereon. Notwithstanding the above, the Investment Manager may reduce/waive the Exit Load chargeable for any Contributor/Class/Subclass/series of Units at any point of time.

The Contributors who wish to redeem their Units must submit their redemption forms to the Investment Manager at least 5 (Five) Business Days (originals to be received at least 1 (One) Business Day) in advance of the Dealing Day. Failure to receive shall lead to processing of redemption request in the next Dealing Day. The Investment Manager may, however, in its discretion accept requests for redemptions at any time prior to a Dealing Day. The Contributors will receive a confirmation note reflecting details of the redemption within 7 (Seven) Business Days since the relevant Dealing Day

	<p>provided the original redemption forms have been submitted to the Scheme.</p> <p>Distribution of redemption proceeds will be subject to the distribution waterfall as applicable to respective Class of Units, more particularly described under the paragraph on 'Distribution Waterfall'.</p> <p>The Exit Load so deducted will be credited to the Scheme.</p> <p>In addition to and subject to the other conditions as provided in this Memorandum, including payment of Exit Load, and subject to the Regulations, redemptions are subject to a redemption limit of a maximum of 25% (twenty-five percent) of the Net Asset Value of the Scheme on the relevant Dealing Day and is subject to suspension as described in this Memorandum. If redemption requests are received beyond 25% (twenty-five percent), the holders of Units requesting redemption will be redeemed on a <i>pro rata</i> basis up to a maximum of 25% (twenty-five percent) of the Net Asset Value of the relevant Scheme. The Investment Manager/Trustee, however, retain the right to allow redemption in excess of 25% (twenty-five percent). Further, in certain circumstances viz. in exceptional circumstances provided that such suspension is exclusively in the best interest of the Unit Holders, or if the suspension is required under the SEBI Regulations or required by SEBI, redemptions may be suspended in accordance with the provisions of the Indenture and the Contribution Agreement.</p> <p>For the avoidance of doubt, the Investment Manager may, in its sole discretion, refuse the exit request upon written communication to the Contributor if the proposed exit results in the Corpus falling below INR 20,00,00,000 (Rupees Twenty Crores Only); or the requisite Capital Contribution of the exiting Contributor would fall below INR 1,00,00,000 (Rupees One Crores Only) / INR 25,00,000 (Rupees Twenty Five Lakhs) in case of directors and employees of the Investment Manager post giving effect to such Exit.</p> <p>Upon the redemption of Units, the Contributor shall cease to be entitled to any rights in respect of such Units redeemed (except the right to receive distributions, if any which has been declared thereof prior to such redemption being effected) and accordingly its name shall be removed from the register of Contributors with respect to such Units and the Investment Manager will be required to carry out requisite compliances to that effect.</p> <p>In case of material changes in the Fund significantly influencing the decision of the Contributor to continue to be invested in the Fund, then the Investment Manager shall initiate steps as prescribed under the Regulations which</p>
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	<p>includes giving notice of such material changes to the Contributors for obtaining their consent. In certain circumstances, the Investment Manager may also be required to redeem the Units of dissenting Contributor/s as required under the Regulations. In case such redemption is provided, then the Investment Manager shall not charge any Exit Load on the Exit Proceeds payable to dissenting Contributor/s. For more information in this regard, please refer to “SECTION XI: LEGAL, REGULATORY AND TAX CONSIDERATIONS” of this Memorandum.</p> <p>Upon the extinguishment or winding up of the Scheme or the Fund the Units shall compulsorily be redeemed. In situations where Units held by a Unit Holder could create regulatory or tax concerns for the Scheme or other Unit Holders or in accordance with the Indenture, the Units may compulsorily be redeemed. Any such redemptions shall not be subject to charge of Exit Load.</p>
LEVERAGE	<p>The Fund may take positions in derivatives for the limited purpose of arbitrage, hedging and portfolio balancing. Such positions in derivatives shall be in accordance with the Regulations (including any circulars issued thereto).</p> <p>The Fund may borrow, as may be prescribed/permitted under Applicable Laws from time to time for the purpose of meeting redemptions and temporary working capital requirement for meeting expenses of the Fund.</p>

SECTION II: MARKET OPPORTUNITY/ INDIAN ECONOMY/ INDUSTRY OUTLOOK

The information in this section, unless otherwise stated, (1) represents the research results, market views or opinions of the Investment Manager based on available information and current market conditions and (2) is provided as on the date hereof. Information obtained from third parties and other sources have not been independently verified by the Investment Manager. Growth and other numerical data shown does not represent investment returns and should not be used to predict the Fund's return.

INDIAN ECONOMY AND MARKET OUTLOOK

Among the Developed and Emerging Markets, it is quite evident that Indian economy has shown resilience to both global geopolitical changes, commodity cycles and domestic changes in politics. With FY24 GDP growth projected at 6.7%, to be one of the highest in the world, we are on track to be a consistently compounding economy.¹ The near-term signs are best seen in India's Manufacturing PMI at 55.5 (a solid expansionary phase) vs the global manufacturing PMI being at 49.4 (a contractionary phase) as per the data released IHS Markit.² However, India story is more than a near term narrative. It has solid absolute and relative moats.³

- India's core inflation is below 6% (source: Ministry of Statistics and Program Implementation (MOSPI)) and monetary policy is likely to turn favorable.
- Fiscal prudence has been exercised even during crises, rendering India on a resilient recovery track.
- Domestic indicators such as govt spending, e-toll collections, sGST revenue are directionally positive.
- BSE Sensex Index earnings growth estimates are at 13-14% for FY25, as per the Bloomberg consensus, which is likely to help the markets.
- Banks are at record low NPAs, credit growth is picking up and balance sheets are healthy. Equity dilution is likely to be lower in coming years and therefore, profit growth will reflect on earnings per share growth, which will benefit investors across sectors.
- Though it is subject to varying global factors and unpredictable, India's strong forex reserves and less dependent on external trade (relative to peers) should help tide external shocks better.

Manufacturing and Infrastructure sectors outlook

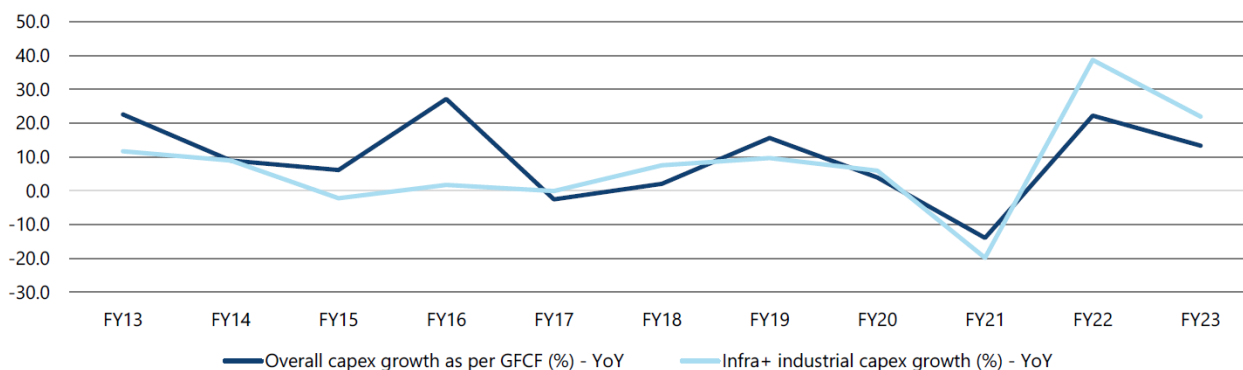
The Investment Manager believes that the Indian manufacturing cycle is at the cusp of a multi-year growth cycle driven by:

- **Investment cycle is just getting started** - As is clearly visible in the chart below, post the covid decline in capital formation, one has seen a marked improvement in capex cycle, which started with the Government leading from the front in terms of various incentives to India Inc. This increased Government outlay on infrastructure (Rs 10 Lakh crores in Budget speech 2024) has resulted in private sector also picking pace. We believe capex outlook remains strong for India over the next 3 to 5 years.

¹ <https://www.livemint.com/economy/moodys-retains-india-2023-growth-at-6-7-on-strong-domestic-demand-11699522847810.html#:~:text=New%20Delhi%3A%20Moody%27s%20Investor%20Services,buoyed%20by%20solid%20domestic%20demand.>

² <https://www.livemint.com/economy/indias-manufacturing-pmi-rises-to-56-in-november-amid-strong-growth-11701411610738.html>.

³ <https://www.businessworld.in/article/China-Plus-One-Strategy-PLI-Scheme-To-Give-Structural-Push-To-Manufacturing-Sector-Report/15-12-2022-458121/>.



Source: RBI, CMIE, Jefferies estimates

- Overall, India corporate capex has remained largely stable, at ~US \$75bn, for the past 10** years, despite corporate revenue and profit rising 1.3x/1.7x during the period as per study by UBS. Historically, five sectors, telecom, energy, utilities, autos and metals/ mining, have accounted for over two-thirds of total corporate capex in India. These have remained the key capex drivers across various cycles and time periods.
- Participation and breadth in the capex cycle is better led by favorable government policy,** strong corporate balance sheet and new project announcements) and banks have improved liquidity and lower NPA cycle. Majority of the negative factors of the previous year's namely availability of financial resources (internal, declining housing market, resource crunch for the government and global demand were some of the have started turning around which makes the current investment cycle more durable.
- Favorable Government Policies** - Government policy making has never been so strong and some of the painful reforms done in the past have started to show results (GST, RERA, IBC etc.). India have implemented reforms like Corporate tax rate, Production Linked Scheme, Labour Reforms, Increase in FDI limit which further strengthen the capex cycle.
- National infrastructure pipeline (NIP) envisages doubling of Infra investment from Rs 50 tn (FY14-19) to Rs 111tn (FY20-25) as per NIP document by Department of Economic Affairs, Ministry of Finance.** This shall take the Infra investment from 5% of GDP to closer to 10% of GDP. We believe thrust is on transport infra (roads, railways) and on T&D infra which is driving infra capex. Break-down of total spending: ~Transport – ~41%, Energy – ~23%, Water and sanitization – ~16% and Social infrastructure – ~13%.
- Government initiatives can kick-start private sector capex recovery led by manufacturing:** The union cabinet has approved Production linked incentive (PLI) scheme worth up to Rs 2 trn (US\$ 30 bn) for 14 manufacturing sectors over a period of five years (source: www.investindia.gov.in). Main objective is to give impetus to manufacturing and exports. The scheme ensures 4-6% incentive on incremental sales over the base year. PLI scheme is expected to add ~US\$ 600 bn to manufacturing output over the next six-seven years. PLI along with various other initiatives like phased manufacturing program, reduction in corporate tax, Atmanirbhar Bharat, etc. could be just the enabler required to the private capex back on track and create multiplier impact on the economy (Job growth-Income growth-Saving growth-Investment growth).

New drivers emerging in this cycle - Automation and digitalization are secular themes and has accelerated post COVID-19. Similarly, in the energy transition space, opportunity in next five years is substantially higher the current run rate as multiple layers of renewable capacity addition, storage, hydrogen etc. would unfold

Export could also provide additional kicker: In line with government's vision of boosting domestic production, Electronics/Defence/Auto industry/Steel have seen a slew of tariff and non-tariff barriers to support domestic manufacturing. Global trade tension with China has also created additional export opportunities. Lot of companies are looking to move out of China or diversify supply chain (China +1), which can help boost exports from India in many areas like electronics, chemicals, textiles, etc. Some of these opportunities will take time to play out in underlying earnings growth of India Inc

- Indian Pharma manufacturing sector is in the process of scaling up the manufacturing of Biopharma and Active Pharmaceutical Ingredients led by Government of India's Production Linked Incentive scheme which envisages to provide incentives of Rs 220 bn across 2 PLI schemes as per Invest India. India is the largest provider of generic medicines globally and occupies 20% share in global supply by volume. Overall market size is expected to grow by 11-12% over 2020 to 2030 and expected to reach USD 65 bn by 2024 and USD 130 bn by 2030 as per Invest India.

In the Investment Manager's view, the key sectors driving the next leg of the markets are Capital expenditure plays as the capex cycle picks up for both government and private.

SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS

Particulars	Details
Investment Objective	The Investment Objective of the Fund is to carry on the activity of a Category III AIF as permissible under the Regulations, so as to seek to generate capital appreciation from a portfolio that is substantially constituted of equity securities and equity related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing investments in infrastructure, both by the public and private sector.
Category of Registration	DSP ALTERNATIVE INVESTMENT-FUND - CATEGORY III is registered with SEBI as a Category III AIF under the Regulations.

Parameters (if applicable)	Categories (if any)	Allocation as Percentage (%) of Net Asset Value*
<i>Investment in type of securities</i>	1. Listed equity, Equity and equity related securities of companies whose fundamentals and future growth could be influenced by the ongoing process of economic reforms and/or infrastructure development theme	80 -100%
	Equity and equity related securities of other companies	0 - 20%
	2. Unlisted equity	0%
	3. Debt, securitized debt	0 - 20%
	Units issued by REITs & InvITs	0 - 20%
	4. Derivatives	0 - 100%
<i>Maximum exposure of the Fund to various positions adopted by the Fund (e.g. long only/short only)</i>	1. Long only	0-100%
	2. Short only	0-100%
<i>Leverage strategy of the Fund</i>	-	Leverage, if any, will be within the defined guidelines of the Regulations from time to time. The Scheme shall invest in derivatives for the limited purpose of arbitrage, hedging and portfolio rebalancing. The

		Scheme may also undertake borrowings for the purpose of meeting redemptions and temporary working capital requirement for meeting expenses.
<i>Allocation for investment in overseas securities, if any</i>	Not applicable	Not applicable
<i>Sector Allocation (if any)</i>	The sectors that the Scheme will broadly be focusing on would be power, banking & finance, telecom, oil & gas, pharmaceuticals, media, fertilizers, travel & tourism, cement, engineering, metals and auto. The above-mentioned sectors are only indicative and this could undergo change based on future reforms and developments at the sole discretion of Investment Manager without any advance intimation.	Up to 100%
<i>Geographic Allocation (if any)</i>	Up to 100% in India	Up to 100% in India
<i>Allocation of investment in units of other AIFs</i>	Not Applicable	Not Applicable
<i>Any variation to any of the above stated parameters or strategy</i>	In the event of any change in the aforesaid investment parameters / allocation, the Investment Manager shall provide prior intimation to the Contributors. In the event of any change in the investment strategy, the Fund shall obtain the consent of Two-Third Majority of the Contributors.	

***Note:** The investments specified under the asset allocation table, stated above shall be undertaken as a percentage to the 'Net Asset Value'. Further, in accordance with proviso to Regulation 15(d) of the Regulations, the Fund shall invest in listed equity and derivatives of an investee company upto 10% of the Net Asset Value and in case of other securities of upto 10% of the Investable Funds.

Due to market conditions, the Investment Manager may deviate beyond the range set out in the asset allocation with the reason recorded in writing. Such deviations shall normally be for a short term on defensive considerations the intention being at all times to protect the interests of the Investors and the Scheme shall endeavor to rebalance the portfolio within 30 working days.

Investment Objective, Purpose and Strategy:

The Investment Objective of the Fund is to carry on the activity of a Category III AIF as

permissible under the Regulations, so as to seek to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing investments in infrastructure, both by the public and private sector.

The Investment Manager’s primary goal is to seek to generate capital appreciation by investing in equity and equity related securities of corporates, whose fundamentals and future growth could be influenced by:

- The ongoing process of economic reforms and /or
- Infrastructure development
- Govt and Private Capital Expenditure and Expansion
- India’s increasing relevance as a global export hub

The sectors that the Scheme will broadly be focusing on would be Power, Capital Goods, Engineering, Materials, Commodity, Finance, Telecom, Oil & Gas, Pharmaceuticals, Media, Fertilizers, Travel & Tourism, Cement, and Auto/ Auto Ancillaries. The above mentioned sectors are only indicative and this could undergo change based on future reforms and developments.

The Net Assets of the scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related Instruments.
2. Equity Derivatives, which are financial instruments, generally traded on the stock equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property.

Investment Process



Investment Strategy

It is the Investment Manager's belief that India's future GDP growth will be strongly influenced by the ongoing process of economic reforms. The economic reforms process involves structural changes in various sectors and companies, including but not restricted to, encouraging private investment, de-regulation of pricing, government aided programs and change towards private ownership. The primary objective of these initiatives is to accelerate the pace of investment and therefore attract investment capital- domestic and foreign. Increase in investment capital may result in value creation out of new investments and value unlocking out of existing investments. Such value creation could be reflected through increased corporate profits and better market capitalisation. The Fund seeks to capture this value creation potential and therefore will endeavor to participate in the likely upside to market capitalisation. With regard to economic reforms, the focus will be on companies/sectors which are likely to be affected by policy change in ownership patterns (eg. Disinvestment, increase in FDI limits, opening of business to private sector), policy change in pricing (eg. De-regulation of price control), policy change in funding (eg. Government funding programmes for upgradation of specific sectors) and any other change that may be initiated in future as a part of economic reforms.

The Investment Manager will be adopting a combination of the top-down approach and bottom up stock selection approach. From a top-down perspective, the focus would be on an analysis of key policy changes, infrastructure spending, economic trends, assessing the addressable market opportunity and a sector wise impact assessment. From a bottom up perspective, the focus would be on an analysis of corporate profitability, the impact of policy changes on addressable market for investee companies, earnings momentum, catalysts and ultimately, valuations. The focus would be on sectors and corporates which could witness significant value creation and unlocking of value on the back of policy changes and infrastructure spending.

In picking out individual investment opportunities for the portfolio, among the defined universe eligible for investment, the Investment Manager will seek both value and growth, which are likely to emanate from the ongoing structural changes in government policy and infrastructure development.

The Investment Manager will conduct in-house research in order to identify various investment opportunities. The analysis of companies will focus, amongst others, on the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, market share, competitive edge, research and technological know-how.

Strategies for trading in equity derivatives

The Fund may use the following strategies while trading in derivatives for the purpose of efficient portfolio management:

a. Reverse Arbitrage:

This strategy will be adopted if the cash price of a stock (say "XYZ") is reasonably greater than single stock futures of XYZ, and then the Investment Manager may sell cash position in XYZ and buy single stock futures of XYZ. In this case the Investment Manager will still be having a long-term view on the stock XYZ but is able to minimize the cost of holding of XYZ.

b. Arbitrage:

This strategy will be adopted if the single stock future of XYZ is reasonably greater than the cash price of XYZ, then the Investment Manager will buy the shares of XYZ in the cash market and sell equivalent numbers of single stock futures of XYZ. In this case the Investment Manager may not have an investment view of the stock XYZ but would like to enhance the portfolio value.

c. Portfolio Hedging:

This strategy will be adopted:

- (i) If in an already invested portfolio of a Scheme, the Investment Manager is expecting a market correction, the Investment Manager may sell Index Futures to insulate the portfolio from the market related risks.
- (ii) If there are significant inflows to the Scheme and the market expectations are bullish, the Investment Manager may buy Index Futures to continue participation in the equity markets. This strategy is used to reduce the time to achieve the desired invested levels.

Stock lending

The Investment Manager will apply the following limits, should it desire to engage in Stock Lending:

1. Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single counter party.

Supplementary Section

Investment Restrictions

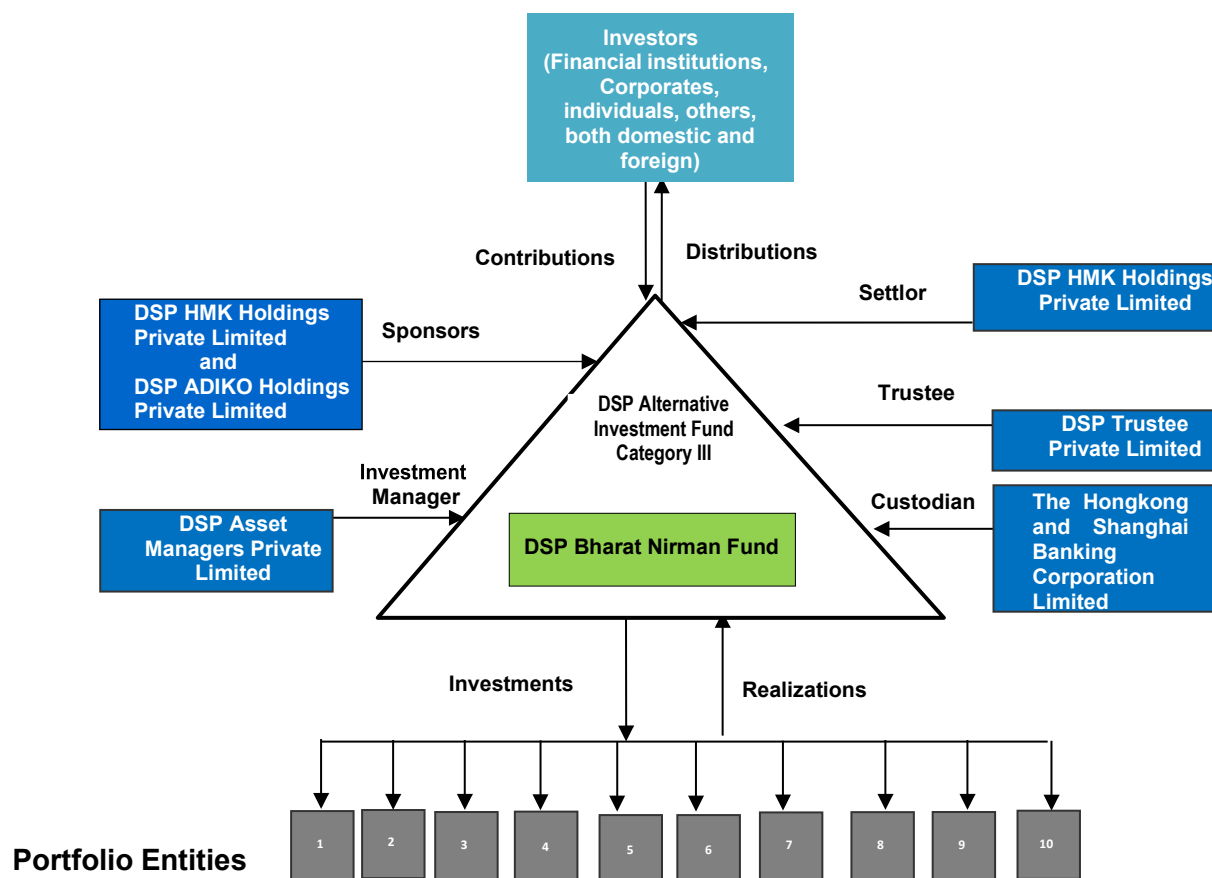
The Fund shall make investments subject to the following restrictions:

- (a) The Scheme shall not invest more than 10% (ten per cent) of the Scheme's Net Asset Value (NAV) in any listed equity and derivatives of an Investee Company.
- (b) The limit for investment in listed equity and derivatives shall be calculated based on the NAV of the Scheme on the business day immediately preceding the date on which the Scheme makes such investment.
- (c) NAV of the Scheme shall be the sum of value of all securities adjusted for mark to market gains/losses (including cash and cash equivalents). The NAV shall exclude any funds borrowed by the AIF.
- (d) Passive breach of concentration norm, i.e. when the market value of the investment of the Scheme in listed equity of an Investee Company exceeds the investment limit as prescribed under Regulation 15(1)(d) of the Regulations, shall be rectified within 30 days from the date of the breach.
- (e) The Scheme shall not invest more than ten percent of investable funds (as defined in AIF Regulations) in securities other than listed equity and derivatives of an Investee Company.
- (f) The Scheme may also make temporary investments including in liquid mutual funds or bank deposits or other liquid assets of higher quality such as Treasury bills, TREP's, Commercial Papers, Certificates of Deposits, etc. amongst others as may be permitted by SEBI and/or RBI from time to time, for rebalancing and/or liquidity purposes.
- (g) The Scheme shall not invest in units of another alternative investment fund.
- (h) The Fund shall not invest in Associates and units of Alternative Investment Funds managed or sponsored by its Manager, Sponsor or associates of its Manager or Sponsor, except with the approval of Super Majority of the Contributors by value of their investment in the fund. "Associate" means a company or a limited liability partnership or a body corporate in which a director or trustee or partner or Sponsor or Manager of the Fund or a director or partner of the Manager or Sponsor holds, either individually or collectively, more than 15% (fifteen percent) of its paid-up equity share capital or partnership interest, as the case may be.
- (i) Except with the approval of the Super-Majority of the Contributors of the Fund and subject to the conditions specified under the Regulations, the Fund shall not buy or sell investments, from or to
 - a) Associates; or
 - b) schemes of the AIF managed or sponsored by its Investment Manager, Sponsor or Associates of its Investment Manager or Sponsor; or
 - c) an Investor who has committed to invest at least fifty percent of the Corpus of the Fund.Provided that while obtaining approval of the Investors, the Investor specified under point (c) above, who has committed to invest at least fifty percent of the Corpus of the Fund and is buying or selling the investment, from or to, the Fund, shall be excluded from the voting process.
- (j) The Fund does not propose to engage in lending activity or extending guarantee for Portfolio Entities.

- (k) The Fund may engage in leverage as may be permitted under regulation 18(c) of the Regulations and shall not exceed two times the NAV of the Fund in accordance with the Regulations and other Applicable Laws.
- (l) The Fund shall adhere to directions regarding areas such as operational standards, conduct of business rules, prudential requirements, restrictions on redemption and conflict of interest as may be specified by the SEBI from time to time.

SECTION IV: FUND STRUCTURE

The investment structure may graphically be depicted as under:



Important Notice: This organizational diagram is a simplified illustration of the Fund’s proposed legal structure as of the date hereof and describes in general the manner in which the Fund intends to hold its investments. This organizational diagram is only a generalization and does not show all of the entities that may comprise the Fund.

- **Trust:**

DSP Alternative Investment Fund Category III (“**Trust**”) has been constituted as a trust vide Indenture of Trust dated May 28, 2013, in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). The Indenture of Trust has been registered under the Registration Act, 1908. The Fund has its principal office at The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar West, Mumbai 400028.

The Fund has, till date, launched 8 schemes (collectively referred to as “schemes”) as follows:

1. DSP India Enhanced Equity Fund, an open-ended scheme (wound up on September 22, 2025),
2. DSP Emerging Stars Fund, a close ended scheme (Matured on January 13, 2021),
3. DSP India Enhanced Equity SatCore Fund, an open-ended scheme,
4. DSP CoRe Fund, a close ended scheme, (Matured on October 27, 2022),
5. DSP AIF Pharma Fund, a close ended scheme (Matured on November 03, 2019),
6. DSP High Conviction Fund, a close ended scheme (Matured on April 29, 2022),
7. DSP High Conviction Fund Series 2, a close ended scheme.
8. DSP Bharat Nirman Fund, an open-ended scheme.

The above mentioned schemes of the Trust follow long only strategies under their respective investment philosophy. It is clarified that the past performance of the settlor / investment manager / trustee / schemes is not an indication/should not be considered as a benchmark of the future performance of the Scheme.

- **Investment Manager:**

DSP Asset Managers Private Limited (“**DSPAM**” or the “**Manager**” or the “**Investment Manager**”) acts as the investment manager to the Scheme launched by the Trust. The following are details of other business activities and regulatory registrations of the Investment Manager:

- DSPAM is the asset management company to DSP Mutual Fund. DSP Mutual Fund has been constituted as a trust on December 16, 1996, in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). DSP ADIKO Holdings Private Limited and DSP HMK Holdings Private Limited are the Sponsors, and DSP Trustee Private Limited is the Trustee. The Trust deed has been registered under the Registration Act, 1908. The mutual fund was registered with SEBI on January 30, 1997, under the Registration Code MF/036/97/7.
- DSPAM also acts as an Investment Manager to DSP Alternative Investment Fund Category -II.
- DSPAM provides investment management and trade execution related services to offshore sovereign funds.
- DSPAM is the holding company and also acts as a Sponsor to DSP Pension Fund Managers Private Limited (DSPPFM). Further, in terms of Regulation 21 of SEBI (Mutual Funds) Regulations, 2026 or any other applicable law as may be amended or re-enacted from time to time, SEBI has granted No objection to DSPAM to undertake the Point of Presence business through DSPPFM.
- DSPAM is the holding company to DSP Fund Managers IFSC Private Limited (“DSP IFSC”). Subject to regulatory approvals, DSP IFSC will provide investment management and advisory services to Funds set up under IFSCA (Fund Management) Regulations, 2022. DSP Fund Managers IFSC Private Limited is wholly owned subsidiary of DSP Asset Managers Private Limited. It is registered with International Financial Services Centres Authority (‘IFSCA’) as a registered Fund Management Entity (Retail) vide registration number IFSCA/FME/III/2023-24/021. Further, DSPAM also provides non-binding advisory services to DSP IFSC in accordance with Regulation 21 (erstwhile Regulation 24) of SEBI (Mutual Funds) Regulations, 2026 or any other applicable law as may be amended or re-enacted from time to time.
- The DSPAM also provides non-binding advisory services to the offshore funds / offshore investment manager, who is managing an offshore fund which will invest through FPI route.
- DSPAM provides investment management services to DSP Global Funds ICAV, an umbrella type Irish Collective Asset-Management Vehicle.

DSPAM manages / advises assets amounting to US\$ 25,467 Million (as at March, 2026) in various products spread across the risk reward spectrum as well as investor categories.

- **Sponsor(s):**

- i. DSP HMK Holdings Private Limited**

DSP HMK Holdings Private Limited was incorporated under the Companies Act, 1956, vide Co. Reg. No. 29544 dated 15th March, 1983, with the main object to make investments in various classes of assets.

The Company is registered with RBI vide Certificate of Registration No. B-13.01798 dated 3rd June, 2005, as a Non Deposit taking Non-Banking Finance Company (NBFC). Further, a fresh Certificate of Registration No.-13.01798 dated August 07, 2024 has been issued by the RBI for conversion from Type-II to Type-I NBFC for not availing public funds and not having customer interface.

Shuchi Kothari holds 99.98% shares of DSP HMK Holdings Private Limited.

ii. DSP ADIKO Holdings Private Limited

DSP ADIKO Holdings Private Limited was incorporated under the Companies Act, 1956, vide Co. Reg. No. 29547 dated 15th March, 1983, with the main object to make investments in various classes of assets.

The Company is registered with RBI vide Certificate of Registration No.-13.01576 dated 8th March, 2002, as a Non Deposit taking Non-Banking Finance Company (NBFC). Further, a fresh Certificate of Registration No.-13.01576 dated August 07, 2024 has been issued by the RBI for conversion from Type-II to Type-I NBFC-ND for not availing public funds and not having customer interface.

Aditi Kothari holds 99.98% shares of DSP ADIKO Holdings Private Limited.

- **Trustee:**

DSP Trustee Private Limited ("**Trustee**"), through its Board of Directors, shall discharge its obligations as trustee to the Mutual Fund and DSP Alternative Investment Fund - Category III.

The Trustee ensures that the transactions entered into by DSP Asset Managers Private Limited, are in accordance with the SEBI (Mutual Funds) Regulations, 2026, and also reviews the activities carried on by the AMC.

- **Settlor:**

DSP HMK Holdings Private Limited acts as the Settlor to the Trust

- **DSP Group**

The DSP Group based in India, promoted by the Kothari family of D. S. Purbhoodas and Co. has a track record of over 152 years, and is one of the oldest financial services firms in the country today, being one of the founding members of the Bombay Stock Exchange ("**BSE**"), Mumbai. Each generation of D. S. Purbhoodas and Co. has seen a partner serving as President of the BSE, bearing testimony to the long-standing position D. S. Purbhoodas & Co. occupies in the Indian financial arena.

SECTION V: GOVERNANCE STRUCTURE

A. SPONSOR

DSP ADIKO Holdings Private Limited ('DSP Adiko') and DSP HMK Holdings Private Limited ('DSP HMK') (collectively referred as Sponsors) are companies incorporated in 1983 under the Companies Act, 1956, and are also registered with the Reserve Bank of India as systemically important non deposit taking non-banking finance companies. These companies have been functioning as investment companies, dealing in the acquisition and holding of various investment instruments in the securities market in India.

i. Role of Sponsors

The Sponsors shall fulfil their duties and obligations as contemplated under the Regulations.

ii. Details of the Board of Directors of Sponsors as on March 31, 2026

The names and the brief profiles of the directors are as follows:

Sr. No	Name of the Director	Brief Experience
1.	Aditi Kothari Desai	<p>Aditi Kothari Desai is Chairperson of DSP Asset Managers Pvt Ltd (DSPAM), one of India's leading investment management firms. She also serves as a Director at DSP Finance, the lending arm of the DSP Group, and is the co-founder and Chairperson of Compoundexpress, a platform designed for advisors and mutual fund distributors in India.</p> <p>Aditi's work centers on driving digital transformation in finance. She has played a pivotal role in developing DSP's digital platforms across investments, education, corporate services, and distributor engagement. Additionally, she serves on the Board of Tifin India, an AI-driven company focused on wealth and asset management.</p> <p>At DSPAM, Aditi leads financial wellness initiatives, including Winvestor—an initiative aimed at enhancing financial knowledge and security for women. Earlier in her career, she headed business development, marketing, digital, and sales functions, and was instrumental in launching the group's international business. She began her professional journey at Merrill Lynch in New York, working in investment banking on M&A within the Financial Institutions Group.</p> <p>Beyond her corporate responsibilities, Aditi is a Trustee at the Hemendra Kothari Foundation and the Wildlife Conservation Trust. She serves as an Independent Director at Godrej Agrovet and is a board member of DASRA, one of India's foremost philanthropy organizations. She also advises the British Asian Trust, contributes to the South Asia Advisory Board of Harvard Business School, and is Vice President of the Bombay Natural History Society.</p> <p>Aditi holds a Bachelor of Science in Economics from the Wharton</p>

Sr. No	Name of the Director	Brief Experience
		School, University of Pennsylvania, and an MBA from Harvard Business School.
2.	Virendra V Sheth	Mr. Virendra Sheth has an experience of over 45-50 years in financial services industry and was associated with DSP Merrill Lynch in the past. Mr. Sheth has around 12 years of experience as a Director on the Boards of DSP Group NBFC Companies.
3.	Pramodprakash Singh	<p>Mr. Pramodprakash Singh is a legal professional and has a rich experience of over 40 years in legal and compliance having worked in several financial services companies. He was associated with the Securities & Exchange Board of India (SEBI), Morgan Stanley India, DSP Merrill Lynch and Credit Suisse (Singapore and India) in his previous assignments.</p> <p>Mr. Singh acts a Director on the Board of some of DSP Group Companies and is currently the Head – Legal & Compliance at DSP Investment Private Limited.</p>
4.	Shuchi Kothari	<p>Shuchi Kothari is a director at DSP HMK Holdings Pvt. Ltd. and DSP Investments Pvt. Ltd., two investing entities within the DSP Family Office. She is an Executive Director on the Board of DSP Asset Managers Private Limited. She looks after investments for the family office within the private equity and venture capital space.</p> <p>She started her career as a buyer at Globus Stores Pvt. Ltd., a fashion retail chain in India, where she headed the F21 private label, a fashion forward brand targeted at young women.</p> <p>Shuchi is a trustee of the Hemendra Kothari Foundation (HKF) and the Wildlife Conservation Trust (WCT). WCT is one of the leading wildlife conservation organizations in the country that focuses on protecting India's natural ecosystems through multi-sectorial interventions.</p> <p>Shuchi has a Bachelor of Science in Economics (BSE) from the Wharton Business School at the University of Pennsylvania in Philadelphia, USA and a Masters in Business Administration (MBA) from the Harvard Business School in Boston, MA.</p>
5.	Mr. Vineet Malhotra	Vineet the Co-Founder and CEO of Compoundexpress, a FinTeh of the DSP Group. He is an experienced FinTech executive and former banker with demonstrated success in building digital products and scaling businesses across Asset Management and Banking in the US, Asia Pacific and the Middle East. Vineet held leadership roles at BlackRock (Managing Director) for 10 years covering US and Asia Pacific and HSBC (Director) covering US, Asia Pacific and the Middle East for 15 years where he developed a keen interest in digital transformation and automation using technology. More recently, since Aug 2021, he led the Digital Business and Marketing at DSP Mutual Fund. He has interoperable skills covering finance and technology and has

Sr. No	Name of the Director	Brief Experience
		managed direct businesses for both institutional and retail clients. He is a strategic advisor at Berkeley Skydeck, a leading startup accelerator as well as a founding director of CStartups.org, working closely with early stage startups on innovation

B. TRUSTEE

DSP Trustee Private Limited (“Trustee”) is a private limited company incorporated under the Companies Act, 1956, having its registered office at The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar West, Mumbai 400028 is appointed as Trustee to the Fund and its Schemes.

The Trustee is appointed to manage the Fund in accordance with the Indenture. The Trustee has appointed the Investment Manager and delegated its functions of managing and administering the Fund in accordance with the Investment Management Agreement. The Trustee ensures that the transactions entered into by the Investment Manager shall be in accordance with the Regulations. The Trustee shall be responsible for such other duties as specified under the Indenture.

i. Role of Trustees

The Trustee is appointed to manage the Trust Fund of the Trust in accordance with the Indenture. The Trustee has appointed the Investment Manager and delegated its functions of managing and administering the Trust Fund in accordance with the Investment Management Agreement. The Trustee shall be responsible for ensuring compliance with the Regulations and submitting reports to SEBI on the occurrence of any violation of the Regulations. The Trustee shall be responsible for such other duties as specified under the Indenture.

ii. Details of the Board of Directors of Trustee:

A brief profile of the Directors of DSP Trustee Private Limited is given below:

Name	Age	Qualification	Brief Experience
*Mr. Shitin D. Desai, Associate Director	79	B. Com.	Mr. Shitin Desai is a veteran with more than 40 years of experience in the banking and financial services sector. He served as a Consultant to “Bank of America Merrill Lynch.” Before this he served as an Executive Vice Chairman of “DSP Merrill Lynch Ltd.” and is one of its Founding Directors. He is the Chairman and Independent Director on the Board of “Julius Baer Wealth Advisors (India) Private Limited” He is also an Independent Director on the Board of “Sharda Cropchem Limited.” He is a Director on the Board of “Piramal Fund Management Private Limited” (Real Estate). He is also a Director on the Board of “Foundation for Promotion of Sports & Games”, a Not-for-Profit (Section 25)

Name	Age	Qualification	Brief Experience
			<p>Company which assists potential athletes to achieve their dream and win Olympic Gold Medals. He is also a Member of the Advisory Board of 'Kherwadi Social Welfare Association' (KSWA), which is one of the largest NGOs providing livelihoods to underprivileged youth by making them economically independent through vocational training. He was also a member on the Committee on Takeovers appointed by SEBI, Investor Education and Protection Fund constituted by Ministry of Corporate Affairs, the RBI Capital Market Committee, Advisory Group of Securities Market of RBI and Insider Trading Committee.</p>
<p>*Mr. T. S. Krishna Murthy, Associate Director</p>	<p>854</p>	<p>B.A., B.L., M.S.C.</p>	<p>Mr. T. S. Krishna Murthy, a former Chief Election Commissioner of India, has had a long and distinguished career in the Government of India, spanning over 36 years. After an initial stint of about 2 years in Bank of India Ltd. as a probationary officer, Mr. Krishna Murthy joined the Indian Revenue Service in 1963. He served the Income Tax department in various capacities and was also on deputation to Hindustan Shipyard, Visakhapatnam, International Monetary Fund, etc. He was also appointed Secretary, Department of Company Affairs, Government of India, in 1997. In that capacity he took an active interest in Investor Protection & Education, apart from giving a push to computerization & company law reforms. He joined the Election Commission of India in 2000 and was Chief Election Commissioner of India when he supervised the first Parliament Elections in 2004 with Electronic Voting Machines throughout the country.</p>
<p>Ms. Pravin Tripathi, Independent Director</p>	<p>76</p>	<p>B.A. (Hons.) Master in English Literature - Punjab University</p>	<p>Ms. Pravin Tripathi was the Deputy Comptroller & Auditor General (Commercial) and the Chairperson of the Audit Board. Deeply experienced in accounting & financial management, determined commercial audit policies and methodologies for all Central Govt. Companies and Corporations. Ms. Tripathi has handled diverse responsibilities in setting up the Competition Appellate Tribunal.</p>

Name	Age	Qualification	Brief Experience
Ms. Dharmishta Raval, Independent Director	70	B.Sc., LLB (Gold Medalist) (LLM) post graduate degree in law	Ms. Raval enrolled as an Advocate of the Gujarat Bar Association in 1980. She worked extensively with Shri Kirit Raval, former Solicitor General of India and practiced along with him. She joined Securities and Exchange Board of India ('SEBI') in 1989. While at SEBI co-ordinated with Ministry of Finance and Ministry of Law for enactment of SEBI Act and amendment of SC(R) Act and Companies Act. As head of legal department of SEBI, she played key role in the drafting of all SEBI Regulations including Mutual Funds. She was also part of Committee to review Take-Over and Mutual Fund Regulations. Resigned as an Executive Director of SEBI in May 2003. From May 2003 she is practicing as an Advocate at Gujarat High Court. She was designated as a Senior Standing Counsel for the Central Government for the Gujarat High Court. While working as Sr. Standing Counsel, she represented the Central Government in various matters relating to IBC Act, Taxation, Service Laws, Company matters, etc. She resigned as Senior Standing Counsel and presently practicing at Gujarat High Court as well as NCLT and representing various corporate, individuals, institutions and banks and have argued matters relating to Companies Act, SARFAESI Act, IBC Act, Labour Laws. Representing various institutions including SEBI in Gujarat High Court. Presently she is a Member of SEBI Mutual Fund Advisory Committee.
Mr. Rajiv Kumar, Independent Director	74	BA Hons in Economics from St. Stephen's College - Delhi University PhD in Economics from Lucknow University D.Phil from Oxford University	Dr. Rajiv Kumar is the Chairman of Pahle India Foundation, a non-profit making research think tank. He is the former Vice Chairman of NITI Aayog. He is currently Member Global Leadership Council, GASP, New York. He is also a Director on Parley India Foundation. He also serves as the Chancellor of Gokhale Institute of Politics and Economics, Pune and Chairman of the Board of Governors of the Giri Institute of Development Studies, Lucknow. He has wide experience of having worked in academia, government, industry as well as in multilateral institutions. He started his academic career in Indian

Name	Age	Qualification	Brief Experience
			<p>Council for Research on International Economic Relations (ICRIER) as a Researcher during 1977-1982. He later became the Director & CEO of ICRIER between 2006 and 2011. He was a Professor at the Indian Institute of Foreign Trade (IIFT) and a Senior Fellow at the Centre for Policy Research (CPR), Delhi.</p> <p>In the government, he was Economic Advisor with Department of Economic Affairs (DEA), Ministry of Finance (1991-1995) and Senior Consultant at the Bureau of Industrial Costs and Prices (BICP), Ministry of Industry (1989-1991). His experience in the multilateral financial institutions was with Asian Development Bank (ADB), Manila, where he spent 10 years before returning to India in 2004. He was also the Chief Economist of the Confederation of Indian Industries (CII) during 2004-2006 and Secretary General of Federation of Indian Chambers of Commerce and Industry (FICCI) during 2011-2013. He served on the Central Boards of State Bank of India for two terms and was also on the Central Board of Reserve Bank of India (RBI).</p> <p>Dr. Kumar has a Ph.D in Economics from Lucknow University and a D.Phil from Oxford University.</p>
Mr. Jitendrakumar Himatlal Mehta Independent Director	73	B.COM., PGDBA from IIM, Ahmedabad	Mr. J H Mehta is a seasoned management professional with considerable experience in FMCG, modern retail, agri-businesses and healthcare. He has worked for Hindustan Unilever Ltd. for 31 years initially in a wide range of commercial areas such finance, international trade, supply chain, commodities etc. and later as a business head of a variety of businesses ranging from animal foods, branded beverages and ice creams. He last held the position of Executive Director for the ice creams business for Unilever in South Asia and was also on Board of HUL between 2000 and 2005. He later worked as President of Spencer's Retail from 2005-2007 where he played a leading role in driving rapid growth by steering expansion in multiple formats with a focused brand strategy. He worked with Katra group

Name	Age	Qualification	Brief Experience
			<p>from 2007-2009 as Group President and a member of their global advisory board. He provided leadership to their diverse businesses in ayurveda, nutraceuticals, agri-business etc. He has been running his own management consultancy Valueveda focusing on value creation since 2009. He has been advising on strategy for a range of businesses like alternate healthcare, international marketing, edible oils, organic foods, modern retail etc. He has worked on the board of IIFL Trustee Ltd. as an independent director and later as the Chairman of the board of trustees during 2009-2019. He also has worked as an independent director on the board of Gokaldas Exports Ltd. engaged in the business of exporting readymade garments.</p> <p>Mr. Mehta fortified his qualifications through management development programmes at Unilever, Sloan School and Wharton School. He is a certified corporate director by Institute of Directors in association with World Council for Corporate Governance, UK. He has actively participated in industry associations connected with the businesses run by him and in govt. organizations like the Coffee Board as a member of Coffee Board.</p>
Ms. Sabina Nanavati Independent Director	54	<p>B.A, French/Premedicine Major, Franklin and Marshall College, Lancaster, Pennsylvania</p> <p>L.L.B., University of Buckingham, Buckingham, England</p> <p>Bar Admission - New York State Bar Association</p>	<p>Ms. Sabina Nanavati is a seasoned legal professional with nearly two decades of experience across leading global law firms and investment banks. She has previously held senior leadership roles including Head of Legal at Morgan Stanley, India, and Lead Transactional Counsel at Morgan Stanley, Singapore as well as DSP Merrill Lynch, India, advising on complex cross-border M&A, capital markets, and private equity transactions.</p> <p>Ms. Nanavati began her career in New York with Willkie Farr & Gallagher LLP, later gaining local expertise at Nishith Desai Associates before moving into her regional and global counsel roles in Singapore and India. Academically, she holds a B.A. in French/Premedicine from Franklin & Marshall College, USA, a First</p>

Name	Age	Qualification	Brief Experience
			Class Honours LL.B. from the University of Buckingham, England, and is a member of the New York State Bar Association.

*Note: Mr. T. S. Krishna Murthy & Mr. Shitin D. Desai has resigned from the Board of DSP Trustee Private Limited with effect from the close of business hours on April 27, 2026.

iii. List of responsibilities retained by the Trustee under the Trust Deed:

The responsibilities of the Trustee are including but not limited to entering into an investment management agreement, supervising collection of any income due to the Schemes, ensuring transactions concerning the Trust are in accordance with the Fund Documents and Applicable Laws and acting at all times in the interest of the Contributors.

iv. List of responsibilities of the Trustee, delegated to Investment Manager as per the Indenture:

Kindly refer to paragraph (C)(iii) below for a brief list of responsibilities delegated to the Investment Manager under the Investment Management Agreement.

C. INVESTMENT MANAGER

DSP Asset Managers Private Limited acts as the Investment Manager to the Scheme/s launched by the Fund. DSPAM is a company incorporated under the Companies Act, 2013, on June 17, 2021, having its registered office at The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar West, Mumbai 400028. DSPAM has been appointed as the Investment Manager to the Fund by the Trustee, vide Investment Management Agreement dated June 21, 2003 (including any amendments thereto) executed between the Trustee and the Investment Manager.

i. Role of Investment Manager

The Investment Manager has entered into an Investment Management Agreement with the Trustee in terms of which it will manage the affairs of the Trust and the Fund in accordance with the powers delegated by the Trustee and in accordance with the Applicable Laws. The Investment Manager will also be responsible for the investment program of the Fund. The Investment Manager and Trustee of the Fund shall ensure compliance by the Fund with the code of conduct as specified under the Regulations. The Investment Manager shall be responsible for every decision of the Fund, including ensuring that the decisions are in compliance with the provisions of the Regulations, terms of Fund Documents (including any internal policies and procedures laid down for the Fund) and Applicable Laws.

Pursuant to the Investment Management Agreement, the Investment Manager receives a management fee from the Fund ("Management Fees"). The computation of Management Fees has been given under "**Section VII: Principal Terms of the Fund**" and illustrated under "**Section XII: Illustration of Fees, Expenses and Other Charges**" and "**Section XIII: Distribution Waterfall**".

With respect to actions taken by the Investment Manager in its capacity as the Investment Manager, the Fund will indemnify the Investment Manager for losses and expenses in connection therewith. The terms and conditions of the Fund's indemnification obligations with respect to the Investment Manager are described in the Investment Management Agreement.

ii. Details of Investment Manager Directors:

Name	Age	Qualification	Brief Experience
Mr. S. Ramadorai Independent Director	81	<p>B.Sc. (Honours) from Delhi University,</p> <p>BE in Electronics and Telecommunications from Indian Institute of Science, Bangalore,</p> <p>MS in Computer Science from University of California</p>	<p>S. Ramadorai was in public service from February 2011 to October 2016. During his tenure as the Chairman of the National Skill Development Agency (NSDA) and the National Skill Development Corporation (NSDC) his approach was to standardize the skilling effort, ensure quality and commonality of outcomes by leveraging technology and create an inclusive environment to co-operate, collaborate & co-exist. He strongly believed that empowering the youth with the right skills can define the future of the country. Currently, he is the Chairperson of Mission 'Karmayogi Bharat', the National Programme for Civil Services Capacity Building (NPCSCB) that aims to transform Indian bureaucracy and prepare civil servants for the future, through comprehensive reform of the capacity building apparatus at individual, institutional and process levels.</p> <p>Mr. Ramadorai is also the Chairman of the Advisory Board at Tata STRIVE, which is the Tata Group's CSR skill development initiative that aims to address the pressing national need of skilling youth for employment, entrepreneurship and community enterprise. Currently, he serves as an Independent Director on the Boards of Piramal Pharma Limited and DSP Asset Managers Pvt. Ltd. In March 2016, he retired as the Chairman of the Bombay Stock Exchange (BSE Ltd.) after having served on their board for a period of 6 years.</p> <p>Mr. Ramadorai took over as the CEO of Tata Consultancy Services (TCS) in 1996 when the company's revenues were at \$ 155 million and since then led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he retired as the CEO, leaving a \$ 6 billion global IT services company to his successor. He was then appointed as the Vice Chairman and retired in October 2014, after an association of over 4 decades with the company.</p> <p>Given his keen passion to work for the social sector and community initiatives, he also serves as the Chairman on the Council of Management at the National Institute of Advanced Studies (NIAS) and was the Chairperson of the Governing Board at the Tata Institute of Social Sciences (TISS) for over 10 years starting October 2011. He is the Chairperson of Public Health Foundation of India and the President Emeritus of the Society for Rehabilitation of Crippled</p>

Name	Age	Qualification	Brief Experience
			<p>Children (SRCC) – which has built a super specialty children’s hospital in Mumbai. In February 2020, Mr. Ramadorai was also appointed as the Chairperson of the Kalakshetra Foundation’s Governing Board by the Union Ministry of Culture.</p> <p>In recognition of his commitment and dedication to the IT industry, Mr. Ramadorai was awarded the Padma Bhushan (India’s third-highest civilian honour) in January 2006. In April 2009, he was conferred the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to Indo-British economic relations. In 2016, he received The Economic Times Lifetime Achievement Award for his contribution to Tata Consultancy Services. More recently, in 2025, he was honoured with the Sankara Ratna Award by the Sankara Nethralaya Medical Research Foundation for his contribution to nation-building and social impact, and the Assam Saurabh, the second-highest civilian award of the Government of Assam, for his outstanding contributions to education and institutional development.</p> <p>His academic credentials include a Bachelor’s degree in Physics from Delhi University (India), a Bachelor of Engineering degree in Electronics and Telecommunications from the Indian Institute of Science, Bengaluru (India) and a Master’s degree in Computer Science from the University of California – UCLA (USA). In 1993, Ramadorai attended the Sloan School of Management’s highly acclaimed Senior Executive Development Program.</p> <p>Ramadorai is a well-recognized global leader and technocrat who has participated in the Indian IT journey from a mere idea in 1960’s to a mature industry today. Ramadorai captured this exciting journey in a wonderfully personalized book titled 'The TCS Story...and beyond' which was published in 2011 and remained on top of the charts for several months.</p> <p>Among his many interests, Ramadorai is also passionate about photography and Indian classical music</p>
Mr. Kalpen Parekh Managing Director and Chief Executive Officer (CEO)	52	MMS (Finance), BE Chemical	<p>Kalpen Parekh is the Managing Director & CEO of DSP Asset Managers Pvt. Ltd.</p> <p>With over 27 years of experience in investment management, Kalpen has worked in leadership roles across firms such as ICICI Prudential, Birla Sun Life, IDFC AMC, and now DSP. Over this journey, he has</p>

Name	Age	Qualification	Brief Experience
			<p>helped Indian investors, wealth managers, family offices, and global institutions allocate capital across mutual funds, spanning equities, bonds, hedge funds, and global markets.</p> <p>An engineer by training (Chemical Engineering, Bharti Vidyapeeth) and an MBA in Finance from NMIMS, Kalpen combines analytical rigor with a deep understanding of investor behavior. His experience has taught him how asset classes move in cycles, how investor preferences shift, and how human biases often make us earn less than markets.</p> <p>He believes that while returns are cyclical and investors often behave pro-cyclically, the antidote lies in discipline. He advocates against chasing star funds, managers, or hot trends—instead urging investors to focus on the simple but powerful idea of becoming a better investor every day.</p>
Mrs. Aditi Kothari Desai	50	Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania and an MBA from Harvard Business School.	<p>Aditi Kothari Desai is Chairperson of DSP Asset Managers Pvt Ltd (DSPAM), one of India’s leading investment management firms. She also serves as a Director at DSP Finance, the lending arm of the DSP Group, and is the co-founder and Chairperson of CompoundExpress, a platform designed for advisors and mutual fund distributors in India.</p> <p>Aditi’s work centers on driving digital transformation in finance. She has played a pivotal role in developing DSP’s digital platforms across investments, education, corporate services, and distributor engagement. Additionally, she serves on the Board of Tifin India, an AI-driven company focused on wealth and asset management.</p> <p>At DSPAM, Aditi leads financial wellness initiatives, including Winvestor—an initiative aimed at enhancing financial knowledge and security for women. Earlier in her career, she headed business development, marketing, digital, and sales functions, and was instrumental in launching the group’s international business. She began her professional journey at Merrill Lynch in New York, working in investment banking on M&A within the Financial Institutions Group.</p> <p>Beyond her corporate responsibilities, Aditi is a Trustee at the Hemendra Kothari Foundation and the Wildlife Conservation Trust. She serves as an Independent Director at Godrej Agrovet and is a board member of DASRA, one of India’s foremost philanthropy organizations. She also advises the British Asian Trust, contributes to the South Asia</p>

Name	Age	Qualification	Brief Experience
			<p>Aditi holds a Bachelor of Science in Economics from the Wharton School, University of Pennsylvania, and an MBA from Harvard Business School.</p> <p>Aditi holds a Bachelor of Science in Economics from the Wharton School, University of Pennsylvania, and an MBA from Harvard Business School.</p>
Mr. Dhananjay Mungale Independent Director	72	Chartered Accountant, LL.B.	<p>Mr. Dhananjay Mungale is a seasoned banker and finance professional with extensive global experience of investment banking, corporate banking and private banking across Europe and India. Over 25 years he served at leadership positions in Europe and India at Bank of America and DSP Merrill Lynch.</p> <p>Since 1999, Mr. Mungale serves on the Boards of eminent companies in India as an independent director. Over the period these have included Mahindra Finance, JP Morgan Asset Management, L&T Infra Finance, LIC Housing Finance, Mahindra CIE Automotive, TN Petro Products, DSP Blackrock, Kalpataru Ltd., NOCIL Ltd., Chowgule Steamship etc. He also serves on Advisory Boards of select private equity organizations and investment committees of family office in India and London.</p> <p>Mr. Mungale also regularly mentors young talent in the Fintech start-up sector, across India and abroad. Besides his business and professional achievements, Mr. Mungale also finds time to work with eminent institutions in educational and not-for-profit domains as a member of their Governing Councils. These have included Mahindra United World Colleges and Oxford Centre for Hindu Studies.</p>
Mr. S.S. Mundra Independent Director	71	<p>B. Com – University of Sagar</p> <p>M.Com – University of Poona</p> <p>Fellow-Indian Institute of Banking & Finance (FIIB)</p> <p>D.Phil (Honors Causa) Amity University</p>	<p>Mr. S.S. Mundra retired as Deputy Governor of Reserve Bank of India on 30th July 2017 after completing a stint of three years. Prior to that, the last position held by him was as Chairman and Managing Director of Bank of Baroda from where he superannuated in July 2014. In a banking career spanning over four decades, Mr. Mundra held several important positions including that of Executive Director of Union Bank of India, Chief Executive of Bank of Baroda (European Operations) amongst others. He also served as RBI's nominee on the Financial Stability Board (G20 Forum) and its various committees. Mr. Mundra was also the Vice-chairman of OECD's International Network on Financial Education (INFE).</p> <p>Prior to joining RBI, Mr. Mundra also served on Boards of several multi-dimensional companies like</p>

Name	Age	Qualification	Brief Experience
			<p>the Clearing Corporation of India Ltd (CCIL), Central Depository Services (India) Ltd. (CDSL), BOB Asset Management Company, India Infrastructure Finance Corporation (UK) Ltd. (IIFCL), India First Life Insurance Company Ltd., Star Union Dai-ichi Life Insurance Company Ltd., National Payments Corporation of India Ltd., etc. The experience gained in guiding these entities has bestowed him with wide leadership skills and keen insights in best practices in Corporate Governance.</p> <p>Mr. Mundra has been a regular presence as a Speaker on various Forums. He has delivered more than 100 speeches/presentations on diverse issues viz. banking, financial inclusion & literacy, MSME financing, audit, Fraud Risk Management, Cyber security, Consumer Protection, Human Resource Management etc. at both domestic and international forums. Many of these speeches have been published on the websites of Reserve Bank of India and that of the Bank for International Settlements.</p> <p>Amity University has conferred the Degree of Doctor of Philosophy (D.Phil.), Honoris Causa, upon Mr. Mundra, in recognition of his services in the field of banking and related areas.</p> <p>Post retirement from Reserve Bank of India, Mr. Mundra served on the Board of BSE Limited, among others, and vacated as Chairman of the Board, in January 2024, on completion of maximum permissible tenure of 6 years.</p> <p>Presently Mr. Mundra is serving on the boards of several companies such as DSP Asset Managers Pvt. Ltd., Airtel Payments Bank Limited, Havells India Ltd., PayU Payments Private Limited and Yashraj Biotechnology Limited as Independent Director and as Non-Executive Chairman of Sammaan Capital Limited (Erstwhile Indiabulls Housing Finance Ltd).</p>
Mr. Vishwanathan Iyer Independent Director	72	Chartered Accountant and Company Secretary	<p>Mr. Vishwanathan Iyer is a Chartered Accountant and a Company Secretary by qualification comes with over four and half decades of multi-disciplinary experiences across industries and geographies. He has been in the IT Industry since 1991, longest corporate stints include IBM for a decade and Tata group (Tata Elxsi / Tata Consultancy Services) for nearly two decades.</p> <p>Mr. Iyer brings a unique combination of business experience and governance experiences along with knowledge of a variety of markets.</p>

Name	Age	Qualification	Brief Experience
			<p>Currently, he is a Co-founder of management consultancy firm NxtPractice Growth Partners LLP. He is a Strategic Partner for Technology Sector at Aurum Equity Partners LLP. He is also the Treasurer and a Trustee at Fortress, a non-profit Trust formed by technocrats set up as a Society in Maharashtra. He is a member of the Steering Committee of Deccan Center for International Relations, a think tank focused on Deccan region.</p> <p>During his stint in IT Industry across Tata Elxsi, IBM India and Tata Consultancy Services from 1991 to 2019, he has held several senior positions in multiple areas including positions of Chief Financial Officer, Chief Legal Officer and President for Asia Pacific markets. He has been deeply engaged in TCS operations in North and South America as well as South Africa as member of the Board of respective legal entities. He has served as Chairman of C-Edge Services Ltd, a joint venture between SBI and TCS as well as Chairman of Audit Committee of TCS e-Serve Ltd.</p> <p>His early career experiences included major corporates like Voltas, Godrej and Sanmar group.</p>
Ms. Shuchi Kothari	40 years	<p>Bachelor of Science in Economics (BSE) from the Wharton Business School at the University of Pennsylvania in Philadelphia, USA</p> <p>Masters in Business Administration (MBA) from the Harvard Business School in Boston, MA.</p>	<p>Shuchi Kothari is a director at DSP HMK Holdings Pvt. Ltd. and DSP Investments Pvt. Ltd., two investing entities within the DSP Family Office. She is an Executive Director on the Board of DSP Asset Managers Private Limited with effect from April 24, 2025. She looks after investments for the family office within the private equity and venture capital space. Shuchi is also a director of Health & Glow Pvt. Ltd., a beauty retail chain with approximately 170 stores across India. She started her career as a buyer at Globus Stores Pvt. Ltd., a fashion retail chain in India, where she headed the F21 private label, a fashion forward brand targeted at young women.</p> <p>She also currently represents Epic Foundation, a US based social organization, in India. Epic Foundation bridges the gap between a new generation of individual and corporate donors and organizations supporting children and youth globally. Epic Foundation carefully selects its portfolio organizations, supports them financially, and monitors their progress. Moreover, it disburses 100% of the proceeds it collects from its donors to these organizations.</p> <p>Shuchi is a trustee of the Hemendra Kothari Foundation (HKF) and the Wildlife Conservation</p>

Name	Age	Qualification	Brief Experience
			Trust (WCT). WCT is one of the leading wildlife conservation organizations in the country that focuses on protecting India's natural ecosystems through multi-sectorial interventions.

iii. List of responsibilities assigned to the Investment Manager under the Investment Management Agreement:

Under the terms of the Investment Management Agreement entered into between the Trustee and the Investment Manager, the Trustee has delegated all the investment and divestment decisions of the Scheme to the Investment Manager, subject to overall supervision of and approval by the Trustee. The Investment Manager is responsible for managing and administering the Scheme's investments in accordance with the Scheme's investment objectives and investment strategies, subject to the overall supervision and control of the Trustee. All authority of investment and divestment rests with the Investment Manager, which will act through its board of directors.

Further, the Investment Manager is delegated the power of the Trustee and be made responsible by the Trustee to undertake all the operational and management decisions and actions for the Schemes including but not limited to administration, realization of return on investment, maintaining books of accounts, maintaining register of contributors, paying statutory charges, Taxes and levies as per Applicable Laws, filing periodic reports with SEBI, providing periodic reports to Contributors as per the Fund Documents, legal proceedings, write-off, abandonment of legal proceedings, and addressing any issues or show cause notice issued by SEBI or any other regulatory body, making necessary filings with SEBI or any other regulator.

The directors of the Investment Manager are professionals with proven track record. Under the terms of the Investment Management Agreement, the Investment Manager, its duly authorised agents shall not be liable for (i) any error of judgment or mistake of law, or (ii) for any loss arising out of any investment or investment recommendations for the Scheme except for gross negligence, fraud or wilful misconduct. The Trustee undertakes to hold harmless and indemnify the Investment Manager, its duly authorised agents and delegates against all judgments, fines and amounts and all expenses reasonably incurred in connection with legal, administrative or investigation proceedings where the Investment Manager or any person acting on its behalf acted honestly and in good faith with a view to the best interests of the Scheme and in the case of criminal proceedings, where these persons had no cause to believe that their conduct was unlawful.

The Investment Management Agreement may be terminated in accordance with the terms of the Investment Management Agreement.

iv. List of responsibilities of the Investment Manager delegated to another person under any arrangement, along with details of the said person:

The Investment Manager may, at its sole discretion, delegate certain non-investment functions in relation to the Fund such as accounting, maintenance of books and records to a registrar and transfer agent, and such other matters as may be decided by the Investment Manager, from time to time, in compliance with the SEBI circular bearing number CIR/MIRSD/24/2011 dated December 15, 2011.

D. KEY INVESTMENT TEAM

Role and Responsibilities of Key Investment Team:

The key investment team of the Investment Manager comprises of the employees of the Investment Manager. The key investment team generally plays the role of advising and assisting the Investment Manager in taking investment and divestment decisions. The team may conduct meetings, from time to time, to discuss any investment opportunity.

Members of the key investment team:

The key investment team comprises of experienced and committed professionals who possess complimenting skills and capabilities and are closely bonded by like-mindedness in vision and values.

A brief profile of the members of the key investment team has been provided below:

- 1. Name of investment team member:** Mr. Natraj Sankaranarayanan – Fund Manager of the Scheme

Brief biography:

S. No.	Name of Organisation	Designation	Period	Work Profile
1.	DSP Asset Managers Private limited	Vice President – Investments (AIF)	November 1, 2023	Member of AIF Investment Team
2.	Quantum Advisors Private Limited	Portfolio Manager and Head - ESG	March 2010 to March 2022	<p>Managed Q India Responsible Return Strategy, ESG-based long-only equity strategy. Also, had a business responsibility to build Quantum's international ESG vertical, including international marketing and sales efforts.</p> <p>Portfolio Manager – Emerging Markets Value Strategy. A bottom-value value strategy investing in Emerging Markets. He was a member of the portfolio team and Head of Research.</p> <p>Portfolio Manager – India Long-only</p>

S. No.	Name of Organisation	Designation	Period	Work Profile
				Value Strategy. As one of the largest offshore investment managers in India, He was the part of the portfolio team to manage the long-only value mandates from global offshore clients, largely based out of USA, Canada and Europe. He was also part of the research team with primary research responsibility for auto, auto ancillaries and media sectors. Managed funds for global asset allocators (AuM of US\$ 2.5 bn)
3.	National Investment Funds Oman SAOC	Senior Financial Analyst and co-fund manager Nifco GCC Fund	November 2006 to February 2010	Head – GCC equity research. Co-managed close-ended GCC Equity fund (AuM US\$ 25 m).
4.	Quantum Information Services Private Limited	Head of Research – Equities	March 2000 to Nov 2006	Head of Equity Research.

2. Name of investment team member: Mr. Kalpen Parekh - Managing Director and Chief Executive Officer

Brief biography:

S. No.	Name of Organisation	Designation	Period	Work Profile
1.	DSP Asset Managers Private limited	Managing Director and Chief Executive Officer	April 01, 2023 onwards	<ul style="list-style-type: none"> • Joined DSP as a Joint President in Feb, 2017 • He is the Managing Director & Chief Executive Officer. • He is a member of the Executive Committee. • He has over 23 years of experience in sales across
2.	DSP Investment Managers	Managing Director and Chief	July 15, 2021 to March 31,	

	Private limited	Executive Officer	2023	client segments, distribution and marketing.
3.	DSP Investment Managers Private limited	President	May 26, 2017 to July 14, 2021	
4.	DSP Investment Managers Private limited	Joint President	February 2017 to May 25, 2017	
5.	IDFC Asset Management Company Limited	Managing Director	January 2016 to January 2017	
6.	IDFC Asset Management Company Limited	Chief Executive Officer	December 2010 to January 2016	<ul style="list-style-type: none"> • Joined the firm as Deputy CEO • Managing P & L for AMC-primary role India & International Business • Member of IDFC Ltd as partners Programme • Managing relationship with Natixis Global Asset Management –JN partner
7.	Birla Sun Life Asset Management Company Limited	Head - Sales & Distribution	February 2008 to October 2010	<ul style="list-style-type: none"> • Head of sales & Distribution across 3 business (Mutual Fund, PMS and Real Estate) • Responsible for Sales KPIs, Profit targets, product launches, pricing strategies, distribution strategies & models, sales training and knowledge building, Marketing
8.	ICICI Prudential Asset Management Company Limited	Joint Head – Retail Sales & Distribution	1999 to 2008	<ul style="list-style-type: none"> • 1999 – joined as quasi Investment professional to act as bridge between markets and sales team /advisors/investors • 2000-02: Asst Managers (Sales & Distribution) – Managing Institutional/HNI Sales & Private Banks • 2003-05: Head of Institutional Sales & Distribution Sales & Private Banks for Mumbai Region managing investments from Corporate Treasuries • 2005-07: Head of Retail Sales & Distribution for Western Region building retail channels for mutual fund as well as Alternate

				<p>products like Real Estate and PMS products</p> <ul style="list-style-type: none"> • 2007-08 : Jt Head for overall Retail sales & Distribution, managing entire retail sales team
9.	L&T Finance	Dealer, Money Market	1998 to 1999	<ul style="list-style-type: none"> • Treasury Management for L&T Group companies by investing in corporate NCD's MF's ICD's • Corporate Sales – identifying new surplus corporate treasuries to expand investor base for raising short term funds.

3. Name of investment team member: Mr. Pranjal Vora - Chief Risk Officer (CRO)

Brief biography:

S. No.	Name of Organization	Designation	Period	Work Profile
1.	DSP Asset Managers Private limited	Chief Risk Officer (CRO)	April 01, 2023 onwards	He joined DSP in December 2014. He is the Chief Risk Officer and is responsible for Enterprise Risk Management. He has an overall experience of 17 years in the Mutual fund and banking industry.
2.	DSP Investment Managers Private Limited	Chief Risk Officer (CRO)	April 2022 to March 31, 2023	
3.	DSP Investment Managers Private Limited	Vice President-Fund Administration	December 2014 to April 2022	
4.	Aditya Birla Sun Life AMC Limited	Deputy Manger	October 2008 to December 2014	<p>He has held position of Vice President at DSP managing the fund administration activity across multiple line of business i.e. Mutual fund, Alternate investment funds & Offshore business from December 2014 to April 2022</p> <p>He held position of Deputy manager at Aditya Birla Sun Life AMC Limited in the fund administration function overlooking treasury and fund accounting activities from October 2008 to December 2014.</p> <p>He started his career with ICICI Bank Limited post completing his Chartered</p>

				Accountancy and working in the Cash Management Service operations of the bank.
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Qualification of each investment team member:

Sl. No.	Name of the member	Qualification
1.	Mr. Kalpen Parekh	MMS (Finance) (NMIMS), BE Chemical (University of Pune)
2.	Mr. Natraj Sankaranarayanan	B.Com (Mumbai University) , PGDBA (Finance) from IES Management College and Research Center
		NISM-Series-XIX-E: Category III Alternative Investment Fund Date of exam: May 08, 2025 Enrollment No.: 2510176488
4.	Mr. Pranjal Vora	B.Com (Mumbai University), Chartered Accountant (The Institute of Chartered Accountants of India)

- Based on the qualifications of the key investment team members mentioned above, we confirm that they are professionally qualified and satisfy the specifications as specified under regulation 4(g) of the Regulations.
- It is clarified that the members of the key investment team are the employees/directors of the Investment Manager.

ADDITIONAL MEMBERS OF THE MANAGEMENT TEAM OF THE FUND/SCHEME

Not applicable.

INVOLVEMENT OF THE MEMBERS IN ADVISING AND/OR MANAGING ANY OTHER FUNDS

Mr. Natraj Sankaranarayanan is managing DSP High Conviction Fund Series 2 (a Close ended AIF Scheme) w.e.f. January 01, 2024. He also acts as one of the fund advisors to one of the schemes managed by DSP Fund Managers IFSC Private Limited.

The team of the Investment Manager may only devote so much of their time to the Fund's affairs as is, in their judgment, reasonably required. The team members in addition to their responsibilities for the Fund may have responsibilities for other funds, projects and clients.

For more details, kindly refer to **SECTION X: RISK FACTORS** of this Memorandum.

KEY PERSONS OF THE FUND/SCHEME (OTHER THAN AT POINT D ABOVE)

Name	Qualification	Brief Experience
Mr. Harsh Kothari (Chief Operating Officer)	Chartered Accountant	From August 01, 2024 till date: Chief Operating Officer at DSP Asset Managers Private Limited. From April 01, 2023 to July 31, 2024: Advisor to Chairman and Managing Director & CEO at DSP Asset Managers Private Limited.

Name	Qualification	Brief Experience
		<p>From April 18, 2018 to March 31, 2023: Advisor to Chairman and Managing Director & CEO at DSP Investment Managers Private Limited.</p> <p>From July 1, 2017 to April 16, 2018: Director at Karan Kothari Jewellers Private Limited.</p> <p>From June 24, 2002 to June 30, 2017 worked with DSP BlackRock Investment Managers in various positions. Last he was heading the Finance & Operations department</p> <p>From July 2000 to June, 2002: Audit Executive at S.R. Batliboi & Co., Chartered Accountant.</p> <p>From July 1997 to July 2000: Practiced as a Chartered Accountant.</p>
Dr. Pritesh Majmudar - Compliance Officer	B.Com, LLM, Company Secretary, Ph.D (Law), PGDSL - Government Law College, Mumbai	<p>Dr. Pritesh Majmudar is the Compliance Officer of DSP Asset Mangers Private Limited and designated as Head - Legal & Compliance. He had joined DSP in December 2007 as Manager in the Legal & Compliance department</p> <p>He had also worked with Morgan Stanley Advantage Services Private Limited from March 2004 to November 2007 as Senior Associate and Company Secretary.</p>

VALUATION COMMITTEE

Valuation committee shall comprise of the following personnel:

- a) Fund Manager(s) of the Scheme
- b) Head – Fund Administration
- c) Chief Risk Officer
- d) Compliance Officer

The scope of the committee shall include:

- a. Recommendation and drafting of valuation policy for AMC Board approval.
- b. Review the accuracy and appropriateness of methods used in arriving at the fair value of securities and recommend changes, if any.
- c. Lay down procedures to detect and prevent incorrect valuation.
- d. Approve changes in policy with regards to inter-scheme trades (at least three members).
- e. Recommend valuation method during exceptional events.
- f. Recommend valuation methodology for a new type of security.
- g. Report to the Board regarding any deviations or incorrect valuations.

INVESTMENT COMMITTEE

Details of the Members of the Investment Committee

1. MD & CEO of DSPAM
2. Chief Risk Officer (CRO)

3. Fund Manager(s) of the Scheme

Scope of Investment Committee shall be limited to approve passive breaches, distributions etc. The role of the Investment Committee would be to provide non-binding advice to the Investment Manager for taking investment and divestment decisions. For the avoidance of doubt, it is hereby clarified that the decision of the Investment Committee would be non-binding in nature. However, the Fund Manager of the Scheme shall continue to held responsible/liable with respect to day to day investment decisions taken while managing the Scheme of the Fund.

The Investment Committee may only devote so much of their time to the Fund's affairs as is, in their judgment, reasonably required. The Committee members in addition to their responsibilities for the Fund may have responsibilities for other funds, projects and clients.

ADVISORY BOARD

Not applicable.

LIMITED PARTNER/INVESTOR ADVISORY COMMITTEE (IF ANY)

Not applicable.

OPERATING PARTNERS, PORTFOLIO COMPANY ADVISOR OR SUCH OTHER BODIES

Not applicable.

Notwithstanding any information/statements given above, the ultimate responsibility with regard to the continuous compliance of the Fund with the Regulations and circulars shall be vested with the Investment Manager.

The adherence to the Memorandum shall be audited on an annual basis by an independent auditor and the findings of the same shall be placed before the board of the Investment Manager / Trustees and also submitted with SEBI. In case of any adverse findings, the corrective steps taken shall also be submitted.

Supplementary Section

In accordance with paragraph 13.1.3 of SEBI Master Circular reference no. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 07, 2024 titled 'Master Circular on Alternative Investment Funds (AIFs)' ("**SEBI Master Circular**"), the details of the key management personnel of the Fund and the Investment Manager are as follows:

Sr. No.	Name of the members	Designation	Role performed
1.	Mr. Natraj Sankaranarayanan	Vice President - Investments – Equity	Key team member
2.	Mr. Kalpen Parekh	Managing Director and Chief Executive Officer	Key team member
3.	Mr. Pranjal Vora	Vice President – Enterprise Risk Management	Key team member
4.	Mr. Harsh Kothari	Executive Vice President – Chief Operating Officer	Key management personnel
5.	Dr. Pritesh Majmudar	Senior Vice President – Legal & Compliance / Compliance Officer	Key management personnel

In accordance with paragraph 13.1.1 of SEBI Master Circular dated May 07, 2024 titled 'Master Circular for Alternative Investment Funds (AIFs)', Dr. Pritesh Majmudar is the Compliance Officer of the Fund.

SECTION VI: TRACK RECORD OF THE INVESTMENT MANAGER

Detailed information pertaining to the relevant experience of the Investment Manager has been provided herein below (data provided as on March 31, 2026 unless specified):

1. DSP High Conviction Fund Series 2

Track Record																			
Name of the Fund	Criteria																		
DSP High Conviction Fund Series 2	A. Date of launch of fund																		
	• March 16, 2022																		
	B. Categorization of the fund																		
	• Category III- Close Ended Fund																		
	C. Current status of the fund																		
	• Ongoing																		
	D. Size of the fund																		
	• INR 428.79 Crores (As on March 31, 2026)																		
	E. Number of investments made by the fund																		
	• 24 Equity Stocks (As on March 31, 2026)																		
	F. Commitment period of the fund																		
	• 303.40 Crores (As on March 31, 2026)																		
	Capital Commitment will be drawn down from the Contributor through Drawdown Notices, the timing of which shall be at the discretion of the Investment Manager but not exceeding 12 months from the last date of the Final Subscription Period.																		
G. Investment strategy of the fund																			
The Investment Manager shall endeavour to create a concentrated portfolio (typically buy-and-hold), comprising of 10-30 securities. The Investment Manager endeavours to follow an approach which involves investing in securities across the market capitalization range. The focus will be to identify a set of relatively undervalued securities, in comparison to its intrinsic value derived from our investment framework, across sectors, and market capitalization with focus on superior risk-adjusted.																			
H. Historical track record of the fund (i.e. performance of the fund over the last 6 months / 1 year / 3 years / 5 years)																			
<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Fund Return*</th> <th>Nifty 500 TR</th> </tr> </thead> <tbody> <tr> <td>Last 6 months</td> <td style="text-align: center;">-1.58%</td> <td style="text-align: center;">-9.46%</td> </tr> <tr> <td>Last 1 year</td> <td style="text-align: center;">8.44%</td> <td style="text-align: center;">-2.88%</td> </tr> <tr> <td>Last 3 years</td> <td style="text-align: center;">17.46%</td> <td style="text-align: center;">13.21%</td> </tr> <tr> <td>Last 5 years</td> <td style="text-align: center;">--</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Since Inception</td> <td style="text-align: center;">13.79%</td> <td style="text-align: center;">9.73%</td> </tr> </tbody> </table>			Fund Return*	Nifty 500 TR	Last 6 months	-1.58%	-9.46%	Last 1 year	8.44%	-2.88%	Last 3 years	17.46%	13.21%	Last 5 years	--	--	Since Inception	13.79%	9.73%
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Last 5 years	--	--																	
Since Inception	13.79%	9.73%																	
*Data as on March 31, 2026																			
Note: Returns in the above table are in the base currency, gross-of-fees and																			

pre-tax for A1 share class and of growth nav. Returns greater than one year are compounded annualized, else absolute. Inception/allotment date: March 23, 2022. TR: Total Return. Source: Fund-Internal. Index-MFIE ICRA Analytics.				
Trailing Returns				
Index	1-year (%)	2-year (%)	3-year (%)	5-year (%)
Scheme	10.29%	19.97%	13.54%	--
Cat III AIF Index - Long Only Equity Funds (close-ended) (INR)	9.86%	21.85%	12.55%	--
CRISIL AIF Index – Cat III (INR)	9.86%	20.00%	12.25%	--
Values as on March 31, 2025 Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised. For details on CRISIL AIF industry benchmark performance, please refer to Annexure A.				

2. DSP India Enhanced Equity SatCore Fund

Track Record	
Name of the Fund	Criteria
DSP India Enhanced Equity SatCore Fund	A. Date of launch of fund
	• February 10, 2017
	B. Categorization of the fund
	• Category III- Open Ended Fund
	C. Current status of the fund
	• Active
	D. Size of the fund (AUM)
	• INR 542.58 Crores (As on March 31, 2026)
	E. Number of investments made by the fund
	• 13 Equity Stocks (As on March 31, 2026)
F. Commitment period of the fund	
• Not applicable	
G. Investment strategy of the fund	
The Scheme seeks to maximise long term risk-adjusted returns through the use of a long and / or short equity strategy from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India.	
H. Historical track record of the fund (i.e. performance of the fund over the last 6 months / 1 year / 3 years / 5 years)	

	Fund Return*	BSE 200 TR
Last 6 months	-3.62%	-8.88%
Last 1 year	0.84%	-3.13%
Last 3 years	13.44%	12.53%
Last 5 years	10.92%	11.43%
Since Inception	11.14%	12.67%

*Data as on March 31, 2026
Note: Returns in the above table are in the base currency, gross-of-fees and pre-tax for A1 share class and of growth nav. Returns greater than one year are compounded annualized, else absolute. Inception/allotment date: March 03, 2017. TR: Total Return. Source: Fund-Internal. Index-MFIE ICRA Analytics.

Trailing Returns

Index	1-year (%)	2-year (%)	3-year (%)	5-year (%)	7-year (%)
Scheme	14.48%	18.54%	13.13%	11.82%	10.84%
CRISIL AIF Index – Long-short Equity Funds (INR)	8.59%	14.47%	10.90%	13.58%	10.00%
CRISIL AIF Index – Cat III (INR)	9.86%	20.00%	12.25%	22.17%	12.09%

Values as on March 31, 2025
Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised. For details on CRISIL AIF industry benchmark performance, please refer to Annexure A.

3. DSP India Enhanced Equity Fund (The scheme has been wound up with effect from September 22, 2025)

Track Record	
Name of the Fund	Criteria
DSP India Enhanced Equity Fund	A. Date of launch of fund
	• May 02, 2014
	B. Categorization of the fund
	• Category III- Open Ended Fund
	C. Current status of the fund
	• Wound up
	D. Size of the fund
	• INR 217.10 Crores (As on September 22, 2025)
E. Number of investments made by the fund	
• Nil Equity Stocks (As on As on September 22, 2025)	
F. Commitment period of the fund	

<ul style="list-style-type: none"> • Not applicable 																												
G. Investment strategy of the fund																												
The Scheme seeks to maximise long term risk-adjusted returns through the use of a long and/or short equity strategy from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India.																												
H. Historical track record of the fund (i.e. performance of the fund over the last 6 months / 1 year / 3 years / 5 years)																												
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Since Inception	15.87%	14.40%																										
<p>*Data as on Aug 29, 2025 Note: Returns in the above table are in the fund's base currency, gross-of-fee and pre-tax for A1 share class and of growth nav. Returns greater than one year are compounded annualized, else absolute. Inception/allotment date: May 12, 2014. TR: Total Return. Source: Fund-Internal. Index-MFIE ICRA Analytics.</p>																												
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Performance report received from the Benchmark Agency shall be provided to the Investors on periodical basis as and when received and shall be updated as part of PPM during annual updation.

Performance Benchmarking report for the period ended March 31, 2025 is enclosed as **Annexure A**.

Disclaimer:

The above-indicated disclosures in relation to the performance track record of the Investment Manager may not necessarily be a representation of the expected performance of the Fund/Scheme. The performance track record of such past investment funds managed and operated by the Investment Manager may depend on various internal as well as external factors beyond the control of the Investment Manager. Investors are requested to use their own independent assessment and judgement while attributing the credit of the past track record to the Investment Manager.

Risk factors

The performance track record of such past investment funds managed and operated by the Investment Manager and/or the investment management team would be a function of the prevalent factors, including, *inter alia*, and not limited to, business, macro and micro economic, political conditions and the relevant economic cycle that may have been applicable to such investment funds. The Fund may not necessarily accrue an advantage/disadvantage from performance of previous investment funds as managed or operated by the Investment Manager and/or the investment team. Therefore, judgments of the Investment Manager's expected performance cannot be extrapolated from the past performance of the Investment Manager. Please refer to detailed risk factors under "**SECTION X: RISK FACTORS**" of this Memorandum.

SECTION VII: PRINCIPAL TERMS OF THE FUND

This is a description of the principal terms of the DSP Bharat Nirman Fund. This section provides the principal terms of the Fund which may be provided in detail elsewhere in this document. The terms hereof are subject to modification or withdrawal throughout the term of the Fund.

1.	FUND OFFERING	<p>The target corpus of the Fund is up to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores) with a green shoe option of up to Rs. 200,00,00,000 (Indian Rupees Two Hundred Crores).</p> <p>Total Fund corpus is Rs. 500,00,00,000 (Indian Rupees Five Hundred Crores) (including the green shoe option).</p> <p>However, the Investment Manager reserves the right to accept Capital Commitments (in aggregate) less than such amount, subject to collection of the minimum corpus of Rs. 20,00,00,000 (Indian Rupees Twenty Crores).</p>
2.	TARGET INVESTORS	<p>Target Investors of the Fund are Institutional Investors, high net worth individuals, corporates, financial institutions, banks, insurance companies, fund of funds, hindu undivided family, partnerships, limited liability partnerships, or any other eligible resident Indian Investors who are eligible to invest in the Fund and who have made or agreed to make a Capital Commitment to the Fund, pursuant to execution of Contribution Agreements in relation to the Fund. The Fund may accept investments from foreign Investors (including feeder funds and Non-Resident Indians ('NRIs'), and other permissible Investors under Applicable Law except for Investors from the United States of America and Canada).</p> <p>Foreign investors have to be mandatorily a resident of the country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatory) or a signatory to the bilateral Memorandum of Understanding with SEBI. The Investment Manager may accept commitment from an Investor being Government or Government related investor, who does not meet the aforesaid condition, if the investor is a resident in the country as may be approved by the Government of India.</p> <p>Investor (including its beneficial owner as determined in terms of sub-rule 3 of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005) is not the person(s) mentioned in the Sanctions List notified from time to time by the United Nations Security Council and is not a resident in the country identified in the public statement of Financial Action Task Force (i) as a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.</p>

		<p>Eligibility Criteria: For the purpose of subscribing to the Units of the Fund, a Person must fulfil the Eligible Person criteria. Further, please refer to paragraph 3 titled 'Classes of Units' and paragraph 7 titled 'Minimum Capital Commitment' under this "SECTION VII: PRINCIPAL TERMS OF THE FUND".</p>														
3.	<p>SHARE CLASS/ CLASS CLASSES/SERIES OF UNITS</p>	<p>Class A Unit means one unit of face value of Rs. 100 (Indian Rupees One Hundred) each, representing Class A entitling rights and interest, including right to Distribution Proceeds, as per the distribution waterfall accruable to DSP Asset Managers Private Limited against the minimum investment amount as prescribed by the Regulations and in accordance with the terms and conditions set out in the relevant Contribution Agreement. Accordingly, as per the current Regulations, DSP Asset Managers Private Limited (being the Investment Manager of the Scheme) shall make Capital Commitments to Class A Units which shall be at least 5% of the Scheme Size or INR 10,00,00,000 (Indian Rupees Ten Crores), whichever is lower ("Class A Unit"). The Investment Manager will only contribute towards Class A Unit.</p> <p>Class Unit means one unit of face value of Rs. 100 (Indian Rupees One Hundred) each, entitling the holder thereof to rights and interest, including right to Distribution Proceeds, in accordance with the terms and conditions set out in the relevant Contribution Agreements ("Class B1, Class B2, Class B3, Class C1, Class C2, Class C3, Class D1, Class D2, Class D3, Class D4, Class E1, Class E2, Class E3, Class E4 Unit and Class F Units"). Class B1, Class B2, Class B3, Class C1, Class C2, Class C3, Class D1, Class D2, Class D3, Class D4, Class E1, Class E2, Class E3, Class E4 and Class F Units will be divided as described herein below, depending on the Capital Commitment made by the Contributors in accordance with their respective Contribution Agreement(s) and fees charged.</p> <table border="1" data-bbox="587 1379 1422 2074"> <thead> <tr> <th>Class of Units</th> <th>Capital Commitment and fees charged</th> </tr> </thead> <tbody> <tr> <td>Class B1</td> <td>Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore) and who will be charged Total Fees and Performance Fees.</td> </tr> <tr> <td>Class B2</td> <td>Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees and Performance Fees</td> </tr> <tr> <td>Class B3</td> <td>Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees and Performance Fees</td> </tr> <tr> <td>Class C1</td> <td>Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore) and who will be charged Total Fees</td> </tr> <tr> <td>Class C2</td> <td>Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees</td> </tr> <tr> <td>Class C3</td> <td>Capital Commitment \geq Rs. 10 Crore (Rupees</td> </tr> </tbody> </table>	Class of Units	Capital Commitment and fees charged	Class B1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore) and who will be charged Total Fees and Performance Fees.	Class B2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees and Performance Fees	Class B3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees and Performance Fees	Class C1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore) and who will be charged Total Fees	Class C2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees	Class C3	Capital Commitment \geq Rs. 10 Crore (Rupees
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Class B3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) and who will be charged Total Fees and Performance Fees															
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Class C3	Capital Commitment \geq Rs. 10 Crore (Rupees															

		Ten Crore) and who will be charged Total Fees
	Class D1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
	Class D2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs.10 Crore (Rupees Ten Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
	Class D3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) but $<$ Rs.25 Crore (Rupees Twenty-Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
	Class D4	Capital Commitment \geq Rs. 25 Crore (Rupees Twenty-Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees and Performance Fee
	Class E1	Capital Commitment \geq Rs. 1 Crore (Rupees One Crore) but $<$ Rs. 5 Crore (Rupees Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees
	Class E2	Capital Commitment \geq Rs. 5 Crore (Rupees Five Crore) but $<$ Rs.10 Crore (Rupees Ten Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees
	Class E3	Capital Commitment \geq Rs. 10 Crore (Rupees Ten Crore) but $<$ Rs.25 Crore (Rupees Twenty-Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will be charged Total Fees
	Class E4	Capital Commitment \geq Rs. 25 Crore (Rupees Twenty-Five Crore), investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee) and who will

		<table border="1"> <tr> <td data-bbox="579 208 794 264"></td> <td data-bbox="794 208 1415 264">be charged Total Fees</td> </tr> <tr> <td data-bbox="579 264 794 405">Class F</td> <td data-bbox="794 264 1415 405">Capital Commitment >= Rs. 25 Lakhs (Rupees Twenty-Five Lakhs), to be issued to employees and/or directors of the Investment Manager.</td> </tr> </table>		be charged Total Fees	Class F	Capital Commitment >= Rs. 25 Lakhs (Rupees Twenty-Five Lakhs), to be issued to employees and/or directors of the Investment Manager.
	be charged Total Fees					
Class F	Capital Commitment >= Rs. 25 Lakhs (Rupees Twenty-Five Lakhs), to be issued to employees and/or directors of the Investment Manager.					
<p>The Fund may issue fully paid-up Units in accordance with the Fund Documents. The Fund shall issue Units in dematerialised form as per the provisions prescribed under Applicable Laws.</p> <p>Subject to the Regulations, the Investment Manager may, at its sole discretion, issue additional Class/es or Subclass/es/series of Units from time to time, which may <i>inter alia</i> have differential rights, variable fee/charge structure, etc. The Investment Manager shall have the right to designate/re-designate any Class/Subclass to other Class/Subclass. All existing and future Class/es and/or Subclass/es of Units shall participate in common investment portfolio of the Fund.</p> <p>The Investment Manager’s decision to classify / reclassify the Investors under any of the Class/Subclass/series shall be final and binding on the Investors. Any special rights attached to any Class/Subclass/es/series of Units issued by the Fund shall not have any adverse impact on the economic rights or any other rights of other Investors.</p> <p>The Units may be divided into multiple series to equitably reflect the different NAV as a result of the purchase of Units by the Unitholders at different times during the year. The initial series will be designated as “Series [Class-MM/YY]” and each subsequently issued series will be numbered sequentially. The Investment Manager may, at its sole discretion, change the nomenclature of the series as may be required in future in view of operational convenience and / or system requirements.</p> <p>For the purposes of series accounting, each series of Unit will constitute a “series account” to which the Capital Contribution received from the issue of Units of that series will be allocated, together with investments and income, gains and losses derived therefrom. The Fund is permitted to consolidate different series of Units into a single series at any year-end, provided that the consolidation will have no adverse impact on any Unit holder or affect the calculation of expenses or Performance Fees that may be payable with reference to any Unit.</p> <p>The Investment Manager reserves the right to modify the mode of distribution over and above the Hurdle Rate pertaining to Class B Unit Holders and Class D Unit Holders, including payout in cash. The economic interest of any Class of Unit Holders shall remain unaffected irrespective of the mode of distribution.</p> <p>The Investment Manager shall allocate liability, expenses, cost charge or reserve pertaining to one Class/Subclass/series of Units to that particular Class/Subclass/series of Units. If any</p>						

		liability, expenses, cost charge or reserve incurred by the Fund are, in the opinion of the Investment Manager, not specifically attributable to a specific Class/Subclass/series of Units, such liability, expenses, cost charge or reserve shall be borne by the Fund and allocated to one or more Class of Investors in such manner as the Investment Manager deems appropriate, fair and reasonable.
4.	INITIAL OFFER PERIOD	<p>The Initial Offer Period means the date fixed by the Investment Manager for the initial subscription of Units of the Fund by the proposed Contributors ("Initial Offer Period").</p> <p>The Initial Offer Period of the Scheme will occur as soon as practicable i.e. subject the receipt of the aggregate Capital Commitments of at least INR 20,00,00,000 (Indian Rupees Twenty Crores). Notwithstanding anything, the Initial Offer Period will not occur later than 12 months from the date of communication by SEBI for taking the PPM of the Scheme on record.</p> <p>The Fund has closed its Initial Offer Period on June 28, 2024.</p> <p>Upon expiry of the Initial Offer Period, the Fund shall add new Contributors ("Subsequent Investor") or existing Contributors may increase their Capital Commitment in accordance with paragraph 5 titled '<i>Subscription / Offering Price</i>' in this "SECTION VII: PRINCIPAL TERMS OF THE FUND" of this Memorandum.</p>
5.	SUBSCRIPTION OFFERING PRICE	<p><i>Initial Offer Period:</i></p> <p>During the Initial Offer Period, the Investment Manager shall admit an Eligible Person as a Contributor in the Fund upon execution of Contribution Agreement and receipt of requisite documentation/information by facsimile or scanned copy by email as requested by the Investment Manager, at least 5 (five) Business Days (originals to be received atleast 1 (one) Business Day) prior to the expiry of the Initial Offer Period or such period as may be decided by the Investment Manager, from time to time.</p> <p>During the Initial Offer Period, the Contributor shall be issued Units by the Fund at the face value of such Class/Sub-class/series of Units i.e., INR 100 per Unit. Units will not be allotted unless the Investment Manager is satisfied that cleared funds in INR terms have been received by the Fund in full by 5.00 pm (Indian Standard Time) at least 48 (forty-eight) hours prior to the expiry of the Initial Offer Period.</p> <p><i>Expiry of Initial Offer Period:</i></p> <p>After the expiry of the Initial Offer Period, any Subsequent Investors or existing Contributor (making Additional Capital Commitment in the Fund) may subscribe to the Fund or increase its Capital Commitment in the Fund, by providing requisite documentation to the Investment Manager, at least 5 (five)</p>

	<p>Business Days (originals to be received atleast 1 (one) Business Day) prior to the relevant Valuation Day or such other period as may be decided by the Investment Manager, from time to time.</p> <p>The subsequent subscription of Units may be offered at par (face value of Rs. 100/- per unit) on the relevant Dealing Day. Units issued after the Initial Offer Period shall be denominated as separate Series for purposes of accruing Management Fee and Performance Fees applicable to such Units (or for other purposes in the Fund’s discretion). The Trustee / Investment Manager, at their discretion, may issue fractional Units. The Fund may consolidate different Series of Units into a single Series at Year End without the approval or consent of Unit Holders; provided, that the consolidation will have no adverse impact on the Management Fee payable or Performance Fee payable or expenses attributed as to any Unit holders.</p> <p>Units will not be allotted during any period unless the Investment Manager is satisfied that cleared funds in INR/ application have been received, in full on or before the Dealing Day or such period as the Investment Manager may deem fit. If cleared funds are not received by such day, then the application will be held over to the following Valuation Day.</p> <p>NAV will be calculated in accordance with Section VIII: DETERMINATION OF NET ASSET VALUE OF THE UNITS. of this Memorandum.</p> <p>Subject to the AIF Regulations and the Fund Documents, the Investment Manager may, in its discretion, accept Capital Commitments in excess of the target size of the Fund. The NAV of the Fund shall be as determined on each Valuation Day (<i>as defined below</i>) calculated in the manner notified by the Investment Manager to the Contributors from time to time. The NAV per Unit shall be calculated separately for each Class, and Sub-class and series.</p> <p>The Investment Manager shall calculate the NAV of the Fund on every 15th day and the last day of each month. However, if the 15th day and the last day of the month is not a Business Day, then the preceding Business Day shall be the Valuation Day. (“Valuation Day”).</p> <p>Provided however that, the Valuation Day for the last month of a Financial Year will be last calendar day of that month, which may or may not be a Business Day.</p> <p>It is hereby expressly clarified that the Units will be issued on the Capital Contributions less the applicable stamp duty (payable in relation to the issuance of Units to the Contributors). Therefore, the amount on which the Units shall be issued will differ from the Capital Contribution amount.</p> <p>In accordance with Chapter 7 titled “Guidelines for overseas investments by AIFs and related reporting” of SEBI Master Circular dated May 07, 2024, where an Investor during his / its</p>
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		<p>investment in the Fund (including its beneficial owner as determined in terms of sub-rule (3) of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005) is a person named in Sanctions List notified from time to time by the United Nations Security Council and is not a resident in the country identified in the public statement of Financial Action Task Force as – (i) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies, no further drawdown shall be sought from such person till such time the Investor including its underling Investor meets the conditions stated herein.</p> <p>The Trustee and the Investment Manager shall deal with Persons who make contributions to the Scheme and are signatory to this Agreement or its / their constituted power of attorney holders, in accordance with the Agreement and this Memorandum.</p> <p>Deployment pending allotment of Units:</p> <p>For deployment of amounts received by the Fund during the Initial Offer Period or prior to Valuation Day or any period pending allotment of Units, refer to paragraph 32 titled '<i>Temporary Deployment of Surplus Funds</i>' in this "SECTION VII: PRINCIPAL TERMS OF THE FUND" of the Memorandum.</p>
6.	PURCHASE OF UNITS	<p>A copy of the Contribution Agreement shall be provided to the Contributor by the Investment Manager. During the Initial Offer Period and thereafter, Contributors shall be admitted to the Fund upon the execution of the Contribution Agreement together with such other documentation or information (including demat account details) that may be requested by the Investment Manager. The Contribution Agreement together with such other documentation or information that may be requested by the Investment Manager should be emailed to the Investment Manager at the address listed in the directory or any other acceptable mode of communication as may be prescribed by the Investment Manager, at least 5 (five) Business Days (originals to be received atleast 1 (one) Business Day) prior to the expiry of the Initial Offer Period or relevant Valuation Day (as the case may be).</p> <p>In case of the existing Contributors making Additional Capital Commitment in the Fund, such Contributor shall execute an addendum to the Contribution Agreement or such other documentation as the Investment Manager may deem fit.</p> <p><u>Switch:</u></p> <p>The Investment Manager also acts as the asset management company to various schemes of the DSP Mutual Fund. Subject to Applicable Laws and at the discretion of the Investment</p>

	<p>Manager, a Contributor who is also an Investor of any scheme of the DSP Mutual Fund, may instruct the Investment Manager by way of a mandate or instruction letter to liquidate or redeem units held by such Contributor in one or more schemes of the DSP Mutual Fund for the purposes of honouring the Capital Commitment made in relation to this Fund. For the avoidance of doubt, such option is available to any Contributor who is either an existing Investor of a scheme of the DSP Mutual Fund as on the date of its Contribution Agreement or subsequently becomes an Investor of a scheme of the DSP Mutual Fund. The foregoing option shall automatically lapse in the event the Investment Manager ceases to manage the Fund or the relevant schemes of the DSP Mutual Fund.</p> <p>A Contributor who wishes to make the foregoing election will be required to execute such additional documents or instruction letters or mandates as the Investment Manager deems appropriate. Any liquidation or redemption of units of a scheme of the DSP Mutual Fund and application towards contributions to the Fund shall be subject to compliance with law, including laws and regulations relating to anti-money laundering and KYC.</p> <p>Further a Contributor subject to Applicable Laws and fund documents of the relevant DSP Alternative Investment Fund can opt for Switch of the Distribution Proceeds / maturity proceeds of any scheme of DSP Alternative Investment Fund to any eligible schemes of DSP Mutual Fund. Similarly, subject to Applicable Laws and fund documents of DSP Alternative Investment Fund, a Contributor can opt for Switch of the Distribution Proceeds / maturity proceeds from one scheme of DSP Alternative Investment Fund to another, as per timelines prescribed thereunder.</p> <p>It is further clarified that, subject to Applicable Laws a Contributor may switch between the Classes of Units from other Plan to Direct Plan or vice versa or <i>inter alia</i> between the Classes of Units. A Contributor who wishes to undertake such switch will need to execute such documents / application forms / letters as the Investment Manager may deem appropriate. Such switch shall be undertaken at a Post Tax NAV (net of Performance Fees) on the Valuation Day. In case of switch from Regular Plan to Direct Plan the Investment Manager shall not be liable to pay any Placement Fee on such transferred assets from the date of taking on record such transfer, irrespective of sourcing such Contributor by a distributor / arranger / placement agent.</p> <p>To clarify, any such switches as specified above, may be subject to income-tax and stamp duty and any procedural requirements prescribed by depositories in case of demat units. Investors are required to consult their tax consultants in this regard.</p>
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7.	MINIMUM CAPITAL COMMITMENT	<p>Total amount that a Contributor agrees in writing, to contribute to the Scheme by way of subscription to Units of the Scheme in terms of the Contribution Agreement (“Capital Commitment”) and that portion of the Capital Commitment contributed by a Contributor towards acquisition or subscription of Units (“Capital Contribution”).</p> <p>Upon signing the Contribution Agreement, the Investor shall be required to contribute towards the full Capital Commitment.</p> <p>Subject to the Regulations, the minimum Capital Commitment from each Contributor shall be as under:</p> <table border="1" data-bbox="603 645 1407 1232"> <thead> <tr> <th>Class of Units</th> <th>Minimum Capital Commitment</th> </tr> </thead> <tbody> <tr> <td>Class A Units</td> <td>5% of the Scheme Size or INR 10 Crores (Indian Rupees Ten Crores), whichever is lower (as per the Regulations)</td> </tr> <tr> <td>Class B1, C1, D1 & E1 Units</td> <td>>= Rs. 1 Crore (Rupees One Crore) but < Rs. 5 Crore (Rupees Five Crore)</td> </tr> <tr> <td>Class B2, C2, D2 & E2 Units</td> <td>>= Rs. 5 Crore (Rupees Five Crore) but < Rs.10 Crore (Rupees Ten Crore)</td> </tr> <tr> <td>Class B3 & C3</td> <td>>= Rs. 10 Crore (Rupees Ten Crore)</td> </tr> <tr> <td>Class D3 & E3 Units</td> <td>>= Rs. 10 Crore (Rupees Ten Crore) but < Rs.25 Crore (Rupees Twenty-Five Crore)</td> </tr> <tr> <td>Class D4 & E4 Units</td> <td>>= Rs. 25 Crore (Rupees Twenty-Five Crore)</td> </tr> <tr> <td>Class F Units</td> <td>>= INR 25,00,000 (Indian Rupees Twenty-Five Lakh)</td> </tr> </tbody> </table> <p>The minimum Capital Commitment per Contributor shall be INR 1,00,00,000 (Indian Rupees One Crore).</p> <p>However, the Investment Manager may, at its discretion, prescribe any amount as minimum Capital Commitment from each Contributor, subject to the Regulations.</p> <p>The following can act as joint Contributors (maximum up to 2 (two)) wherein each such Contributor contributes and the aggregate sum invested by joint Contributor collectively is at least INR 1,00,00,000 (Indian Rupees One Crore):</p> <ol style="list-style-type: none"> i) a Contributor and his/her spouse who is also an Eligible Person, ii) a Contributor and his/her parent who is also an Eligible Person, iii) a Contributor and his/her daughter/son who is also an Eligible Person. <p>Without prejudice to the above, in case of any other Contributors acting as joint Contributors, for every Contributor, the minimum investment of INR 1,00,00,000 (Indian Rupees One Crore) shall apply for each Contributor.</p> <p>The Contributor will be required to contribute the entire Capital</p>	Class of Units	Minimum Capital Commitment	Class A Units	5% of the Scheme Size or INR 10 Crores (Indian Rupees Ten Crores), whichever is lower (as per the Regulations)	Class B1, C1, D1 & E1 Units	>= Rs. 1 Crore (Rupees One Crore) but < Rs. 5 Crore (Rupees Five Crore)	Class B2, C2, D2 & E2 Units	>= Rs. 5 Crore (Rupees Five Crore) but < Rs.10 Crore (Rupees Ten Crore)	Class B3 & C3	>= Rs. 10 Crore (Rupees Ten Crore)	Class D3 & E3 Units	>= Rs. 10 Crore (Rupees Ten Crore) but < Rs.25 Crore (Rupees Twenty-Five Crore)	Class D4 & E4 Units	>= Rs. 25 Crore (Rupees Twenty-Five Crore)	Class F Units	>= INR 25,00,000 (Indian Rupees Twenty-Five Lakh)
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Class F Units	>= INR 25,00,000 (Indian Rupees Twenty-Five Lakh)																	

		Commitment at the time of execution of Contribution Agreement or within such time period as may be stipulated by the Investment Manager.
8.	MANAGER COMMITMENT	<p>The Investment Manager will commit an aggregate amount equivalent to 5% (Five Percent) of the Corpus or INR 10,00,00,000 (Indian Rupees Ten Crores), whichever is lower, to maintain a continuing interest in the Fund in accordance with the Regulations.</p> <p>Notwithstanding anything to the contrary, the Investment Manager shall always maintain the abovementioned continuing interest and take requisite steps/measures to comply with the same.</p> <p>In addition to the aforementioned continuing interest, the Investment Manager/Sponsors may, at their sole discretion, directly or through their respective entities/affiliates/strategic partners, make an Additional Commitment to the Fund ("Additional Commitment"). It is hereby clarified that such Additional Commitment will not be subject to any obligations prescribed for the Investment Manager / Sponsors under the Regulations.</p> <p>It is hereby clarified that the Capital Commitment provided by Investment Manager, to the extent to meet the minimum Corpus requirement of INR 20,00,00,000 (Indian Rupees Twenty Crores), shall not be reduced or withdrawn or transferred, post expiry of the Initial Offer Period.</p>
9.	TERM OF THE FUND AND TERMINATION	<p>The Scheme is an open-ended scheme with no definite tenure and shall terminate in accordance with the terms of the Fund Documents ("Term of the Scheme" or "Tenure of the Scheme").</p> <p>The Scheme may be terminated by the Trustee in consultation with the Investment Manager:</p> <ul style="list-style-type: none"> • if the Trustee believes that it is in the interests of the Contributors for the Scheme to be wound up; • if Super Majority of the Contributors, in the interest of all the Unit Holders in the Scheme, pass a resolution at a meeting of the Unit Holders that the Scheme be wound up; • in the event that the Investment Manager determines that the continuation of the Fund / Scheme is in breach of Applicable Laws; • if the Investment Manager determines that it is impossible to continue with the Fund / Scheme or if the Trustee on advice of the Investment Manager deems it impracticable to continue the Fund / Scheme; • if the Fund has exited from all the Fund Investments and has distributed the Distribution Proceeds/Redemption Proceeds to the Contributors (as applicable); • where the purpose of the Fund / Scheme has been completed; and

	<ul style="list-style-type: none"> • If SEBI directs winding up of the Scheme or the Fund in the interest of the Beneficiaries or otherwise. <p>Upon the happening of any of the events referred to hereinabove, the Trustee shall in consultation with the Investment Manager shall intimate SEBI and the Contributors of the circumstances leading upto the winding up of the Scheme. Notwithstanding the termination of the Scheme, the Contributors shall continue to remain liable to the following extent:</p> <ul style="list-style-type: none"> • The Fund will continue for such period of time as may be necessary to liquidate existing investments in an orderly manner in accordance with the Applicable Laws; • Capital Commitments will not be extinguished to the extent necessary to pay the Fund Expenses and liabilities; and • The Management Fee will continue to be payable as per the provisions of the Investment Management Agreement until the Fund terminates and is dissolved. <p>The Trustee shall in consultation with the Investment Manager:</p> <ul style="list-style-type: none"> • as reasonably practicable, and within the time period stipulated by the Regulations, sell the investments of the Fund / Scheme, and / or in the manner as the Trustee deems fit, and the cash proceeds (net of liquidation and distribution costs and liabilities in accordance with the Fund Documents) accruing to the Unit Holders shall be distributed to them in accordance with the Indenture and the Contribution Agreement in cash, and subject to approval of the Super Majority of the Contributors by value of their investment in the fund, <i>in-specie</i> distribution of the Investments of the Fund / Scheme may be made, after satisfying all liabilities; and • for the purposes of the foregoing sub-clause, redeem all outstanding Units and distribute cash proceeds (net of liquidation and distribution costs and liabilities in accordance with the Scheme Documents). <p>Notwithstanding the foregoing sub-clause, liquidation proceeds may be utilised:</p> <ul style="list-style-type: none"> • for the payment of the debts and liabilities of the Scheme, including without limitation any amounts due to the Investment Manager and expenses of the liquidation; and • for the setting up of any reserves which the Trustee (or such other party or body having conduct of the winding up of the affairs of the Fund/Scheme) may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Scheme including any tax demand that may arise; <p>The net assets of the Scheme remaining after settlement of all liabilities as on the date of dissolution shall be paid to the Unit Holders subject to the Contribution Agreement, to the extent applicable, as contemplated herein above.</p>
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		<p>The decision of the Trustee in this behalf shall be final and binding upon the Unit Holders.</p> <p>The Investment Manager may, subject to obtaining approval from Super-Majority of the Contributors, make distributions <i>in-specie</i> of the Fund Investments which may not have been liquidated to the Contributors, in accordance with the terms set out in paragraph 45 titled '<i>Distribution In-kind</i>' in this "SECTION VII: PRINCIPAL TERMS OF THE FUND" of the Memorandum.</p> <p>Once the Fund liquidates, the proceeds accruing to the Contributors shall be distributed in cash or <i>in-specie</i> after satisfying all liabilities of the Fund in accordance with the Fund Documents.</p>
10.	REDEMPTION	<p>The Investment Manager shall allow redemption of Units, subject to the payment of Exit Load (as defined below), at the relevant Dealing Day as set under this paragraph 10 titled 'Redemption' in "SECTION VII: PRINCIPAL TERMS OF THE SCHEME".</p> <p>Units will be available to be redeemed on the relevant Dealing Day, based on the post Tax NAV (net of Performance Fees) of such Units on the relevant Valuation Day and Investment Manager will endeavor to pay the redemption proceeds within 7 (seven) Business Days thereof.</p> <p>No part of the redemption proceeds will be paid to the Contributors until the Investment Manager has received the original exit request signed by the Contributor requesting the exit or by an authorized signatory of such Contributor.</p> <p>The acceptance of the request for exit by Contributor may be determined by the Investment Manager and is subject to availability of liquidity. If the request for exit is accepted, the Investment Manager will endeavour to pay the Exit Proceeds to the exiting Contributor. Notwithstanding the above, the Investment Manager may accept the exit form and provide redemption to the Contributors anytime at its own discretion.</p> <p>The Contributors exiting the Fund shall be paid an amount equal to the Net Exit Proceeds (defined below).</p> <p>The Fund is entitled to set-aside from any pre-Tax Exit Proceeds, amounts necessary to pay/ create reserves for Taxes and to create appropriate reserves for expenses and liabilities of the Fund, as well as for any required Tax withholdings or provisions for Taxes ("Exit Proceeds") computed based on a methodology adopted at the discretion of the Investment Manager and/or Trustee (in consultation with and advice of the Investment Manager). Such Tax reserve could be utilized by the Fund/Trust to discharge any Taxes, if required under the Applicable Laws. Further, any income-tax withholding, retention, or provision made in accordance with the provisions of the ITA,</p>

where applicable and in accordance with the provisions of the ITA, shall be paid to the credit of the permanent account number (“**PAN**”) of the Fund and not the Contributor. Such Tax shall not appear in Form 26AS of the Contributor. In case of change in the provisions of the ITA requiring the Fund to withhold income-tax against any accretion or distribution of income or proceeds to the Contributors, the Fund shall withhold Tax at the rates prescribed under the ITA and deposit the same to the credit of PAN of the Contributors, if required under the ITA.

Subject to above, the Exit Proceeds payable to the exiting Unit Holders shall be further charged an applicable Exit Load and Performance Fee, if any (“**Net Exit Proceeds**”) by the Investment Manager.

Redemptions made shall be subject to a redemption fee (“**Exit Load**”) as follows or such other rate as may be prescribed by the Trustee on the recommendation of the Investment Manager.

<i>Timelines (From the date of allotment of units)</i>	<i>Applicable Exit Load (of pre-Tax exit proceeds)</i>
<=12 months	2% (two percent)
> 12 months	Nil

The Exit Load will be increased by any applicable GST and other statutory charges and Taxes payable thereon. Notwithstanding the above, Investment Manager may reduce/waive the Exit Load chargeable for any Contributor/Class/Subclass/series of Units at any point of time.

The Contributors who wish to redeem their Units must submit their redemption forms to the Investment Manager at least 5 (Five) Business Days (originals to be received at least 1 (One) Business Day) in advance of the Dealing Day. Failure to receive shall lead to processing of redemption request in the next Dealing Day. The Investment Manager may, however, in its discretion accept requests for redemptions at any time prior to a Dealing Day. The Contributors will receive a confirmation note showing details of the redemption within 7 (Seven) Business Days since the relevant Dealing Day provided the original redemption forms have been submitted to the Scheme.

Distribution of redemption proceeds will be subject to the distribution waterfall as applicable to respective Class of Units, more particularly described under the paragraph on ‘Distribution Waterfall’.

The Exit Load so deducted will be credited to the scheme.

In addition to and subject to the other conditions as provided in this Memorandum, including payment of Exit Load, and subject to the Regulations, redemptions are subject to a redemption limit

	<p>of a maximum of 25% (twenty-five percent) of the Net Asset Value of the Scheme on the relevant Dealing Day and is subject to suspension as described in this Memorandum. If redemption requests received are beyond 25% (twenty-five percent), the holders of Units requesting redemption will be redeemed on a <i>pro rata</i> basis up to a maximum of 25% (twenty-five percent) of the Net Asset Value of the relevant Scheme. The Investment Manager/Trustee, however, retain the right to allow redemption in excess of 25% (twenty-five percent). Further, in certain circumstances <i>viz.</i> in exceptional circumstances provided that such suspension is exclusively in the best interest of the Unit Holders, or if the suspension is required under the SEBI Regulations or required by SEBI, redemptions may be suspended in accordance with the provisions of the Indenture and the Contribution Agreement.</p> <p>For the avoidance of doubt, the Investment Manager may, in its sole discretion, refuse the exit request upon written communication to the Contributor if the proposed exit results in the Corpus falling below INR 20,00,00,000 (Rupees Twenty Crores Only); or the requisite Capital Contribution of the exiting Contributor would fall below INR 1,00,00,000 (Rupees One Crores Only)/ INR 25,00,000 (Rupees Twenty Five Lakhs) in case of directors and employees of the Investment Manager post giving effect to such Exit.</p> <p>Upon the redemption of Units, the Contributor shall cease to be entitled to any rights in respect of such Units redeemed (except the right to receive distributions, if any which has been declared thereof prior to such redemption being effected) and accordingly its name shall be removed from the register of Contributors with respect to such Units and the Investment Manager will be required to carry out requisite compliances to that effect.</p> <p>In cases of material changes in the Fund significantly influencing the decision of the Contributor to continue to be invested in the Fund, then the Investment Manager shall initiate steps as prescribed under the Regulations which includes giving notice of such material changes to the Contributors for obtaining their consent. In certain circumstances, the Investment Manager may also be required to redeem the Units of dissenting Contributor/s as required under the Regulations. In case such redemption is provided, then the Investment Manager shall not charge any Exit Load on the Exit Proceeds payable to dissenting Contributor/s. For more information in this regard, please refer to “SECTION XI: LEGAL, REGULATORY AND TAX CONSIDERATIONS” of this Memorandum.</p> <p>Upon the extinguishment or winding up of the Scheme or the Fund the Units shall compulsorily be redeemed. In situations where Units held by a Unit Holder could create regulatory or tax concerns for the Scheme or other Unit Holders or in accordance with the Indenture, the Units may compulsorily be redeemed. Any such redemptions shall not be subject to charge of Exit Load.</p>
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11.	COMPULSORY REDEMPTION	<p>The Investment Manager reserves the discretion to compel the removal of the Contributor with not less than 5 (five) Business Days prior written notice for any of the following reasons:</p> <ul style="list-style-type: none"> (i) In situations where Units held by certain Persons could create regulatory or tax concerns for the Scheme and other Unit Holders or in accordance with the Indenture; or (ii) Continuation of the Contributor with the Fund will be materially prejudicial to the interest of the Fund; or (iii) Continuation of the Contributor with the Fund will result in onerous obligations on the Fund. (iv) Contributor is in material breach of its obligations under the Contribution Agreement. <p>The Investment Manager shall determine the exit price of the Units held by the Contributor being compulsorily redeemed based on the lower of pre-Tax NAV per Unit calculated at the time of compulsory redemption or at the time of distributions / redemptions made to the other Contributors or such other price as maybe determined by the Investment Manager. The payments shall be made by Investment Manager in such time, as may be reasonably determined by the Investment Manager and which does not adversely impact the interest of the remaining Contributors. Any Taxes pursuant to compulsory redemption shall be borne by the respective Contributors.</p> <p>Upon the compulsory redemption of Units, the Contributor shall cease to be entitled to any rights in respect of such Units redeemed (except the right to receive distributions which have been declared thereof prior to such redemption being effected) and accordingly its name shall be removed from the register of Contributors with respect to such Units.</p>
12.	REDEMPTION PROCEDURE	<p>The Fund shall provide exit upon request for exit made by any Contributor. It is clarified herein that only the Contributor having minimum Capital Contribution as per the Regulations shall be eligible for making exit request to the Investment Manager.</p> <p>Subject to the above, and charge of Exit Load, Contributors shall be entitled to redeem their investments in the Scheme on the relevant Dealing Day. At the request of the Contributor, redemptions shall be made on the relevant Dealing Day based on the post Tax NAV (net of Performance Fees) of the Units on the relevant Valuation Day, and subject to suspension of redemptions as described herein and deduction for Exit Load.</p> <p>The Unit Holders may redeem their Units on any Dealing Day by submitting redemption forms to the Investment Manager by facsimile or scanned copy by email at least 5 (Five) Business Day (originals to be received at least 1 (One) Business Days) in advance of the Dealing Day, failing which, the redemption proceeds will be held over until the original redemption forms are</p>

		<p>received and/or next Dealing Day whichever is later. A Unit Holder will receive a confirmation note showing details of the redemption within 7 (seven) Business Days of the relevant Dealing Day provided the original redemption forms have been submitted to the Investment Manager. The Investment Manager may, however, in its discretion accept requests for redemptions at any time prior to the Dealing Day.</p> <p>Units are redeemed based on the post Tax NAV (net of Performance Fees) as calculated on the relevant Valuation Day. The Trustee/Investment Manager reserves the right to waive the conditions as to the number of days for receiving of the documents as described above.</p> <p>The Investment Manager shall dispatch the amount due to the Unit Holder with respect to the redemption as soon as practicable and in any case within 7 (seven) Business Days from the Dealing Day, subject to receipt and acceptance of the original redemption form by the Investment Manager, unless the redemption of Units has been suspended in accordance with the Fund Documents.</p> <p><u><i>In-Specie Distribution</i></u></p> <p>The Investment Manager shall make <i>in-specie</i> distributions in the manner stated under the paragraph 45 titled “<i>Distribution In-Kind</i>” hereinbelow. Kindly refer to the terms set out under paragraph 10 titled ‘<i>Redemption</i>’ under this “SECTION VII: PRINCIPAL TERMS OF THE FUND” of this Memorandum.</p>
13.	DELAY / SUSPENSION OF REDEMPTION	<p>The Investment Manager may suspend/delay the redemption of Units during whole or any part of a period if any one or more of the below circumstances occur:</p> <ul style="list-style-type: none"> i During which any of the stock exchanges or markets in which any substantial portion of the investments of the Fund are quoted is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or ii when circumstances exist as a result of which in the sole opinion of the Investment Manager, it is not reasonably practicable to dispose of investments or as a result of which any such disposal would be materially prejudicial to the Contributors; or iii any breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange or market; or iv any period when the NAV of the particular Class/Sub-class of Units of the Fund may not be determined accurately or otherwise; or v when the Investment Manager is of the opinion that a change or adoption of any law, rule or regulation by any governmental authority, central bank or other regulatory agency or any directive or request issued by any such body imposes restrictions on the sale or acquisition or transfer of investments; or

		<p>vi when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Investment Manager, including without limitation, delay in settlement or registration of securities transactions, the disposal of the assets of a Class is not reasonably practicable without materially and adversely affecting and prejudicing the interest of continuing Contributors or if in the opinion of the Investment Manager, a fair price cannot be calculated for the assets of the Class; or</p> <p>vii when by reason of voluntary or involuntary liquidation or bankruptcy or insolvency or similar proceedings, Fund Investments are affected or in any event which results in the investments being nationalized, expropriated or otherwise required to be transferred to any government agency, authority or entity occurs; or</p> <p>viii in any other period when the Investment Manager, at its discretion, determines it to be in the interest of the Contributors.</p> <p>Notwithstanding anything stated above, suspension of exit/redemption shall be done by Investment Manager only in exceptional circumstances wherein such suspension is in the interest of the Contributors or if the suspension is required under any Applicable Law or force majeure or imposed by any regulatory authority.</p> <p>In the event that there is a delay / suspension of the determination of the NAV of a Class/Subclass on any Valuation Day/Dealing Day, the allotment of Units and/or exit from the Fund on such Valuation Day and Dealing Day shall also be suspended. Notwithstanding anything stated in this Memorandum, during the suspension of the exits, the Investment Manager shall not accept new subscriptions.</p> <p>Subscription and exit forms may be withdrawn at any time while the calculations of the NAV of such Class are suspended. If not so withdrawn, such requests shall be carried forward to the next Valuation Day on which the determination of the NAV of such Class shall have resumed.</p> <p>The decision by the Investment Manager to suspend redemption/exit, in particular the reasons for the suspension and the planned actions shall be appropriately documented and communicated to SEBI and to the Contributors. The suspension shall be regularly reviewed by the Investment Manager. The Investment Manager shall take all necessary steps in order to resume normal operations as soon as possible having regard to the interest of Contributors. The Investment Manager shall keep SEBI and the Contributors informed about the actions undertaken by the Investment Manager throughout the period of suspension. The decision to resume normal operations shall also be communicated to SEBI and the Contributors as soon as possible.</p>
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14.	HURDLE RATE OF RETURN	The hurdle rate of return to be distributed to the Contributors of Class B and Class D (and if applicable, each series thereof) shall be at rate of 10% per annum on “ Reference Price ” of the relevant Financial Year. This is not an entitlement to any absolute or guaranteed amount and is not applicable in case the amounts are insufficient to cover the same.
15.	HIGH WATER MARK	<p>“High Water Mark NAV” means, with respect to any Units subscribed:</p> <p>(a) For the first Performance Period: The subscription price</p> <p>(b) For subsequent Performance Periods where Performance Fee is charged in the immediately preceding Performance Period:</p> <ol style="list-style-type: none"> i. The closing post Tax NAV at the end of the last Valuation Day; or ii. Hurdle NAV of such immediately preceding Performance Period, whichever is higher. <p>(c) If Performance Fees is not charged in the immediately preceding Performance Period: Then the High Water Mark NAV of such immediately preceding Performance Period.</p> <p>“Hurdle NAV” means, with respect to any Units subscribed, the NAV per Unit of such Units arrived at as a return of</p> <ol style="list-style-type: none"> c) 10% (Hurdle Rate) for units in existence for one year d) 10% (Hurdle Rate) pro-rata for the holding period <p>Over the Reference Price (defined below) in the relevant Performance Period</p> <p>“Reference Price” with respect to any Units subscribed, for the relevant Performance Period shall be the higher of</p> <ol style="list-style-type: none"> a) Opening NAV of such Units or b) High Water Mark NAV applicable for such Performance Period. <p>The Performance Fee will be paid to the Investment Manager when gains exceed the Hurdle NAV in the relevant Performance Period.</p>
16.	ADDITIONAL RETURN	<i>Not Applicable.</i>
17.	PERFORMANCE FEE	<p>In respect of Class B Units and Class D Units, the Investment Manager shall be paid a Performance Fee (“Performance Fee”).</p> <p>The Performance Fee will be calculated at the end of every Financial Year (“Performance Period”) on a unit-by-unit basis so that each Unit is charged a Performance Fee which equates fairly with that Unit’s performance. The Performance Fee applicable to subscriptions (including subsequent subscriptions) received shall be subject to a “high water mark” procedure as described below.</p> <p>This method of calculation aims to ensure that (i) any Performance Fee is charged only on those Units which have appreciated in value, (ii) all the holders of a Class/Series Unit have the same amount of capital per Unit at risk in the Fund, and (iii) all the Unit have the same NAV per Unit. The first Performance Period was for the period beginning the date after the closure of the Initial Offer Period and ending on March 31,</p>

immediately following such period. If a Unit is redeemed, the Performance Period for that Unit shall be deemed to end on the Redemption Date and the Performance Fee shall be payable as of the date of such redemption.

At the end of each Performance Period, the Performance Fee shall be an amount equal to 20% of the appreciation in the pre-tax NAV per Unit (before accrual or deduction of the Performance Fee) over the Hurdle NAV (defined herein below) per Unit. The Performance Fee will be subject to the "high water mark" mechanism described above. No Performance Fee shall be paid to the Investment Manager unless; a minimum return of hurdle rate per annum over the Reference Price is made in the relevant Performance Period.

Secondary transfer of Unit during a Performance Period will not be taken into account when determining the amount of Performance Fee payable for that Performance Period. Prospective Investors are therefore expected to factor the Performance Fee while negotiating the price for secondary transfer and seek clarifications, if any, from the Investment Manager on the computation and payment of Performance fee. However, switches *inter alia* between the Classes of Units within the Scheme will be considered for the purpose of Performance Fee calculation.

Performance Fee calculation as per High Water Mark mechanism is as described above under the section High Water Mark. The Performance Fee will be paid to the Investment Manager when gains exceed the Hurdle NAV in the relevant Performance Period.

Please refer Annexures to this Private Placement Memorandum ('PPM') for illustrations and details of fees, charges and expenses paid by the Scheme.

Performance Fee on the Class B1, Class B2, Class B3, Class D1, Class D2, Class D3 and Class D4 Units shall be equal to 20% over the Hurdle Rate of Return.

The Performance Fee shall be adjusted from the NAV of Class B and Class D Units prevailing as on the date of calculation.

The Performance Fee shall be inclusive of all applicable Taxes and levies such as any GST leviable on such fees, and the same shall be borne by the Fund.

The Investment Manager, in its sole discretion, may waive/reduce the Performance Fee charged to any Contributor/Class/Sub-class/series. Any such waiver or reduction shall not result in any other Investor bearing liability accrued or accruing to other Investors of the Fund.

There shall be no Performance Fee payable with respect to Class A Units, Class C Units, Class E Units and Class F Units.

18.	ALLOCATION OF PROFITS AND LOSS	The allocation of the net profits / loss to the income of the Fund shall be done amongst the various Classes of Units in accordance with the paragraph 17 titled ' <i>Performance Fee</i> ' under this " SECTION VII: PRINCIPAL TERMS OF THE FUND " of the Memorandum.
19.	DISTRIBUTIONS TO INVESTORS	<p>Distributions from the Fund may be made at any time as determined by the Investment Manager, by redemption of Units or at the time of termination of the Fund or as otherwise determined by the Investment Manager.</p> <p>Distribution Proceeds for the purpose of distributions to the Contributors ("Distribution Proceeds") under any Class of Units shall be calculated as below:</p> <p>(Net Asset Value per Unit of the relevant Class of Units on the relevant Valuation Day x Number of Units held by the Contributor under the relevant Class of Units).</p> <p>The Investment Manager is entitled to retain some amount of money from any distributions or Capital Contributions before any distribution is made to the Unit Holders to pay Taxes and may also transfer such retained money to a reserve which the Investment Manager may deem reasonably necessary for meeting any future contingent or unforeseen liabilities or obligations or expenses of the Fund including any Tax demand and claims arising out of the activities of the Fund during its subsistence. In the event there is any shortfall in <i>inter alia</i> meeting the Tax claim/liability, the Investment Manager shall be entitled to recover such shortfall from the Unit Holders.</p> <p>Any Taxes discharged by the Fund shall be done considering the PAN of the Fund and not of the Contributors. Such Tax shall not appear in Form 26AS of the Contributors. In case of change in the provisions of the ITA requiring the Fund to withhold income tax against any accretion or distribution of income or proceeds to the Contributors, the Fund shall withhold Tax at the rates prescribed under the ITA and deposit the same to the credit of PAN of the Contributors, if required under the ITA.</p> <p>The Investment Manager will determine the level of distributions based on financial results and cash flows and after taking into consideration all necessary provisions, the Investment Manager will make the distributions within a reasonable period from the receipt of the divested funds.</p> <p>The Trustee, in consultation with and on the advice of the Investment Manager, may pay Taxes, as per the Applicable Laws and such Tax paid/reserves created will be treated as if it were deemed to be a distribution to the Contributors while computing the Distribution Proceeds.</p> <p>Any Distribution to a Person shown on the Investment Manager's register as the Contributor or to such Person's legal representative, transferee, or lawful assignee, having the right</p>

		<p>to receive Distributions / redemption proceeds , shall absolve the Investment Manager and the Trustee of all liability to any other person who may be interested in such distribution by reason of any other assignment by the Contributor or by reason of its incapacity or for any other reasons.</p> <p>Distribution will normally be made in cash and credited to the registered bank account of the Contributor as indicated in the register of Contributors.</p> <p>The Fund will not be required to make any distribution: (i) unless there is sufficient cash available; or (ii) if it would render the Fund insolvent; or (iii) which, in the Investment Manager’s opinion, would or could leave the Fund with insufficient funds or income to meet any present or future contemplated obligations, liabilities or contingencies including Tax liabilities.</p> <p>The Investment Manager may redeem such part of the Units as the Investment Manager decides for the purpose of effecting a distribution or otherwise in accordance with the Contribution Agreement.</p> <p>The Investment Manager shall distribute the moneys realized from the sale of assets upon liquidation. The Investment Manager may at its discretion, subject to obtaining the approval of Super-Majority of the Contributors of the Fund and in accordance with the terms of this Memorandum and Applicable Laws, make <i>in-specie</i> distributions of unliquidated assets to the Contributors, in accordance with the provisions prescribed under the paragraph titled “<i>Distribution In-Kind</i>” hereinbelow.</p> <p>Distribution Proceeds, as computed in the manner provided under this section, shall be distributed to the Contributors in the manner detailed under “SECTION XIII: DISTRIBUTION WATERFALL”.</p>			
20.	DISTRIBUTION WATERFALL	<p>Distribution Waterfall for Class B (includes B1, B2 and B3) and Class D (includes D1, D2, D3 and D4)</p> <p>Scenario I – The Fund is at loss, no profit or no loss, earned profits but less than the hurdle, and earned profits equal to the hurdle</p> <p>Net assets of the Scheme available for Distribution before Performance Fees (Net Distributable Proceeds) do not exceed the Net Capital Contributions (Corpus less the applicable stamp duty on the issue of Units) or exceed the Net Capital Contributions, but are not sufficient to satisfy the Hurdle Rate / Hurdle NAV.</p> <table border="1" data-bbox="592 1906 1406 2078"> <tr> <td>Class of Units</td> </tr> <tr> <td>B (includes B1, B2 and B3) and D (includes D1, D2, D3 and D4)</td> </tr> <tr> <td>Pro-rata in proportion to Net Assets held, by each Class of Unit Holders</td> </tr> </table>	Class of Units	B (includes B1, B2 and B3) and D (includes D1, D2, D3 and D4)	Pro-rata in proportion to Net Assets held, by each Class of Unit Holders
Class of Units					
B (includes B1, B2 and B3) and D (includes D1, D2, D3 and D4)					
Pro-rata in proportion to Net Assets held, by each Class of Unit Holders					

Scenario II - The fund has earned profits more than hurdle

Net Distributable Proceeds exceeds the Net Capital Contributions and in excess of Hurdle Rate / Hurdle NAV, then the Distribution shall be in the following order:

Distribution Waterfall for Class B (includes B1, B2 and B3) and Class D (includes D1, D2, D3 and D4)

The Net Distributable Proceeds shall be disbursed to the Unit Holders in the following manner:

Firstly	Net Capital Contribution
Secondly	To meet fees, expenses, other statutory levies
Thirdly	To satisfy Hurdle Rate / Hurdle NAV
Fourthly	Performance Fees* on surplus available after satisfaction of / above the Hurdle rate
Fifthly	Taxes
Lastly	The proceeds remaining post charging Performance Fees and Taxes would be distributed to the Investors / contributors in proportion to their Beneficial Interest

* Such Performance Fee shall be inclusive of GST

Distribution Waterfall Class A, C (includes C1, C2 and C3), E (includes E1, E2, E3 and E4) and F - Share Class without Performance Fees

Distribution Waterfall for Class A, C, E and F

The Net Distributable Proceeds shall be disbursed to the Unit Holders in the following manner:

Firstly	Net Capital Contribution
Secondly	To meet Fees, Expenses, Taxes and other Statutory Levies

100% of the Beneficial Interest w.r.t. surplus after fees, expenses, Taxes and other statutory levies

NIL Performance Fees for Class A, Class C, Class E and Class F Units

The above distribution waterfall shall be calculated and paid in respect of each Class of Units (or if, applicable, each series thereof), at the end of the earlier of: (i) Redemption by the Investor; or (iii) Distribution/forfeiture by the Trustee/Investment Manager.

For the sake of clarity, the distribution waterfall as mentioned above is only for the purpose of laying down the priority and manner of distribution of Net Distributable Proceeds to the Contributors and does not lay down the manner in which such Net Distributable Proceeds will be taxed or accounted in the hands of the Scheme or Contributors. Further, the distribution of Net Distributable Proceeds by the Scheme may be in the form of distribution on Units or through redemption of Units or a combination thereof at the discretion of the Investment Manager.

		<p>All taxes, duties and other charges/levies, if any, payable in connection with the income/gains from Investments qua each Contributor's respective holding of Units shall be paid by the Trustee in consultation with the Investment Manager and shall be taken into account while calculating 'distribution waterfall' as set out above. Any such taxes/ duties/ charges/ levies suffered as withholding tax or paid by the Trustee qua each Contributor's respective holding of Units in the Scheme shall be deemed to form part of 'distribution waterfall' as provided herein above to such Contributor as on date when such taxes/ duties/ charges/ levies are deducted or paid, as the case may be.</p>																								
21.	<p>FEES IN RELATION TO THE FUND</p>	<p>Management Fee:</p> <p>The Scheme will pay management fees ("Management Fees") at an annual rate on the Net Asset Value as mentioned in the below fee structure table, prior to charging of fees, costs and expenses, applicable taxes and Performance Fees. Other government duties, statutory charges and levies (like GST etc.), excluding income tax, will be charged over and above this.</p> <table border="1" data-bbox="587 920 1406 1435"> <thead> <tr> <th colspan="4" style="background-color: #cccccc;">Fee Structure – Class A</th> </tr> <tr> <th style="text-align: center;">Capital Commitment by the Investor</th> <th style="text-align: center;">Management Fees up to* (p.a.)</th> <th style="text-align: center;">Scheme Expenses * (including Trustee Fee) (p.a.)</th> <th style="text-align: center;">Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5% of the Corpus or INR 10 Crores (Rupees Ten Crores only), whichever is lower (as per the Regulations)</td> <td style="text-align: center;">0.25%</td> <td style="text-align: center;">0.15%</td> <td style="text-align: center;">0.40%</td> </tr> </tbody> </table> <p>* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.</p> <table border="1" data-bbox="587 1653 1406 2067"> <thead> <tr> <th colspan="4" style="background-color: #cccccc;">Fee Structure – Class B (Total Fee and Performance Fee)</th> </tr> <tr> <th style="text-align: center;">Capital Commitment by the Investor</th> <th style="text-align: center;">Management Fees up to*(p.a.)</th> <th style="text-align: center;">Scheme Expenses * (including Trustee Fee) (p.a.)</th> <th style="text-align: center;">Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">>= INR 1 crores - < INR 5 crores (Class</td> <td style="text-align: center;">1.75%</td> <td style="text-align: center;">0.15%</td> <td style="text-align: center;">1.90%</td> </tr> </tbody> </table>	Fee Structure – Class A				Capital Commitment by the Investor	Management Fees up to* (p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)	5% of the Corpus or INR 10 Crores (Rupees Ten Crores only), whichever is lower (as per the Regulations)	0.25%	0.15%	0.40%	Fee Structure – Class B (Total Fee and Performance Fee)				Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)	>= INR 1 crores - < INR 5 crores (Class	1.75%	0.15%	1.90%
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Capital Commitment by the Investor	Management Fees up to* (p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)																							
5% of the Corpus or INR 10 Crores (Rupees Ten Crores only), whichever is lower (as per the Regulations)	0.25%	0.15%	0.40%																							
Fee Structure – Class B (Total Fee and Performance Fee)																										
Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)																							
>= INR 1 crores - < INR 5 crores (Class	1.75%	0.15%	1.90%																							

		B1)			
		>=INR 5 crores but < INR 10 crores (Class B2)	1.50%	0.15%	1.65%
		INR 10 crores and above (Class B3)	1%	0.15%	1.15%
		* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.			
		Fee Structure – Class C			
		Capital Commitment by the Investor	Management Fees up to* (p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)
		>= INR 1 crores - < INR 5 crores (Class C1)	2.25%	0.15%	2.40%
		>=INR 5 crores but < INR 10 crores (Class C2)	2.00%	0.15%	2.15%
		INR 10 crores and above (Class C3)	1.75%	0.15%	1.90%
		* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.			
		Fee Structure - Class D (Total Fee and Performance Fee)			
		Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)
		>= INR 1 crores - < INR 5 crores (Class D1)	0.55%	0.15%	0.70%
		>=INR 5 crores but < INR 10 crores (Class D2)	0.45%	0.15%	0.60%

		>=INR 10 crores but < INR 25 crores (Class D3)	0.35%	0.15%	0.50%
		INR 25 crores and above (Class D4)	0.25%	0.15%	0.40%
		* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.			
		Fee Structure – Class E			
		Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)
		>= INR 1 crores - < INR 5 crores (Class E1)	0.75%	0.15%	0.90%
		>=INR 5 crores but < INR 10 crores (Class E2)	0.65%	0.15%	0.80%
		>=INR 10 crores but < INR 25 crores (Class E3)	0.55%	0.15%	0.70%
		INR 25 crores and above (Class E4)	0.40%	0.15%	0.55%
		* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the transaction, STT etc.			
		Fee Structure – Class F			
		Capital Commitment by the Investor	Management Fees up to*(p.a.)	Scheme Expenses * (including Trustee Fee) (p.a.)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a.)
		INR 25 lakhs and above	0.25%	0.15%	0.40%
		* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes cost on execution of trades which will be on actuals i.e. brokerage, transaction cost, stamp duty on the			

		<p>transaction, STT etc.</p> <p>The Management Fee shall be charged on a daily basis or at such other frequency as the Investment Manager may, at its sole discretion, deem appropriate.</p> <p>The level of Management Fee payable may vary according to the Class of Units or Sub-class (and, if applicable, each series thereof). The Investment Manager reserves the right to offer and charge a lower Management Fee. Any such reduction or waiver shall not result in any other Investor bearing liability accrued or accruing to other Investors of the Fund.</p> <p><u>Other Fees forming part of Management Fee:</u></p> <p>The Fund may use the services of arrangers, distributors or placement agents, as may be necessary from time to time ("Placement Agent/s").</p> <p>Such Placement Agent/s shall charge a placement fee ("Placement Fee") at their discretion, which would be borne by the Investment Manager from the Management Fees on equal trail basis as provided under paragraph 21 titled '<i>Fees in relation to the Fund</i>' under this "Section VII: PRINCIPAL TERMS OF THE FUND". The Investment Manager shall disclose the Placement Fees paid to the Placement Agent/s in connection with the Contributors who are sourced through the said Placement Agents, under their respective Contribution Agreements in accordance with the Applicable Laws.</p> <p>No upfront Placement Fee shall be charged to the Scheme directly or indirectly.</p> <p>It is hereby clarified, for avoidance of doubt, that Placement Fees shall not be allocated to Contributors, coming in the Fund directly and <i>pro-rata</i> invested capital of such direct plan Contributors will be computed/adjusted accordingly.</p> <p><u>Performance Fee:</u></p> <p>Please refer to paragraph 17 titled '<i>Performance Fee</i>' under this "SECTION VII: PRINCIPAL TERMS OF THE FUND".</p> <p>For more details, please refer to 'SECTION XII: ILLUSTRATION OF FEES, EXPENSES AND OTHER CHARGES' of the Memorandum.</p>
22.	TRUSTEESHIP FEE	<p>For acting as the trustee of the Fund and discharging its functions as a trustee, the Trustee will be entitled to receive fees from the Fund ("Trusteeship Fee") of an amount up to 0.10% p.a. of the daily net asset value of the Scheme or as per the terms agreed between the Investment Manager and the Trustee (or any other amount as agreed from time to time between them), exclusive of applicable taxes, including GST.</p>

		<p>The trusteeship fee shall be payable by the Fund and allocated to holders of all the Classes of Units as part of Operating Expenses.</p> <p>In addition, the Trustee shall be entitled to recover from Fund any applicable Tax or duty including goods and service tax (other than income tax) which is, or may become, leviable under the Applicable Laws on the fee payable to the Trustee by the Fund and such other costs, if any, incurred on behalf of the Trust/Fund, in consultation with the Investment Manager, under the terms of the Fund Documents.</p>
23.	DIRECT PLAN FOR INVESTORS	<p>Class D and Class E are the Classes designated as direct plan for investment in the Fund.</p> <p>The said Classes shall be available to such Investors who come into the Fund directly and/or through a SEBI registered intermediary which is separately charging a fee from such Investor (such as advisory fee or portfolio management fee).</p> <p>Such Class shall not entail any Placement Fee directly or indirectly.</p>
24.	EXPENSES (INCLUDING OPERATING EXPENSES AND SET-UP EXPENSES) CHARGED TO THE FUND	<p><u>Operating Expenses:</u></p> <p>The operational expenses of the Fund (“Operating Expenses”) will be borne by the Fund on actuals and allocated to the holders of all Classes of Units subject to a cap of 0.15% of daily net asset value (zero point one five percent) p.a. + GST.</p> <p>The Operating Expenses shall <i>inter alia</i> consist of the following:</p> <ul style="list-style-type: none"> • Expenses incurred in the operation of the Fund; • Statutory, legal, accounting, audit, consulting, valuation, any other third-party fees and operating expenses related to the Fund and other professional fees; • Expense incurred by the Fund for collection of Capital Commitments; • Expense relating to dematerialization of units including one time and periodical fees / charges and expenses to depository and depository participants; • Banking, registration, qualification, depository and similar fees or commissions; • Transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of the Fund’s assets and other statutory expenses; • Interest on borrowings; • Trusteeship Fees; • Costs of financial statements and other reports (including reports to Contributors) and meetings of the Investment Manager; • Expenses in connection with meetings of the Contributors (travel, accommodation and out-of-pocket expenses of Contributors will be borne by themselves); • Expenses in connection with meetings of the Investment Committee, Advisory Board;

	<ul style="list-style-type: none"> • Expenses associated with maintenance of books of accounts and other records of the Fund; • Administration, communication, advertising, promotional, operating, and transactional expenses (including bank charges) incurred by the Fund; • Fees payable to banks, merchant bankers and any consultants for providing services to the Fund; • Fees payable to advisors or members of any board or committee of the Investment Manager/Fund; • Reasonable premiums for insurance for protecting the directors, partners, officers, shareholders, employees and agents of the Investment Manager of the Fund; • Proportionate liquidation expenses of the Trust and Fund; and • All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above arising out of or in the course of managing or operating the Fund. <p>For avoidance of doubt, the Operating Expenses shall be borne by the Fund, whether incurred directly by the Fund or by the Investment Manager/Trustee for and on behalf of the Fund.</p> <p>The Investment Manager will have the discretion to reduce or waive the Operating Expenses payable by a Contributor/Class / Subclass /series of Units. Any such reduction or waiver shall not result in any other Investor bearing liability accrued or accruing to other Investors of the Fund.</p> <p>Any such costs and expenses incurred by the Investment Manager or the Trustee shall be reimbursable by the Fund to the Investment Manager or the Trustee as the case maybe along with applicable Taxes.</p> <p>The Operating Expenses shall be exclusive of all applicable Taxes and levies, if any, leviable on such Operating Expenses and the same shall be borne by the Fund and allocated to the holders of all the Classes of Units, as applicable.</p> <p><u>Set-Up Expenses:</u></p> <p>Set-up Expenses from each holder of Class A Units, Class B Units, Class C Units, Class D Units, Class E Units, Class F Units and such other Classes of Units as may be designated by the Investment Manager on <u>actuals</u> and amortized for a period of 3 years from Initial Offer Period (“Set-up Expenses”).</p> <p>The Set-up Expenses are expected to be utilized towards, <i>inter alia</i>:</p> <ol style="list-style-type: none"> a) setting up and offering costs; b) costs involved in marketing of the Fund; c) costs directly attributable to the establishment of the Fund and obtaining or maintaining various licenses, approvals and registrations, registration expenses; d) commitment or similar fees;
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		<p>e) legal and professional expenses (including fees paid for legal opinions, if any) incurred in relation to the preparation and negotiation of the Fund Documents or any other documents applicable to the Fund;</p> <p>f) printing costs in relation to the Fund Documents;</p> <p>g) stamp duty and registration charges incurred with respect to formation of Fund and execution of Fund Documents; and</p> <p>h) travel expenses of the Investment Manager team for the execution of the Contribution Agreements.</p> <p>The said fees would be within the limit specified in <i>Scheme Expenses (including Trustee Fee)</i>.</p> <p><u>Other Expenses:</u></p> <p>In addition to the Set-up Expenses and Operating Expenses, the Fund will be responsible for all costs and expenses at actuals and attributable to the Contributors, related to its own operations whether incurred directly by the Fund or by the Trustee or the Investment Manager for and on behalf of the Fund, including, without limitation ("Other Expenses"): </p> <p>(i) <u>Trading Expenses:</u></p> <p>The trading expenses of the Fund will be borne by the Fund on actuals and allocated to the Contributors ("Trading Expenses"). The Trading Expenses shall, <i>inter alia</i>, consist of the following:</p> <ul style="list-style-type: none"> • Stamp duty charges; • Brokerage charges; • Depository charges; • Custodian charges (volume based); • Securities Transaction Taxes; and • Costs and charges as imposed by stock exchanges. <p>(ii) Taxes and other governmental charges levied against the Fund;</p> <p>(iii) Expenses incurred in connection with any indemnification obligations; and</p> <p>(iv) Any litigation and any other extraordinary and non-recurring expenses.</p> <p>It is hereby clarified that all the above expenses and other Fund Expenses shall be exclusive of all applicable Taxes (excluding direct Taxes) and levies, if any, payable thereon on such Fund Expenses and the same shall be borne by the Fund and allocated to the holders of the Classes of Units, as applicable.</p>
25.	EXPENSES OF THE INVESTMENT MANAGER	<p>The Investment Manager shall bear all its operational and administrative expenses post setting up of the Fund and shall make its own provision for the following:</p> <p>(i) compensation to its employees and its advisors;</p> <p>(ii) rent, if applicable, of office premises, utilities and costs of maintaining information and technology devices or software;</p>

		<ul style="list-style-type: none"> (iii) other day-to-day expenses of the Investment Manager, including communications expenses and stationery costs; and (iv) expenses relating to identification, evaluation and appraisal of potential investments or divestments including travel costs and expenses incurred in researching and analysing potential investment ideas; and (v) Placement Fees.
26.	TRANSFER OF UNITS AND TRANSMISSION OF UNITS	<p><u>Transfer of Units:</u></p> <p>The Unit Holders may transfer any of their Units, interests, rights or obligation with regard to the Scheme subject to the Unit Holders having made Capital Contribution of such portion of their Capital Commitment so as to meet the minimum investment value as per the Regulations and only after obtaining the prior written consent of the Investment Manager and subject to such transferee executing a deed of adherence to the Contribution Agreement and/or such other document as may be prescribed by the depository and on such terms as are instructed by the Investment Manager. Notwithstanding the above, the Investment Manager reserves the right to generally waive the requirements with respect to the process of Transfer of Units in the interest of Investors and in compliance with Applicable Laws.</p> <p>The Unit Holders may transfer/pledge their Units, rights or obligation with regard to the Scheme to a transferee/pledgee subject to the following requirements:</p> <ul style="list-style-type: none"> (a) The proposed transferee/pledgee is an Eligible Person; (b) The proposed transfer/pledge shall be subject to execution of necessary documentation by transferee/pledgee and transferor/pledger as may be stipulated/prescribed/required by the depositories, with respect to dematerialised Units and/or the Investment Manager; (c) The proposed transferee/pledgee and/or transferor/pledgor has paid requisite stamp duty and evidence has been submitted along with the documentation; and (d) The proposed transfer/pledge will not contravene any Applicable Law or policy of the Government or otherwise is not prejudicial to the interests of the Fund/Trust. <p>The Unit Holder shall not be entitled to pledge, encumber or create any third party rights in the Units without the prior written approval of the Investment Manager.</p> <p>Any stamp duty applicable on such transfer of Units shall be the responsibility of the incoming / outgoing Contributor, failing which Investor Manager shall keep the transfer on hold till such time the stamp duty has been paid.</p> <p>Any transfers, without consent of the Investment Manager or in violation of Applicable Laws (hereinafter referred to as</p>

'erroneous transfer'), would not be considered / recorded by the Investment Manager and is liable to be reversed. The transferor would be solely responsible for any loss which the transferee, the Scheme, the Investment Manager or Trustee may suffer, as a result of such erroneous transfer.

In case of demat Units, such forms and process as specified by the depositories will need to be complied by the transferor and transferee to enable transfer of Units.

Notwithstanding the above, the Investment Manager reserves the right to generally waive the requirements with respect to the process of Transfer of Units in the interest of investors and in compliance with applicable laws.

Transmission of Units:

The Contributor shall have the right, by filling appropriate information in the application form provided by the Investment Manager, to nominate another person who shall be entitled to receive the proceeds in the event of the death of the Contributor.

In the event of death of a Contributor, the Investment Manager reserves the right to transmit the Units in the name of the nominee of the deceased Contributor upon the nominee making an election to receive the Units. Provided that, the nominee shall be required to give the necessary undertakings in such formats as may be prescribed by the Investment Manager or as prescribed by the depositories with respect to dematerialised Units and be bound by the terms and conditions of this Memorandum and the Contribution Agreement. Such terms and conditions shall include without limitation, making contributions to the extent that no further unfunded Capital Commitments remain in respect of the Contributor.

In absence of the nomination, the Investment Manager may transmit the units in the name of the legal heirs of the deceased Contributor upon the receipt of necessary documentary evidence to the satisfaction of the Investment Manager. The legal heirs shall have the same rights and shall be subject to the same obligations as are applicable to nominees under the paragraph above.

Subject to the applicable Exit Load (if any), the nominee/legal heir shall have the option to have the Units transmitted in their name and opt for redemption.

It is hereby clarified that in the case of joint Contributors, the surviving Contributor shall be deemed to be the sole Contributor on the demise of the other Contributor.

The Investment Manager shall upon receipt of demise of Unitholder *inter alia* undertake such process as prescribed vis-à-vis investors and KRA agency as prescribed vide SEBI circular dated October 3, 2023 bearing no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/0000000163 and

		<p>further amendments from time to time. Further, in case where the Investment Manager is in receipt of notification from KRA on 'blocked permanently' under the KYC status of an Investor, no redemption shall be permitted for such Investor and the Investment Manager shall notify the nominee (in case of single Unitholder) and to surviving Unitholder (in case of Joint Contributor), the process of transmission.</p> <p>Further, it is hereby clarified that such actions by the Investment Manager under this paragraph shall constitute full and valid discharge of the Trustee and/or the Investment Manager and/or the Fund of any liability towards the legal heirs of the Deceased Contributors.</p>
27.	GATING RESTRICTIONS WITHDRAWAL UNITS ON OF	<p>In addition to and subject to the other conditions as provided in this Memorandum, the redemptions are subject to a redemption limit of a maximum of 25% (twenty-five percent) of the Net Asset Value of the Scheme on the relevant date of redemption and suspension of redemptions as described herein. If redemption requests that are received is beyond 25% (twenty-five percent), the holders of Units requesting redemption will be redeemed on a <i>pro rata</i> basis up to a maximum of 25% (twenty-five percent) of the Net Asset Value of the relevant Scheme. The Investment Manager / the Trustee, however, retains the right to allow redemption in excess of 25% (twenty-five percent) of the Net Asset Value.</p> <p>The Investment Manager is required by SEBI to ensure that the Scheme shall have a minimum of 20 Contributors and no Contributor shall hold more than 25% of the aggregate Capital Contributions made by all Contributors to the Scheme. As the Investment Manager also manages assets of DSP Mutual Fund, as per SEBI norms, any scheme managed by the Investment Manager, including an AIF scheme shall have to abide by 20-25 rules. Non-adherence of the same may require the Scheme to be wound up as per SEBI norms.</p>
28.	LEVERAGE	<p>The Fund may take positions in derivatives for the limited purpose of arbitrage, hedging and portfolio balancing. Such positions in derivatives shall be in accordance with the Regulations (including any circulars issued thereto).</p> <p>The Fund may borrow, as may be prescribed/permitted under Applicable Laws from time to time for the purpose of meeting redemptions and temporary working capital requirement for meeting expenses of the Fund.</p>
29.	INDEMNIFICATION	<p>The Investment Manager shall indemnify and hold harmless, subject to the limits set out in the Investment Management Agreement, the Trustee and / or the Unit Holders against any claims, losses, cost, damages, liabilities and expenses including legal fees ("Losses") incurred by them in case such Losses have resulted from the Investment Manager's fraud, gross negligence or wilful misconduct.</p>

	<p>To the fullest extent permitted by law, the Investment Manager shall not be liable for any act or omission of the Investment Manager in connection with the conduct of the operations of the Scheme that is determined in good faith by the Investment Manager to be in or not opposed to the interests of the Scheme, unless the act or omission constitutes fraud, gross negligence or wilful misconduct on the part of the Investment Manager and further such act or omissions should have resulted in a direct, actual and quantifiable loss. In addition, the Investment Manager shall not be liable for any indirect or consequential or notional losses or for any losses due to the gross negligence, wilful misconduct or fraud of any broker or other agent of the Scheme selected by the Investment Manager with reasonable care. The Investment Manager may consult with legal counsel or accountants selected by it, and any act or omission by it on behalf of the Scheme or in furtherance of the activities of the Scheme in good faith in reliance on and in accordance with the advice of such counsel or accountants will be full justification for the act or omission and the Investment Manager shall be fully protected in so acting or omitting to act if the counsel or accountants were selected with reasonable care.</p> <p>The Scheme will indemnify and hold harmless the Investment Manager, Sponsor(s), its affiliates and their respective officers, directors, members, partners, shareholders or employees and any employees, counsel and agents dealing or transacting in the course of their respective employer – employee or other agreements or arrangements with the Scheme or members of any other board or committee, including any investment committee (if set up by the Investment Manager), if any, and any employees or agents of the Investment Manager representing the Scheme on the board of any Investee Company (each individually an “Indemnified Party” and collectively the “Indemnified Parties”) from and against any and all claims or liabilities of any nature whatsoever, including but not limited to reasonable attorneys’ fees, arising out of, or in connection with, any action taken or omitted by any Indemnified Party, unless such action or omission results from such Indemnified Party’s fraud, gross negligence or wilful misconduct.</p> <p>If the Investment Manager and / or the Trustee are called upon to discharge any tax liability and/or stamp duty in case of transfer, each Contributor shall indemnify the Scheme to meet any such tax liability including without limitation any penalty and / or interest that may be imposed on the Scheme. Notwithstanding the indemnity obligations of the Contributor, any such tax liability may be reduced from the entitlement of the Contributor and / or recovered from the Contributor, as determined by the Investment Manager and / or Trustee. The obligation to return distributions may also continue after the Scheme has been wound up.</p> <p>Any indemnity expressly given to the Indemnified Parties shall survive the Term of the Scheme and is in addition to and without prejudice to any indemnity or right of contribution allowed by</p>
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		<p>Applicable Law, provided nevertheless that any indemnity shall be void insofar as it would have the effect of exempting the Indemnified Party from or indemnifying it with respect to any liability, which by virtue of any rule of law would otherwise attach to it in respect of any Malfeasance.</p> <p>The Unit Holder, Trustee and / or the Investment Manager shall indemnify and keep indemnified each other from and against any and all actions, suits, claims, proceedings, costs, damages, judgements, amounts paid in settlement and expenses (including, without limitation, attorney's fees and disbursements) relating to or arising out of:</p> <ul style="list-style-type: none"> • any inaccuracy in or breach of the representations, warranties or covenants under the Contribution Agreement or any agreement entered into pursuant to the Contribution Agreement; • any other conduct by the Unit Holder, Trustee and / or the Investment Manager or its employees, agents or delegates as a result of which, in whole or in part, the Unit Holder, Trustee and / or the Investment Manager (as the case may be) is made a party to, or otherwise incurs any loss pursuant to any action, suit, claim or proceeding arising out of or relating to any such conduct; or • any contravention of Applicable Laws relating to any action or proceedings taken against the Unit Holder, Trustee and / or the Investment Manager in connection with any such contravention or alleged contravention by the Unit Holders, Trustee and / or the Investment Manager (as the case may be). <p>Where the Contributors are liable to pay income tax (including capital gains) on any income of / from the Scheme, each Contributor shall indemnify the Scheme to meet any such income-tax liability including without limitation any penalty or interest that may be imposed on the Scheme. Notwithstanding the indemnity obligations of the Contributor, any such tax liability may be reduced from the entitlement of the Contributor and / or recovered from the Contributor as determined by the Investment Manager and / or Trustee.</p>
30.	DEFAULTING CONTRIBUTOR	<i>Not Applicable.</i>
31.	REINVESTMENT	<i>Not Applicable.</i>
32.	TEMPORARY DEPLOYMENT SURPLUS FUNDS OF	<p>The Scheme may also make temporary investments including in liquid mutual funds or bank deposits or other liquid assets of higher quality such as treasury bills, triparty repo dealing and settlement (TREPs) commercial papers, certificates of deposits, etc. amongst others as may be permitted by SEBI and/or RBI from time to time, for rebalancing and/or liquidity purposes.</p> <p>Until Capital Contributions received by the Fund are utilized towards Fund Investments and/or pending distribution or as a</p>

		<p>reserve for the Fund's anticipated obligations (including Tax obligations / liabilities), as applicable, the Investment Manager shall be entitled to invest the same in Temporary Investments.</p> <p>Any gains arising to the Fund from such Temporary Investments shall be retained as a part of the Contribution Fund to be utilized by the Investment Manager or distributed in accordance with the Fund Documents.</p> <p>The Investment Manager would endeavour to hold the Temporary Investments for a tenure not exceeding 1 (one) year from the date of making such investment.</p>
33.	GIVEBACK BY THE CONTRIBUTORS	<p>Subject to the provisions of the Indian Limitation Act, 1963, and other Applicable Laws, the Investment Manager or Trustee may, in prior consultation with the Investment Manager, require a Contributor to return distributions made to the Contributor in order to satisfy the Contributor's <i>pro rata</i> share of any obligations or liabilities of the Fund (including any indemnification obligations, Tax liability/claim), during and beyond the term of the Fund.</p> <p>Subject to Applicable Laws including the Limitations Act, 1963 and the Income-tax Act, 2025. The obligation to return distributions may also continue beyond the term of the Fund/Trust as determined by the Investment Manager or Trustee, in consultation with the Investment Manager, by providing a notice to the Contributors for the same.</p> <p>Upon invocation of such giveback, the same shall be communicated in writing to the Contributor and as stated in this Memorandum each Contributor's liability shall be <i>pro rata</i> to their respective investment in the Fund.</p>
34.	CLAWBACK OF ADDITIONAL RETURNS	<i>Not Applicable</i>
35.	KEY PERSON & KEY PERSON EVENT	<i>Not Applicable</i>
36.	CO-INVESTMENT	<i>Not Applicable</i>
37.	REMOVAL OF THE INVESTMENT MANAGER	<p>The Investment Manager may be removed for a "Cause" (as described below) if the Super-Majority of the Contributors by value in the Fund vote to remove the Investment Manager after giving a 180 (one hundred and eighty) days' written notice ("Cure Period") to the Investment Manager of such "Cause" and the Investment Manager fails to cure such "Cause" within the Cure Period.</p> <p>For the purposes of removal of the Investment Manager, "Cause" shall be established where the existence of the following circumstances is demonstrated:</p> <p>(i) the Investment Manager is in material breach of its material obligations under the terms of the Fund Documents for which a written notice has been served upon the</p>

		<p>Investment Manager (through the Trustee) specifying the nature of breach and the Investment Manager has failed to cure such default within a period of 180 (one hundred and eighty) days from the date of receipt of such notice by the Investment Manager;</p> <p>(ii) orders of bankruptcy, insolvency, administration, involuntary reorganization or similar proceedings have been passed against the Investment Manager; or</p> <p>(iii) the Investment Manager has engaged in Malfeasance in connection with its role as the Investment Manager.</p> <p>In such an event (if the “Cause” has not been cured), the Super-Majority of the Contributors of the Fund may appoint another investment manager. The provisions of the Contribution Agreement shall be in line with this paragraph 37 on ‘<i>Removal of Investment Manager</i>’.</p> <p>Notwithstanding anything stated above, upon removal of the Investment Manager in accordance with this paragraph 37, the Management Fee accrued till the date such removal of Investment Manager is effected, shall be due and payable to the Investment Manager.</p> <p>No conditions are envisaged where the Investment Manager shall not be paid any compensation.</p>
38.	PARALLEL VEHICLES / ALTERNATIVE INVESTMENT STRUCTURES	<p>Subject to Applicable Laws, the Investment Manager may establish one or more parallel vehicles / alternative investment structures through which certain Investors may invest in the Fund including overseas vehicles. Such structures may, <i>inter alia</i>, be used to raise capital through offshore jurisdictions with the help of feeder funds.</p> <p>Such parallel vehicles / alternative investment structures /feeder vehicles shall be established in accordance with the regulatory framework of the jurisdiction in which it is being established. If the Fund establishes parallel vehicles / alternative investment structures in India, it shall be established in accordance with the Applicable Laws.</p> <p>The cost of setting up and managing such parallel vehicles / alternative investment structures / feeder vehicles shall be borne by the Investment Manager or Investors of such parallel vehicles / alternative investment structures /feeder vehicles.</p>
39.	SUCCESSOR FUNDS	<p>The Investment Manager can set up subsequent funds with similar or different investment strategy which may be called successor funds, under the same Trust or separate vehicle in accordance with the Applicable Laws. Such successor funds may be launched during the term of the Fund/Trust or post the termination of the Fund/Trust.</p>
40.	CURRENCY PRINCIPLES	<p>The functional currency of the Fund shall be INR. The currency for making Capital Commitments, Capital Contributions, redemptions, etc. shall be INR.</p>

41.	REPORTING	<p>The Contributors will receive:</p> <ol style="list-style-type: none"> a. A quarterly report comprising financial information of the Portfolio Entities, material risks and how they are managed and other material information on the Fund that is deemed to be relevant by the Investment Manager. This information shall be sent to the Contributors within 60 (sixty) days of end of the quarter. b. Periodic reports pertaining to overall level of leverage employed, the level of leverage arising from borrowing of cash, the level of leverage arising from position held in derivatives or in any complex product and the main source of leverage in the Fund. c. Information with respect to any fees charged by the Investment Manager and/or the Sponsors or any fees charged to the Fund/Portfolio Entity by an Associate of the Investment Manager and/or Sponsors shall be disclosed periodically in accordance with Applicable Laws. d. Information with respect to any breach of a provision of this Memorandum, Contribution Agreement or any other Fund Documents as and when occurred. e. Information with respect to any change in control of Investment Manager, any change in the Investment Manager and/or Sponsors, any significant change in key investment team and information with respect to any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction as and when occurred. f. Information in relation to any change to this Memorandum with details indicating the changes made and such other information as required to be reported/disclosed to the Contributors in terms of the Regulations, from time to time. g. Any change/s in the disciplinary history, as and when required. h. Reasons/ factors for any deviation from the valuation policy along with rationale, any deviation in valuation of asset class of beyond 20% between two consecutive valuations or deviation of more than 33% in a Financial Year. i. Details of changes in the valuation methodology and approach, if any, for valuation of each asset class of the Fund, details of changes in accounting practices/policies, if any, of the investee company and the Fund; and details of impact of the aforesaid changes in terms of valuation of the investments of the Fund, to be disclosed annually. j. Any material liability arising during the tenure of the Fund shall be disclosed as and when occurred. k. Any other details/reports <i>suo moto</i> from the Investment Manager, as deemed necessary by the Investment Manager. <p>All the above referred reports/information shall be furnished to the Contributors and shall be sent electronically by e-mail unless otherwise specified by the Contributor.</p>

		<p>The Investment Manager / Trustee, in accordance with the Contribution Agreement, shall deliver to each Contributor the Statement of Accounts, evidencing the number of Units held by the Contributor. The Investment Manager / Trustee may, if so required by the Contributors, issue Unit Certificates in lieu of Statement of Accounts, provided that the stamp duty on such Unit Certificates, if any, is borne by the Contributors to whom the Unit Certificates are being issued.</p> <p>Units held in electronic form</p> <p>Where units are held by Contributor in electronic form, the demat statement issued by the depository participant will be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p>
42.	TAXATION	<p>The Trustee shall, in consultation with and on the advice of the Investment Manager, before distribution of income/ gains arising out of the Fund Investments to the Contributors withhold and/or discharge appropriate Taxes, if required, as per Applicable Laws and the provisions of the Fund Documents.</p> <p><u>Tax refunds:</u> If the Trustee is in receipt of undisputed Tax refunds or the Trustee receives or collects any undisputed Tax refunds during or after the Term of the Fund or tenure of holding of Units in the Fund by a Contributor / Unit holder, then the Contributor(s) / Unit holder(s) shall receive the Tax credits / Tax refunds as per the eligibility of the Contributors / Unit holders as determined by the Investment Manager and/ or the Trustee. Accordingly, the Investment Manager shall identify the eligible Contributors /Unit holders for receiving the Tax credit(s) or refund(s) and consequently make payments to them, even if the Fund has been wound up.</p>
43.	VALUATION	<p>Calculation of net asset value ("Net Asset Value"/ "NAV") would be done independent from the fund management function of the Fund and such NAV shall be disclosed to the Contributors at intervals not longer than a Month, in accordance with the Regulations. The NAV per Unit arrived can be considered as the "Pre-Tax NAV per Unit". In order to determine the "Post-Tax NAV per Unit", Tax (accrued and paid/payable including reserves created in relation to the same) shall be allocated to the Contributors against the Pre-Tax NAV per Unit in the manner determined in the Fund Documents.</p> <p>For more details, please refer to "SECTION VIII: DETERMINATION OF NET ASSET VALUE OF THE UNITS" of this Memorandum.</p>
44.	SIDE LETTERS	<p>Subject to the Applicable Law, the Trustee or the Investment Manager, without further act, approval or vote of a Contributor, may from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more</p>

	<p>Contributors which <i>inter alia</i> provide such Contributors with differential rights as given below.</p> <p>The basis on which commercial terms and non-commercial terms may be agreed under the Side Letter <i>inter alia</i> include the following:</p> <ol style="list-style-type: none"> i. commitment amount (as decided by the Trustee or the Investment Manager) to be received from a Contributor (I) who is an individual either singly or combined along with his/her family members (executing separate Contribution Agreement), or (II) that is a company including two or more companies belonging to the same group of companies (executing separate Contribution Agreement), ii. Contributors routing their applications through a same placement agent /distributor (executing separate Contribution Agreement), iii. type of Investors such as pension funds, provident funds, sovereign funds, Family Trust/office, High Net Worth Individuals etc. <p>In terms of SEBI circular no. SEBI/HO/AFD/AFD-POD-1/P/CIR/2024/175 dated December 13, 2024 on Pro-rata and pari-passu rights of investors of AIFs read with Implementation Standards for offering of differential rights to select investors of an AIF, any investor meeting the above eligibility criteria may opt to avail such differential right as listed below.</p> <p><u>For Contributors seeking differential rights prior to January 28, 2025:</u></p> <p><u>A) Commercial terms:</u></p> <p>Basis the above criteria, certain Contributor/s <i>inter alia</i> may be charged a lower Management Fee, Performance Fee (if applicable) than as otherwise charged to the other Investors or may be offered a higher hurdle rate of return in comparison to other Classes/Subclasses.</p> <p><u>B) Non-commercial terms:</u></p> <p>Basis the above criteria, certain Contributor/s may be offered <i>inter alia</i> the following non-commercial terms.</p> <p><u>For Contributors seeking differential rights post January 28, 2025:</u></p> <p>Pursuant to SEBI circular no. SEBI/HO/AFD/AFD-POD-1/P/CIR/2024/175 dated December 13, 2024 on 'Pro-rata and pari-passu rights of investors of AIFs' read with the implementation standards formulated by Standard Setting Forum for AIFs ("SFA") on January 28, 2025, the differential rights can be provided on the following:</p>
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		<ul style="list-style-type: none"> i. Fund Expenses ii. Management Fees iii. Hurdle Rate of Return iv. Carried interest v. Co-investment rights vi. Reporting and information rights vii. Representation on committees constituted by the Fund viii. Most favoured nation ix. Confidentiality of Contributor's details / information x. Representations and warranties. <p>Notwithstanding anything stated above, any further update in the implementation standards by SFA shall be deemed to form part of the above list without requiring any further action from the Investment Manager.</p> <p>Any such differential rights mentioned hereinabove shall not have any impact on the economic rights or any other rights of other Investors.</p> <p>The terms on which differential rights shall not be offered, <i>inter alia</i> include preferential exit from the Fund, contributor giveback, drawdown and contribution to indemnification. No such differential rights by way of any agreement may be offered, which have the potential to impact other Contributors in a negative manner.</p>
45.	DISTRIBUTION IN-KIND	<p>The Investment Manager shall make best/reasonable efforts to liquidate investments and distribute proceeds to Investors prior to termination of the Fund or otherwise in accordance with the terms of the Fund Documents and in accordance with the Applicable Laws. If for any reason, the Investment Manager is unable to sell any such Fund Investment prior to the date of termination of the Fund or otherwise in accordance with the Fund Documents, or if the Investment Manager believes, in good faith, that such sale of Fund Investments would not be in the best interests of the Unit Holders, then the Investment Manager shall make <i>in-specie</i> distribution of such investments, subject to obtaining approval from Super-Majority of the Contributors, and in accordance with the terms set out under paragraph 19 titled '<i>Distributions to Investors</i>' in this "SECTION VII: PRINCIPAL TERMS OF THE FUND" of this Memorandum. The manager shall ensure that any Investor, by virtue of receiving securities due to distribution in kind, will not breach/violate any Applicable Law.</p> <p>Any Taxes arising on <i>in-specie</i> distribution by the Fund/Trust shall be borne by the Contributors. Such <i>in-specie</i> distributions of Fund Investments will be made in the same manner and priority as if the Distribution Proceeds equaled the fair market value (which will be determined in good faith by the Investment Manager) and shall be subject to discharge of appropriate withholding of Tax at the time of such distribution, if applicable.</p>

46.	WAREHOUSED INVESTMENTS	Not Applicable.
47.	MOVEMENT FROM ONE CLASS OF UNITS TO ANOTHER CLASS OF UNITS OF THE FUND	<p>The Investors with a Capital Commitment in the Fund (“Existing Capital Commitment”) may make additional Capital Commitment, subject to a minimum amount of INR 25,00,000 (Indian Rupees Twenty-Five Lakh) (“Additional Capital Commitment”). Such Additional Capital Commitment made by an Investor may result in change in Class of such Investor as set forth below or in the Contribution Agreements of such Investors or as may be determined by the Investment Manager.</p> <p>In case, any Investor makes such Additional Capital Commitment so as to upgrade such Investor from its existing Class/Subclass to a higher Class/Subclass, such Investor shall be subject to such fees/expenses of such higher Class/Subclass on his Additional Capital Commitment, as may be applicable to Investors of the higher Class/Subclass from the date of allotment of Units of such higher Class/Subclass of Units. For the avoidance of doubt, the Fund Expenses as applicable in respect of the Existing Capital Commitment (and Capital Contributions pursuant thereto) shall continue to be payable as if the Investor has not been upgraded to the higher Class, however, fees/expenses as applicable in respect of the Additional Capital Commitment (and Capital Contributions pursuant thereto) shall be payable as per the higher Class/Subclass. The said process shall be followed in case of transfer of Units, thereby leading to Capital Commitment being eligible for higher Class/Subclass.</p> <p>However, the Investor may at its sole discretion request the aggregate Capital Commitment (i.e. the Existing Capital Commitment and the Additional Capital Commitment) to be added up and shifted to a higher Subclass from the date of acceptance of such Additional Capital Commitment of Units issued by the Investment Manager. The Investment Manager shall not move / shift any investments from one Class/Subclass to another Class/Subclass unless and until a written request is provided by the relevant Investor in the manner specified by the Investment Manager.</p> <p>Further, the Investors with an Existing Capital Commitment in the Fund may make partial redemption. Such partial redemption will not result in the change of Class/Subclass. The Investor making such partial redemption shall be subject to the fees/expenses of the same Class/Subclass as if the Investor has not made any partial redemption.</p> <p>It is clarified that any reclassification, the cost of Capital Commitment (net of additional subscriptions and redemptions, if any) shall be considered and not mark to market value as at as on the Valuation Day when the transactions are effected.</p> <p>To clarify, any such movement as specified above, may be subject to income-tax and stamp duty. Investors are required to</p>

		consult their tax consultants in this regard.
48.	FUND DOCUMENTS	<p>The Fund Documents shall constitute:</p> <ol style="list-style-type: none"> a. this Memorandum; b. the Indenture; c. Contribution Agreement of the respective Contributor; d. Investment Management Agreement between the Trustee and the Investment Manager; and e. any other document that may be declared as Fund Document by the Investment Manager. <p>A copy of this Memorandum and the Contribution Agreement shall be shared with the prospective investors upfront, in a manner as directed by the prospective Contributor. It is hereby clarified that the terms of the Contribution Agreement shall not go beyond the terms of the Memorandum. Copies of the other Fund Documents shall be available for inspection by the prospective Contributors in the Fund. Any prospective Investor desirous of obtaining a copy of the Fund Documents should forward his request to the Trustee and/or Investment Manager.</p> <p>It is clarified herein that if an Investor is desirous of obtaining copy of the Fund Documents, it will not receive a copy of the Contribution Agreement (including any supplemental documents) that have been entered into with other Investors.</p> <p>If there is a conflict in the interpretation and / or consequence arising from the interpretation of expressions, terms, phrases or definitions amongst the Fund Documents, the Fund Documents shall be harmoniously read to give effect to such expressions, terms, phrases or definitions.</p>
49.	LISTING	<i>Not Applicable.</i>
50.	AMENDMENTS AND WAIVERS	<p>The Investment Manager may subject to compliance with Applicable Laws, from time to time, make any amendment to this Memorandum, including amendments to the investment strategy, process and restrictions, as it considers necessary or desirable, provided however, such amendment process will be specified by the Investment Manager keeping in mind the requirements under the Regulations.</p> <p>All laws and regulations applicable to the Fund's activities, may, at any time be amended, modified, repealed or replaced in a manner adverse or favorable to the interests of the Contributors. The Investment Manager shall carry out necessary amendments to any of the Fund Documents so as to conform to such modifications in Applicable Law.</p>
51.	CONFIDENTIALITY	The Investor shall maintain the confidentiality of any information regarding the Fund/Trust, the Investment Manager, its affiliates and the Portfolio Entities and their affairs, received by the Contributor pursuant to the Contribution Agreement or any other document, as a result of its status as an Investor to the Fund,

		except as otherwise required under Applicable Laws and Regulations, or as otherwise permitted by the Investment Manager.
52.	CUSTODIAN	The Trustee has appointed Hongkong and Shanghai Banking Corporation Limited , a banking company having its office at NESCO IT Park, NESCO Complex, 11 th floor, Building No. 3, Western Express Highway, Goregaon, Mumbai – 400 063, Maharashtra, India, as the Custodian pursuant to the Custodian Agreement.
53.	TAX ADVISORS	G.M. Kapadia & Co. , having its registered office at 1007, Raheja Chambers, 213, Free Press Journal Marg, Nariman Point, Mumbai – 400 021
54.	AUDITORS	S.R. Batliboi & Co. LLP , having its office at 14 th floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India.
55.	REGISTRAR AND TRANSFER AGENT	Computer Age Management Services Limited , having its registered office at Rayala Towers, Tower 3, 2nd Floor, 158 Anna Salai, Chennai 600002.
56.	GRIEVANCE REDRESSAL	<p>Grievance Redressal:</p> <p>The Investment Manager shall designate one of its personnel as the investor relation officer who shall seek to attend to and address any investor query/concern/grievance at the earliest within the timelines prescribed under the Regulations from time to time. The Investment Manager will ensure that this official is vested with the necessary authority and independence to handle complaints received from the Investors.</p> <p>The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Investor.</p> <p>The Investor may also register its grievance/complaint (including in respect of any complaints/grievances in respect of digital accessibility) vis-à-vis Investment Manager / Sponsor through SCORES (SEBI Complaints Redress System) available at http://scores.sebi.gov.in, post which SEBI may forward the complaint to the Investment Manager and the Investment Manager will suitably address the same. The Fund's SCORES registration number is AIF00060.</p> <p>The Investor may also initiate dispute resolution in accordance with their respective Contribution Agreements or as per the framework notified by SEBI vide its master circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 titled 'Master Circular Online Resolution of Disputes in the Indian Securities Market' (including any amendments or clarificatory circulars that may be issued by SEBI from time to time).</p>

Supplementary Section

1.	SUPER-MAJORITY OF THE CONTRIBUTORS	<p>In respect of the Fund means such number of Contributors whose Capital Contributions in aggregate amount to at least 75% (Seventy-Five Percent) of the aggregate of all Capital Contributions of the Fund, as per the Regulations ("Super-Majority of the Contributors").</p> <p>A vote of Super-Majority of the Contributors is required for the following:</p> <ul style="list-style-type: none"> (i) To approve winding up of the Fund; (ii) To approve <i>in-specie</i> distribution by the Fund; (iii) To approve investment by the Fund in an Associate; (iv) To approve buy or sell investments from or to (a) associates (b) Schemes of AIFs managed or sponsored by its investment manager, sponsor or associates of its investment manager or sponsor; and (c) from an Investor who has committed to invest at least fifty percent of the corpus of the Fund Provided that while obtaining approval of the investors, the investor specified under sub-clause (c) who has committed to invest at least fifty percent of the corpus of the Fund and is buying or selling the investment, from or to, the Fund, shall be excluded from the voting process; and (v) To approve any material change (i.e. changes in fundamental attributes of the Fund) in accordance with the Regulations.
2.	TWO-THIRD MAJORITY OF THE CONTRIBUTORS	<p>In respect of the Fund means such number of Contributors whose Capital Contributions in aggregate amount to at least two-third of the aggregate of all Capital Contributions of the Fund, as per the Regulations ("Two-Third Majority of the Contributors").</p> <p>A vote of Two-Third Majority of the Contributors is required to approve material change in the investment strategy.</p>
3.	EXCUSE AND EXCLUSION	<p>The Investment Manager may, in its discretion, excuse any Contributor from utilizing such Excused Contributor's Capital Contribution towards any proposed Fund Investment by the Fund if (i) the Contributor, based on an opinion of a legal professional/legal advisor confirms that its participation in a Fund Investment would violate any Applicable Law; and/or (ii) participation of the Contributor in the Fund Investment opportunity would be in contravention to the internal policy of the Contributor; and/or (iii) if the Investment Manager is satisfied that the participation of any Contributor in the Fund Investment would lead to the Fund being in violation of Applicable Law or would result in material adverse effect on the Fund; and/or (iv) if the Contributor by virtue of being an Alternative Investment Fund or an investment vehicle, such Contributor may be partially excused or excluded from participation in the Fund Investment, to the extent of the Capital Contribution of the said Alternative Investment Fund or investment vehicle's underlying investors who are to be excused or excluded from such Fund Investment ("Excused Contributor") and such Contributor has informed the Investment Manager in writing of its inability or</p>

		<p>limitation to participate in certain types of investments by the Fund at the time of execution of their respective Contribution Agreements.</p> <p>Any changes to the requirements that have been disclosed by the Contributors at the time of execution of their respective Contribution Agreements (pursuant to point (ii) above) shall be intimated to the Investment Manager within 15 (fifteen) calendar days of such change. For excusal of any Contributor pursuant to points (iii) and (iv) above, the Investment Manager shall record the rationale for such exclusion along with the relevant supporting documents.</p> <p>In the event that one or more Contributors are excused from participation in an investment, the Investment Manager may, either elect to have the Fund not make the investment or elect to have the Fund make the investment without the participation of such Excused Contributor. In the event the Excused Contributor exercises to not participate with respect to any Fund Investment in accordance with its Contribution Agreement, such Contributor shall have zero allocation in such Fund Investment (or the portion of the Fund Investment in which it does not participate) and will not be entitled to receive any distribution of proceeds in respect of such Fund Investment (or the relevant portion of the Fund Investment). Accordingly, the allocation of such Excused Contributor in other Fund Investments will correspondingly increase.</p> <p>A separate Class of Units of the Fund may be issued to Excused Contributors for ease of tracking of their interest in the Fund.</p> <p>The Fund may make necessary adjustments at the time of making distribution as may be necessary or desirable to reflect the terms set out in this Memorandum and the Contribution Agreement with respect to such Excused Contributor who has been excused from participating in certain Fund Investment(s) because of abovementioned reasons.</p>
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SECTION VIII: DETERMINATION OF NET ASSET VALUE OF THE UNITS

Classes of Units (and if, applicable, each series thereof) will be valued at each Valuation Day, and valuation of each Class of Units (and if applicable, each series thereof) will be undertaken at the relevant Valuation Day. On any Valuation Day, the value of investments of each Class (or if, applicable, each series thereof) will be computed as set forth below and as provided in the Scheme Documents. The Trustee may, at its discretion, permit any other method and frequency of valuation if it considers that such method better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice and such change in methodology will be intimated to Contributors.

The Trustee has delegated to the Investment Manager the determination of the Net Asset Value of the Scheme, of each Class of Units (and/or if, applicable, each series thereof) of the Scheme. Calculation of Net Asset Value or NAV would be done independent from the fund management function of the Fund.

The Units may be divided into multiple Classes, sub-classes or series to equitably reflect the different dates of Subscription Allotment Date Pursuant to First Capital Contribution and/or different fees payable by certain Unit Holders including as a result of the acceptance of Capital Commitments at different times. The initial series will be designated as "Series One" and each subsequently issued series will be numbered sequentially. For the purposes of series accounting, each series of Unit will constitute a "Series Account" to which the Capital Contribution received from the issue of Units of that series would be allocated, together with investments and income, gains and losses derived therefrom. Liabilities of the Scheme will generally be allocated among the series proportionately and debited to the various series accounts. However, liabilities specifically attributable to a particular series of Units (including Management Fees or Distribution that may be payable to the Investment Manager) will be debited to the Series Account for that series. The Scheme is permitted to consolidate different series of Units into a single series at any year-end, provided that the consolidation will have no adverse impact on any Unit Holder or affect the calculation of expenses or the Management Fees or the Distributions that may be payable with reference to any Unit.

The Scheme's liabilities are expected to comprise of the following:

- a. All borrowings and other amounts due;
- b. All administrative expenses payable or incurred, including establishment and registration costs payable to registration agents; legal fees; audit fees; fees payable to the Investment Manager and all other fees/charges/expenses listed out in the Memorandum;
- c. All known liabilities, whether due or not yet due.
- d. All disputed as well as undisputed tax liabilities or any tax or other liabilities as may be determined by the Investment Manager; and
- e. All other liabilities of any kind to third parties.

For determining the Net Asset Value, the Investment Manager shall adhere to the SEBI Regulations and the following valuation policy would be used for the relevant asset type covered in the investment universe of the fund. In case of change in the extant SEBI Regulations, the below policy may be suitably amended on a periodic basis.

A. Equity and related securities

Asset Class	Traded / Non Traded	Basis of Valuation
Equity Shares, Preference Shares, Equity Warrants	Traded	<p>On the valuation day, at the last quoted closing price on the National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) or other stock exchange, where such security is listed. If not traded on the primary stock exchange, the closing price on the other stock exchange will be considered. NSE will be the primary stock exchange.</p> <p>For Index Funds / Exchange Traded Funds, exchange of underlying benchmark index would be the primary stock exchange.</p>
	Non Traded	<ol style="list-style-type: none"> 1. When a security is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE / any other SE will be used, provided such closing price is not exceeding a period of 30 calendar days. 2. In all other cases <ol style="list-style-type: none"> a. Equity Shares: Based on the latest available Balance Sheet, net worth shall be calculated as follows: <ol style="list-style-type: none"> i) Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares. ii) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry Average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose. iii) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share. iv) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. v) In case where the latest balance sheet of the company is not available within nine

Asset Class	Traded / Non Traded	Basis of Valuation
		<p>months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.</p> <p>vi) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.</p> <p>To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation</p> <p>b. Preference Shares: Intrinsic value will be considered</p> <p>c. Equity Warrants / Rights entitlement / partly paid up rights shares: Valuation price will be arrived, after applying appropriate discount (valuation committee delegated the power to decide the discount factor), after reducing the exercise price / issuance price from the closing price of the underlying cash equity security–</p> <p>d. Partly Paid Up Share - If the partly paid up share is not traded on any stock exchange on the date of valuation, then it should be valued at the price derived after reducing the uncalled amount from the Closing price of underlying fully paid up share. Further Valuation Committee to decide on application of illiquidity discount as deemed appropriate on case to case basis.</p> <p>e. Demerger:</p> <p>i. Where there is one resulting Company along with the demerged company and such resulting company is unlisted - The resulting company will be valued by residual price methodology which would be traded value of the demerged company on the day before the demerger less value of the demerged company immediately post demerger. However, if value of demerged entity is greater or equal to the value of the demerged entity</p>

Asset Class	Traded / Non Traded	Basis of Valuation
		<p>before demerger, then the resulting company would be valued at zero.</p> <p>ii. Where there are more than one resulting companies along with the demerged company and all or some resulting companies are unlisted - The resulting companies will be valued by residual price methodology which would be traded value of the demerged entity on the day before the demerger less value of the demerged entity immediately post demerger. The residual value would be allocated into resulting companies in the ratio provided as a part of scheme of arrangement or such other ratio as decided by the Valuation Committee. If one of the resulting companies is listed, the residual value for unlisted companies would be further determined by reducing the traded value of listed resulting companies from the residual value computed as above</p> <p>iii. In case where the resulting companies and the demerged company are unlisted – The traded value of demerged company on the day before the demerger would be allocated between the resulting companies and demerged company in the ratio provided as a part of scheme of arrangement or such other ratio as decided by the Valuation Committee.</p> <p>If the above companies remained unlisted for more than 3 months, illiquidity discount on the derived prices may be applied on the basis of the market capitalization of the issuer viz. at 5% ,10% and 15%, for Large cap, Mid cap, small cap respectively</p> <p>In case of the above listed, Valuation committee may decide fair value other than guided above, post considering facts on a case to case basis. Further guidance from valuation committee would be sought for any exceptional cases not covered above.</p>

Asset Class	Traded / Non Traded	Basis of Valuation
		<p>f. Merger: Valuation of resulting company would be determined by valuation of merging / amalgamating company immediately prior to the ex-date of merger / amalgamation</p> <p>i. In case merging / amalgamating companies being listed, valuation of resulting companies would be summation of valuation of entities immediately prior to merger date. Further if listed company merges into an unlisted surviving company, then the surviving company should be valued at the traded value of merging company immediately before merger.</p> <p>Example:</p> <ul style="list-style-type: none"> • If Company A and Company B merge to form a new Company C then Company C would be valued at the price equals to A+B • If Company A which is a listed company merges into Company B which is an unlisted company would be valued at traded price of A immediately before merger. <p>ii. In case, one of the merging / amalgamating companies being unlisted, valuation of resulting companies would be valued on the principles of fair valuation as guided by the valuation committee.</p> <p>If the above companies remained unlisted for more than 3 months, illiquidity discount on the derived prices may be applied on the basis of the market capitalization of the issuer viz. at 5%, 10% and 15%, for Large cap, Mid cap, Small cap respectively.</p> <p>In case of the above listed, Valuation committee may decide fair value other than guided above, post considering facts on a case to case basis. Further guidance from valuation committee would be sought for any exceptional cases not covered above.</p>

Asset Class	Traded / Non Traded	Basis of Valuation
	Thinly Traded	<p>Policy similar to non-traded Equity Shares.</p> <p>Definition of thinly traded equity/ equity related security: When trading in an equity/equity related security in a calendar month is both less than INR 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security</p>
	Unlisted Equity Shares	<p>The valuation would be done by an independent valuer appointed by the Investment Manager. An unlisted equity share may be valued at a price other than the value derived using the aforesaid methodology after taking approval from Valuation Committee.</p>
	Lock-in Shares	<p>In case of Equity share under lock in for more than 3 months from the date of purchase / allotment, which are traded on the stock exchanges, the investment manager may apply appropriate discount to the closing price quoted on the stock exchange as may be decided by the Valuation Committee on a case-to-case basis.</p>
Futures & Options	Traded/Non Traded	<p>On the valuation day, at the settlement price provided by the respective stock exchanges.</p>
<p>Qualified Institutional Placement (QIP) / Follow on Public Offer (FPO) / Initial Public Offer (IPO)</p>		<p>In case of QIP and FPO recognition and valuation would start from the date of allotment. In case of IPO the security would be valued at cost from the date of allotment till a day prior to listing and on last quoted closing price (as mentioned above under Traded criteria) from the day of listing.</p>
<p>Convertible Debentures</p>		<p>In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component (Debt) should be valued on the same basis as would be applicable to a debt instrument. The convertible component (Equity) should be valued on the same basis as would be applicable to an equity instrument/equity derivative. If, after conversion the resultant equity instrument would be traded <i>pari passu</i></p>

Asset Class	Traded / Non Traded	Basis of Valuation
		<p>with an existing equity instrument which is traded, the value of the latter instrument can be arrived at after an appropriate discount for non-tradability, time value, volatility etc. of the equity instrument during the period preceding the conversion. While valuing such instruments, the fact whether the conversion is optional should also be factored in.</p> <p>In case of any exception, valuation would be arrived at basis guidance from Valuation Committee.</p>

B. Fixed Income and related securities

Category	Policy
Valuation of all Debt and Money Market Instruments and Repo (including Tri Party Repo) other than Overnight Repo	At average of the security level prices provided by valuation agencies. In case security level prices are not given by valuation agencies, then such securities will be valued at weighted average purchase yield on the date of allotment / purchase.
Overnight Repo (including Tri Party Repo) and Bank Fixed Deposits	Bank Fixed Deposits and Overnight Repo (including Tri Party Repo) will be valued at cost plus accruals/ amortization basis.
Valuation of money market and debt securities classified as below investment grade or default.	<p>All money market and debt securities which are rated below investment grade shall be valued at the average of the security level price provided by valuation agencies.</p> <p>Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued by the valuation agencies on the basis of indicative haircuts.</p> <p>If security is traded, it will be valued at lower of weighted average traded price available on public platform or average of the security level price provided by valuation agencies. The traded qualification criteria shall be as determined by valuation agencies. In the absence of the information on the traded qualification criteria from the valuation agencies, the qualification criteria shall be as determined by the Valuation Committee.</p>

Category	Policy
	In absence of the above information the valuation shall be arrived at basis guidance from Valuation Committee.
Interest Rate Futures	The exchange traded Interest Rate Futures would be valued based on the Daily settlement Price or any other derived price provided by the exchange
Interest Rate Swaps and other Debt OTC Derivatives	Valuation would be done at average of Price provided by valuation agencies. In absence of Price from valuation agencies, valuation shall be arrived at basis guidance from Valuation Committee.
Market Linked Debentures	Valuation would be done at average of Price provided by valuation agencies. In absence of Price from valuation agencies, valuation shall be arrived at basis guidance from Valuation Committee.

C. Investment in Mutual Fund Units

Category	Policy
<u>Domestic Mutual Fund</u>	<p>Mutual Fund Units listed and traded on exchanges (NSE & BSE) would be valued at closing traded price as on the valuation date. If not traded on the primary stock exchange, the closing price on the other stock exchange will be considered. NSE will be the primary stock exchange.</p> <p>Unlisted Mutual Fund Units and listed but not traded Mutual Fund Units would be valued at the NAV as on the valuation day. In case if on any valuation day the domestic mutual fund is having a non-business day then previous day closing price / NAV would be considered for valuation.</p>
<u>Overseas Mutual Fund</u>	<p>Overseas Mutual Fund Units (including ETF's) listed and traded on exchanges would be valued at the last quoted closing price on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation.</p> <p>Unlisted Mutual Fund Units and listed but not traded Mutual Fund Units (including ETF's) would be valued at the NAV as on the valuation day. In case if on any valuation day the overseas mutual fund is having a non-business day then previous day closing price / NAV would be considered for valuation.</p>

D. Investment in ReITs, InvITs

Category	Policy
ReITs / InvITs	<p>On the valuation day, at the last quoted closing price on the National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) or other stock exchange, where such security is listed. If not traded on the primary stock exchange, the closing price on the other stock exchange will be considered. NSE will be the primary stock exchange. In case if it's not traded on the valuation day the valuation committee would recommend appropriate valuation methodology to determine the fair value.</p> <p>When security is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE / any other stock exchange will be used, provided such closing price does not exceed a period of 30 calendar days.</p> <p>In below mentioned scenario where the available price is not reflective of the fair value of the security, the Valuation Committee shall determine an appropriate valuation methodology to establish the fair value:</p> <p>i) Security is not traded beyond 30 calendar days ii) Any unlisted security received as a part of mandatory corporate action or any other such events impacting the schemes. iii) Any other scenario where the available price is not reflective of the fair value of the security as determined by Valuation Committee.</p>

E. Foreign Securities including ADR / GDR

Category	Policy
Traded	<p>Foreign security shall be valued based on the last quoted closing price available on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation.</p> <p>When a security is not traded on stock exchange on the date of valuation, then the previous closing price will be used for valuation, provided such closing price is not exceeding a period of 30 calendar days.</p> <p>However, in case of an extra ordinary event in other markets during the market hours or post the closure of the markets but before NAV computation, the AMC shall value the security at suitable fair value as determined by the Valuation Committee on a case-to-case basis. Further, the Valuation Committee reserves right to suitably modify the defined priority or valuation methodology by documenting rationale for exception to the above defined policy.</p> <p>On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the reference rate available on FBIL.'s (Financial Benchmarks India Pvt Ltd) website as at the close of banking hours on the relevant Business Day in India. For securities / exposure where RBI / FBIL reference rate is not available, the valuation committee would approve the exchange rate to be used. In case the direct exchange rates are not</p>

Category	Policy
	available, then cross currency rate with USD would be considered. The valuation committee reserves the right to change the source for determining the exchange rate with appropriate rationale in case of exceptional scenarios.
Non-Traded	<p>Where the security is not traded, on the date of valuation, on any of the exchanges the last quoted closing price on the selected / primary stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. Securities not traded for more than thirty days shall be valued by AMC at fair value after considering relevant factors on case-to-case basis.</p> <p>On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the reference rate available on FBIL.'s (Financial Benchmarks India Pvt Ltd) website as at the close of banking hours on the relevant Business Day in India.</p>

- **Deviations**

In an event the established policies and procedures of valuation as detailed under this “SECTION VIII: DETERMINATION OF NET ASSET VALUE OF THE BENEFICIAL INTEREST” do not result in fair and appropriate valuation, the Investment Manager shall, subject to such conditions as prescribed by SEBI from time to time and in accordance with Applicable Laws, deviate from the established policies and procedures in order to value the assets or securities at a fair value and document the rationale for such deviation, which shall be intimated to the Contributors in the manner as prescribed under paragraph 41 titled “Reporting” under “SECTION VII: PRINCIPAL TERMS OF THE FUND”.

Any change in the methodology and approach for valuation of Fund Investments necessitated to comply with (i) any change in Applicable Laws, including the SEBI (Mutual Funds) Regulations, 2026, the Regulations and circulars issued thereunder; and (ii) any change in the methodology and approach within the valuation guidelines / valuation norms prescribed for AIFs, shall not be construed as material changes and shall be carried out in accordance with the Applicable Laws and the Fund Documents. However, upon such change, the valuation of the investment carried out based on valuation methodologies / approaches, both old and new, shall be disclosed to the investors to ensure transparency.

Notes:

1. Public Platform refers to:

a) Clearcorp F-TRAC Platform of Clearcorp Dealing Systems (India) Ltd. (CDSIL), NSE & BSE :

For Commercial Papers and Certificate of Deposits

Clearcorp F-TRAC Platform of Clearcorp Dealing Systems (India) Ltd. (CDSIL)

For corporate bonds / debentures and securitized debts order of preference for the Public Platforms for consideration would be as follow:

NSE – NSE OTC / CBRICS

BSE – ICDM

b) NDS-OM: For Government Securities, Treasury Bills, Cash Management Bills, State Development Loans, Ujwal DISCOM Assurance Yojana (UDAY) Bond, etc

2. Weighted average YTM / Last Traded YTM shall be rounded up to two digits after decimal point.
3. Securities with Put/Call Options – Would be valued as per security level prices provided by the valuation agencies for the said purpose.
4. The valuation of security lent shall be done as per the valuation methodology stated for respective security in the sections above (Point A and B) of the valuation policy. The lending fee received for the security lent would be amortized proportionately, until expiry of the contract.
5. In case of any deviation from the valuation price for money market and debt securities provided by the valuation agencies, AMC shall communicate it to the Investors on periodic basis.
6. In case of any exception to the valuation methodology mentioned above for each of the mentioned asset types or scenarios not covered above the valuation would be carried out as per the guidance of Valuation Committee.

SECTION IX: CONFLICTS OF INTEREST

1. Description of the entities involved in the activities of the Fund / Scheme(s):

- a. DSP Asset Managers Pvt. Ltd., (DSPAM), the Investment Manager to the Scheme, serves as the Asset Management Company (AMC or DSPAM) to DSP Mutual Fund (Mutual Fund).
- b. DSP Trustee Pvt. Ltd. (Trustee) serves as the Trustee to this Scheme and also to the Schemes of DSP Mutual Fund.

2. Other activities / ventures of the entities referred to in clause 1 above.

- a. DSPAM provides investment management and/or trade execution related services to offshore sovereign funds, which invests through FPI route.
- b. DSPAM is the holding company and also act as a Sponsor to DSP Pension Fund Managers Private Limited. ("DSPPFM"). Further, in terms of Regulation 21 of SEBI (Mutual Funds) Regulations, 2026 or any other applicable law as may be amended or re-enacted from time to time, SEBI has granted No objection to DSPAM to undertake the Point of Presence business through DSPPFM. DSPAM is the holding company of DSP Fund Managers IFSC Private Limited ('DSP IFSC')
- c. DSPAM provides investment management services to DSP Global Funds ICAV, an umbrella type Irish Collective Asset-management Vehicle.
- d. DSPAM also acts an Investment Manager to DSP Alternative Investment Fund Category -II.
- e. DSP Trustee Private Limited (Trustee) also serves as the trustee to the Mutual Fund. The Trustee also act as Trustee to DSP Alternative Investment Fund Category -II.
- f. DSPAM provides a non-binding advisory services to the offshore funds / offshore investment manager, who is managing an offshore fund which will invest through FPI route.
- g. DSP HMK Holdings Private Limited and DSP Adiko Holdings Private Limited (collectively referred as Sponsors) also serves as the Sponsors to the Mutual Fund. The Sponsors have been functioning as investment companies, dealing in the acquisition and holding of various investment instruments in the securities market in India.

3. Potential conflicts:

DSP HMK Holdings Private Limited and DSP Adiko Holdings Private Limited (collectively referred as Sponsors) also serves as the Sponsors to the Mutual Fund. The Sponsors have been functioning as investment companies, dealing in the acquisition and holding of various investment instruments in the securities market in India.

Conflicts of interest may arise in inter se the activities of the Investment Manager, the Trustee, and the Contributors vis-à-vis the operation of the Scheme. The Trustee may enter into or approve a transaction or arrangement or any investment ("**Conflicted Transaction**") notwithstanding that it or any of its directors, officers, employees or agents or the Investment Manager, or members of the investment committee or any of their respective directors, officers, employees or agents or affiliates (each person, individually or collectively referred to as "**Interested Parties**") may have any direct or indirect interest

or concern in such Conflicted Transaction, *provided that* such interest or concern or conflict of interest involving the Trustee or Investment Manager shall have been disclosed in full to the Unit Holders.

The Investment Managers has established and implemented written policies and procedures to identify, monitor and appropriately mitigate conflict of interest on a continuous basis throughout the term of the Fund/Scheme. Such conflicts shall be endeavoured to be managed as per the provisions of the Contribution Agreement.

Set forth below are some of the conflicts of interest that may occur. It is possible that other actual and potential conflicts of interest may arise. The Manager & the Trustee, will endeavour to resolve all such conflicts in a fair, reasonable and equitable manner and considering the best interest of the fund / Schemes(s), or disclose Conflicted Transaction to the Unit Holders as provided above. However, there can be no assurance that any such resolution will be in the manner most favourable to the Scheme(s) / the Fund and the Contributors / Unit Holders.

- a. The services of the Investment Manager, the Trustee, the directors /officers/employees of the Investment Manager and the Trustee are not exclusive and each such person is free to render similar services to other persons so long as the services to be performed are not impaired thereby and to retain for its own use and benefit all fees or moneys receivable thereby. Investment Manager/ Sponsor/ Trustee may act as Investment Manager/Sponsor/Trustee to other funds. The Investment Manager is involved in a variety of investment-related and non-investment-related activities and intends to remain so in the future. The Investment Manager may have conflicts of interest in allocating management time, services, functions and investment opportunities among all its activities/ventures.
- b. The Investment Manager and its affiliates may sponsor, manage or incubate other investment funds that may have investment strategies similar to the Scheme(s) / the Fund. If in the future any of them manage or advise additional investment vehicles other than the Scheme(s) / the Fund, conflicts of interest between the Scheme(s) / the Fund and such other investment vehicles are possible. For instance, the Investment Manager may use a similar investment program in its investment-related activities for such other funds as is used for the Scheme(s) / the Fund and, therefore, investments made in connection with such other funds might “compete” with Investments made by the Scheme(s) / the Fund.
- c. The Investment Manager and their affiliates may invest and trade for their own accounts or on behalf of the other funds/activities/ventures managed/advised or to be managed/advised (“Other Funds”) by them. Any of them may take action with respect to Other Funds that differs from action taken with respect to the Scheme’s / the Fund’s Investments. These differences may result from several factors, including differences in investment objectives, volatility and turnover tolerance, the degree to which accounts are fully invested, time horizons, derivative instruments permitted to be used, and underlying positions to be hedged. The possible taking of inconsistent investment positions could result in a situation where the position taken for the Scheme(s) / the Fund is unprofitable while the opposite position taken on behalf of Other Funds is profitable.

- d. The Investment Manager and their affiliates may invest and trade for their own accounts or on behalf of the Other Funds managed / advised by them. If purchases or sales of securities for the Scheme(s) / the Fund or Other Funds arise for consideration at or about the same time, such transactions will be made, in of far as feasible, for the relevant Fund/Scheme/other Fund in a manner deemed equitable to all. There may be circumstances when purchases or sales of securities for one or more funds/schemes have an adverse effect on other funds / schemes.
- e. The Management Fees as well as Distributions payable to the Manager by the Scheme(s) / the Fund have not been negotiated at arm's length. These rates are, however, intended to have been arrived at due to being comparable to similar rates that are charged for similar services in the industry.
- f. An DSP Asset Managers Private Limited acts as the Investment Manager of the Scheme. DSPAM acts as the Asset Management Company (AMC) to DSP Mutual Fund and also provides investment management/advisory and trade execution related services to offshore sovereign funds. DSPAM also acts an Investment Manager to DSP Alternative Investment Fund Category -II. DSPAM also provides non-binding advisory and execution services to the offshore funds/ offshore investment manager, who is managing an offshore fund, which will invest through FPI route. Further, DSPAM provides investment management advice and execution services to DSP ICAV, an umbrella type Irish Collective Asset-management Vehicle. DSPAM is the holding company to DSP Pension Fund Managers Private Limited (DSPPFM) and it acts as a Sponsor to DSPPFM in accordance with Pension Fund Regulatory and Development Authority Regulations, 2015 (PFRDA Regulations) and PFRDA letter dated July 10, 2023 and in accordance with SEBI approval dated January 03, 2013, under Regulation 21 (b) (erstwhile Regulation 24 (b)) of SEBI (Mutual Funds) Regulations, 2026 or any other applicable law as may be amended or re-enacted from time to time. Further, in terms of Regulation 21 of SEBI (Mutual Funds) Regulations, 2026 or any other applicable law as may be amended or re-enacted from time to time, SEBI has granted No objection to DSPAM to undertake the Point of Presence business through DSPPFM. DSPAM is the holding company to DSP Fund Managers IFSC Private Limited ('DSP IFSC'). Pursuant to SEBI approval dated February 8, 2023 and IFSC approval dated August 31, 2023 and other applicable regulatory approvals, DSP IFSC provides investment management and/or advisory services to the Funds set up under IFSCA (Fund Management) Regulations, 2022. DSPAM provides non-binding advisory services to a DSP IFSC in accordance with Regulation 21 (b) (erstwhile Regulation 24 (b)) of SEBI (Mutual Funds) Regulations, 2026 or any other applicable law as may be amended or re-enacted from time to time. These could potentially limit the investments of the Scheme as a result of aggregation limits as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- g. The Scheme may *inter alia* make temporary investments in mutual fund schemes issues by DSP Mutual Fund scheme, pending deployment of funds as per the investment objective of the Scheme.
- h. The Fund does not have a Soft-dollar agreement / arrangement with any of the empanelled brokers for the Scheme. The research reports/material provided by the

brokers are used for the best interest of Investors, for making portfolio management decisions. Further, the Scheme is not liable or obliged to use the services of any broker for trade execution in lieu of these research reports.

- i. The Fund in accordance with the enabling provisions mentioned in the Private Placement Memorandum (“PPM”) & Contribution Agreement of the Scheme the Investment Manager has charged differential management fees to different Investors based on their amount of contribution and mode of contributing towards the corpus of the Scheme.
- j. Ms. Shuchi Kothari, Executive Director of the Investment Manager also acts as a partner for Greenstone Fund Manager LLP which is managing Category II AIF by holding 10.10% stake in the LLP. Further she also acts as a partner in Greenstone Sponsor & Manager LLP which is Sponsor to the said Category II AIF by holding 14.99% stake in the LLP. Greenstone entities fall within the definition of ‘Group Company’ of the Investment Manager as per SEBI Mutual Fund Regulations, 2026. The Fund may participate in any investee company where the Greenstone AIF has invested. In such cases, there could be a potential conflict between the interests of the Fund and those of the Greenstone AIF.

The Trustee and the Manager would endeavour to ensure that aforesaid conflicts of Interest are resolved fairly and in timely manner in line with the general policy of independence to treat the different funds/schemes/activities/ventures independently.

SECTION X: RISK FACTORS

Investing in the Units of the Scheme involves significant risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on their returns. As a result of these and other factors set forth elsewhere in this Private Placement Memorandum, there can be no assurance that the Scheme will meet its investment objectives or otherwise be able to carry out successfully its investment program. A prospective investor should only invest in the Scheme as part of an overall investment strategy and only if such prospective investor is able to withstand a total loss of its investment. Investors should not construe the prior investment performance of the Investment Manager or the key members of the investment team of the Investment Manager, or any one of them, as providing any assurances regarding the future investment results of the Scheme.

The Investment Manager hopes to mitigate this risk of loss through a careful selection of Investments. However, no guarantee or representation is made that the Scheme's investment strategy will be successful. The Investment Manager will follow an investment policy, which if unsuccessful, could involve substantial losses. Although the Investment Manager has the flexibility to react to changing market conditions, such flexibility may be limited by law and adverse changes in an Investee Company's situation could involve substantial losses. The Investment Manager makes no guarantee, either oral or written, that the Scheme's investment objective will be achieved or that there will be any return of capital or other returns to Investors. Under the Investment Management Agreement, the Investment Manager is not liable (i) for any error in judgment or mistake of law, or (ii) for any loss arising out of any Investment or investment recommendations for the Scheme except for gross negligence, fraud or wilful misconduct by the Investment Manager.

Prospective investors should be aware of and consider all the risks associated with the Schemes' investment policies while evaluating their investment in the Scheme. The considerations and risks outlined below, while making a decision to invest in the Units of the Scheme are only indicative. Accordingly, before deciding to invest in the Scheme, the prospective investors should carefully study the specific risks described below together with all the information contained in this Private Placement Memorandum and are advised to consult with their professional advisors, such as lawyers, financial advisors or accountants, when determining whether an investment in the Scheme is suitable for them. An investment in the Scheme may lead to returns in the long-term, and prospective investors should be aware that they may not achieve capital appreciation/income in the short-term. An investment in the Scheme involves certain considerations and moderate to high risks. Additional risks and uncertainties not presently known to the Scheme or the Trustee or the Investment Manager, or that it currently deems immaterial or which may be specific to a prospective investor, may also have an adverse impact on the Scheme's prospects and business or on such prospective investor. There can be no assurance that the investment objectives of the Scheme will be achieved, or that an Investor will receive a return of its capital. Although the Investment Manager will attempt to manage those risks through careful research, due diligence and portfolio management there can be no assurance that it will do so successfully.

A. RISKS FOR THE TYPE OF SECURITIES / INSTRUMENT TO BE INVESTED BY THE FUND

Type of Security	Nature of Risk
<p>Equity and equity linked instruments</p>	<p><u>Equity Risk:</u></p> <p>The Scheme will primarily invest in equity. The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Scheme may suffer losses if they invest in equity securities of issuers whose performance falls below market expectations or if equity markets generally decline and the Scheme has not hedged against such a general decline. The Fund will primarily make investments in listed securities. The fluctuation in the market price of listed securities of the Portfolio Companies is likely to have a direct bearing on the value of the Fund Investments.</p> <p><u>Market Liquidity Risk:</u></p> <p>The liquidity of investments may be restricted by trading volumes, settlement periods and transfer procedures. There is a possibility that market liquidity could get impacted on account of company/sector/ general market related events and there could be a price impact on account of portfolio rebalancing and/or liquidity demands on account of redemptions. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets are uninvested and no return is earned thereon. The inability to make intended securities purchases, due to settlement problems, could cause the funds to miss certain investment opportunities. By the same token, the inability to sell securities due to the absence of a well-developed and liquid secondary market would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the portfolios.</p> <p><u>Investment in the Pre-IPO stage (expected to be listed):</u></p> <p>The Fund may invest in equity and equity related instruments of companies to be listed on a recognized stock exchange in India, through primary or secondary markets. Such investments may be subject to risks including:</p> <ol style="list-style-type: none"> 1. Loss of capital invested: The pre-IPO offer price of the equity shares will be determined by the company and the selling shareholders in consultation with the arranger through the book building process. This price may not be indicative of the market price for the equity shares post listing and may decline below the pre-IPO offer Price. 2. Delays in listing of Shares on the Stock Exchanges in a timely manner or at all. 3. Shares purchased during pre-IPO stage are subject to lock-in periods, thus restricting the ability to exit such investments.

	<p>Such shares can be transferred during lock-in periods but to a restricted investor base.</p> <p><u>Liquidity Risk on account of unquoted and unlisted securities:</u></p> <p>The liquidity and valuation of the Scheme holdings of unlisted securities (allotted to the schemes as a part of corporate actions or otherwise) may be affected if they have to be sold prior to their target date of divestment. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option.</p>
<p>Fixed Income securities</p>	<p>The Scheme may make investments including in liquid mutual funds (including DSP Mutual Funds) or bank deposits or other liquid assets of higher quality such as Treasury bills, TREPs, Commercial Papers, Certificates of Deposits amongst others as may be permitted by SEBI and/or RBI from time to time, pending deployment of funds as per the investment objective or for rebalancing portfolio or other liquidity purposes. Such investments may substantially reduce the Fund's overall return.</p> <p><u>Credit Risk & Market Risk</u></p> <p>Debt securities are subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk).</p> <p>Debt securities (including money market securities) are subject to the risk of an issuer's inability to meet interest and / or principal payments on its debt obligations (credit risk).</p> <p>The obligor of a debt security or instrument may not be able or willing to pay interest or to repay principal when due in accordance with the terms of the associated agreement. An obligor's willingness to pay interest or to repay principal due in a timely manner may be affected by, among other factors, its cash flow. Commercial bank lenders may be able to contest payments to the holders of other debt obligations of the same obligor in the event of default under their commercial bank loan agreements.</p> <p>The Investment Manager will endeavour to manage credit risk through in-house credit analysis and investing in high rated securities. The Scheme may use various hedging products from time to time, as are available and permitted by regulators, to attempt to reduce the impact of undue market volatility on the Scheme.</p> <p><u>Interest Rate Risk</u></p> <p>The market value of debt securities that are interest rate sensitive is inversely related to changes in interest rates. That is, an interest rate decline produces an increase in a security's market value and</p>

	<p>an interest rate increase produces a decrease in value. The longer the remaining maturity of a security, the greater is the effect of interest rate changes. Changes in the ability of an issuer to make payments of interest and principal and in the market's perception of its creditworthiness also affect the market value of that issuer's debt securities.</p> <p>In addition, a decline in interest rates could reduce the amount of current income the Scheme is able to achieve from interest on certain debt, including floating rate debt. To the extent that the cash flow from a fixed income security is known in advance, the present value (i.e., discounted value) of that cash flow decreases as interest rates increase; to the extent that the cash flow is contingent, the dollar value of the payment may be linked to the then prevailing interest rates. Moreover, the value of many fixed income securities depends on the shape of the yield curve, not just on a single interest rate.</p> <p>The Scheme may also invest in floating rate securities. The value of these Investments is closely tied to the absolute levels of such rates, or the market's perception of anticipated changes in those rates. This introduces additional risk factors related to the movements in specific interest rates that may be difficult or impossible to mitigate, and that also interact in a complex fashion with prepayment risks.</p>
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B. RISKS FOR CERTAIN TYPE OF INVESTORS

Type of Investor	Description of Risk
<p>Domestic Investors & Overseas Investors</p>	<p>The investor need to independently evaluate various classes of units & unit structure offered for investment to best suit their investment philosophy. Please refer to paragraph 3 of "Section VII: Principal Terms of the Fund" titled "Classes of Units" for detailed information on the same.</p> <p>Subject to the Applicable Law, the Trustee or the Investment Manager, without further act, approval or vote of a Contributor, may from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more Contributors which inter alia provide such Contributors with Differential rights. Please refer the clause on "Side Letters" for understanding the basis on which commercial terms and non-commercial terms may be agreed under the side Letter. The Trustee and Investment Manager will not be under the obligation to disclose the contents of the Side letter to other Contributors.</p> <p>A set of Investor may be restricted by applicable statute or constituting or governing document to refrain from making investments in various industries, sectors or types of securities. Since the Fund would have a common portfolio across all its Investors, the investors are requested to review the investment</p>

	<p>objective, strategy and processes before investing. The investors are urged to consult their legal advisors before investing.</p> <p>The taxability of the income generated from the scheme may be treated differently for different set of investor's viz. under Indian tax administration there are different tax laws on residential status, organisation structure, etc. The investors are requested to review the detail "Tax Consideration" section for disclosures related to various tax consideration. Investors are further urged to consult their own tax advisors with respect to their tax liability in respect thereof.</p>
<p>Overseas Investors</p>	<p>The overseas investors are requested to review in detail the section on "Notice to certain NON-US investors" for notices pertaining to their jurisdiction prior to investing in the funds.</p> <p>The overseas investors need to comply with Foreign Direct Investment or Foreign Portfolio Investment rules applicable to their investment in the scheme.</p> <p>The investors are urged to consult their legal advisors before investing.</p> <p><u>Additional Risk Factors for Overseas Investors:</u></p> <ol style="list-style-type: none"> 1. Political Risk Investments in India may be materially adversely impacted by Indian politics and changes in the political scenario in India either at the central, state or local level. Actions of the central government or respective state governments in the future could have a significant effect on the Indian economy, which could affect companies, general business and market conditions, prices and yields of securities in which the Scheme invest. 2. Economic Risk A slowdown in economic growth or macro-economic imbalances such as the increase in central and state level fiscal deficits may adversely affect investments in the country. The underlying growth in the economy is expected to have a direct impact on the volume of new investments in the country. 3. Foreign Currency Risk The Scheme is denominated in Indian Rupees (INR) which is different from the home currency for overseas investors. The INR value of investments when translated into home currency by Foreign Investors could be lower because of the currency movements. The Investment Manager does not manage currency risk for foreign investors and it is the sole responsibility of the Foreign Investors to manage or reduce currency risk on their own. The Sponsor/Fund/Trustees/AMC are not liable for any loss to Foreign Investors arising from such changes in exchange rates. 4. Convertibility and Transferability Risk In the event capital and exchange controls are imposed by the government authorities, it would prevent Overseas Investors'

	ability to convert INR into home currency and/or transfer funds outside India. The convertibility and transferability of INR proceeds into home currency is the responsibility of the Foreign Investors.
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C. RISKS RELATED TO PORTFOLIO INVESTMENTS IN PARTICULAR

Risk of inability to deploy the entire capital raised

Due to the factors beyond the control of the Investment Managers, it may take a longer to invest the capital raised and thus Investment Manager cannot assure full investment of the Capital Commitments as per the investment objective. The scheme may invest the un-invested portion of the Net Asset Value and divestment proceeds pending distribution to

investors may be invested in liquid mutual funds or bank deposits or other liquid assets of higher quality such as Treasury bills, Triparty Repo Dealing and Settlement, Commercial Papers, Certificates of Deposits, etc. till the deployment of funds as per the investment objective or the distribution of the funds to investors as per the terms of the fund documents, as applicable which may have adverse impact on the fund performance.

Capital Market Volatility

The Indian capital markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently from large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole. Indian stock exchanges utilize “circuit breaker” systems under which trading in a particular stock(s) or the entire market trading could potentially be suspended on account of excessive volatility in a stock or in the market. Such disruptions could significantly impact the ability of the Scheme to sell its Investments. Factors like these could adversely affect the Scheme’s performance. Monetary policy / guidelines from Reserve Bank of India / Government of India may decrease the investment universe or create liquidity constraints or may result in higher settlement costs.

Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for the Scheme’s Investments.

The prices of financial instruments in which the Scheme may invest can be highly volatile. Price movements of securities in which the Scheme’s assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Scheme also is subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouse.

Risks associated with small and micro-cap companies

Investment in small cap and micro-cap companies are based on the premise that these companies have the ability to increase their earnings at a faster pace as compared to large cap companies and grow into larger, more valuable companies. Securities of smaller capitalisation companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. Investment in smaller capitalisation companies may involve higher risk than

investment in larger companies. Securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. Securities of small companies may also be more sensitive to market changes than securities of large companies.

Risk associated with Borrowings

Borrowing by the Scheme shall be generally for the purpose of cash management and maintaining liquidity, subject to the limitations as provided under and compliance with the SEBI Regulations. The borrowed monies would not be utilized for investments by the Scheme.

No guarantee of investment returns

No guarantee or representation is made that the Scheme's investment strategy will be successful. The Investment Manager will follow an investment policy, which if unsuccessful, could involve substantial losses. Although the Investment Manager has the flexibility to react to changing market conditions, such flexibility may be limited by law and adverse changes in an Investee Company's situation could involve substantial losses. The Investment Manager makes no guarantee either oral or written, that the Scheme's investment objective will be achieved or that there will be any return of capital or other returns to investors over and above hurdle rate. Under the Investment Management Agreement, the Investment Manager is not liable (i) for any error in judgment or mistake of law, or (ii) for any loss arising out of any Investment or investment recommendations for the Scheme except for gross negligence, fraud or wilful misconduct by the Investment Manager.

Risk related to exit from portfolio investments

Due to the factors beyond the control of the Investment Managers, the Fund may not be able to dispose the investment portfolio at the most favorable terms or may not be able to liquidate the investment portfolio viz. suspension of trading on exchanges, changes in the applicable legislation, political and economic conditions, etc. In such scenarios the scheme may increase the tenure as per applicable clauses of this document or may contemplate to distribute the investment *in-specie* to the investor, if allowed by the Applicable Laws.

Redemption Risk

Investors may redeem Units in accordance with the terms contained in paragraph 11 and paragraph 13 of "Section VII: Principal Terms of the Fund" titled "Redemption" and "Redemption Procedure" respectively. The Scheme may, in certain circumstances, including substantial redemption, demand (a) suspending redemptions completely; or (b) making redemption payments to certain qualifying investors *in-specie*. Investors receiving redemption payments *in-specie* may incur brokerage costs in converting such securities to cash. Such conversions will be subject to the market risks set forth above. This situation could adversely affect the value of Unit(s). In certain circumstances, redemptions may be suspended in accordance with the provisions of the Indenture and other Scheme Documents.

The investors are requested to read the clauses pertaining to "Manager Control" &

“Delay/Suspension of Redemption” among others for detailed disclosure on the same

Side Letters

Subject to the Applicable Law, the Trustee or the Investment Manager, without further act, approval or vote of a Contributor, may from time to time enter into letter agreements or other similar agreements (collectively, “Side Letters”) with one or more Contributors which inter alia provide such Contributors with Differential rights. Please refer the clause on “Side Letters” for understanding the basis on which commercial terms and non-commercial terms may be agreed under the side Letter. The Trustee and Investment Manager will not be under the obligation to disclose the contents of the Side letter to other Contributors.

However, the Investment Manager shall not offer differential rights in the side letters which may have any impact on the economic rights or any other rights of other Investors.

No Minimum Level of Capital

The Scheme may begin operations on attaining the minimum Capital Commitment without attaining any particular level of capitalization, subject to the provisions of the SEBI Regulations in this behalf. At low asset levels, the Scheme may be unable to diversify its Investments as fully as would otherwise be desirable or to take advantage of potential economies of scale, including the ability to obtain the most timely and valuable research and trading information from securities brokers.

Risk of Uninsured losses

Some losses are subject to limitation of insurance coverage or are uninsurable or not economically insurable. In the event of such losses the existing insurance coverage may not be sufficient and the scheme and investors could lose substantial portion of the capital

Risk related to change in environment.

The tenure of the portfolio investments in the fund is envisaged to extend over a life of the fund as defined in the scheme document, during the period, the economic, political, regulatory, business and technology environment may undergo substantial changes, some of which may be adverse to the operation and performance of the Fund. The Trustee and the Investment Manager will have the exclusive authority to respond to such changes or to demand modifications to the operations in consequence to those changes. Within the limitations set forth in the indenture and the scheme documents, the Investment Manager will have the right and authority to cause the changes in the selection, management and liquidation of portfolio investments.

Counterparty Risk

Defaults by the counterparty to any transactions may adversely impact the funds financial position and also the performance of the fund. The investment managers will endeavor to minimize the counterparty risk by dealing with the counterparty with good creditworthiness.

Risk of change in control of Investment Manager, Trustee & Portfolio entity

Any change in control of the aforementioned may hinder the business operation, performance of the scheme and may also adversely affect the financial position.

Stewardship Code

SEBI vide paragraph 13.4 of the SEBI Master Circular dated May 07, 2024 has notified the 'Stewardship Code', applicable to 'institutional investors', i.e., all mutual funds, asset management companies, trustee companies, boards of trustees of mutual funds and all AIFs in relation to their investment in listed equities. The Stewardship Code has identified certain principles that the institutional investors need to follow with effect from July 01, 2020.

In line with the aforesaid requirement, DSP Asset Managers Private Limited has framed Stewardship Policy which sets out the framework and guidelines on discharge of the stewardship responsibilities. The Investment Manager will act in the best interest of the unit holder on the basis of the best information available with them and to the best of their discretion and there can be no assurance that any such action will be in the manner most favorable to the Scheme and the investors always.

D. RISK RELATED TO FUND/SCHEME STRUCTURE

a. Performance risks

Business Risk

There can be no assurance that the Scheme will achieve its respective investment objectives. The investment results of the Scheme are reliant upon the success and the business and financial skills of the Investment Manager and certain advisors that the Investment Manager may appoint from time to time to solicit, originate and recommend appropriate investment opportunities. Moreover, the past performance of the Investment Manager, members of the investment committee, if any and/or, affiliates of the Investment Manager may not be indicative of their future performance and does not provide any assurance of any return of Capital Commitment of an investor.

The performance of the portfolio investment are also dependent various factors viz. the ability of Investee Companies to successfully achieve the commercialization of their technologies, products, business concepts or capability to prudently manage the leveraged capital structure of Investee Companies services. The Investment manager will ensue adherence to the laid down Investment process & Investment guidelines as detailed in the "INVESTMENT OBJECTIVE, STRATEGY AND PROCESS" section of this document to achieve the Investment objective but cannot assure that there will be any return of capital or other returns to investors over and above hurdle rate.

Further, the Investment Manager may not be able to continue to act as the investment manager in case if the Investment Manager becomes ineligible to act as an investment manager under Applicable Laws or Fund Documents which can impact the performance of the scheme.

Business Dependent upon Key Individuals

The Investment Manager will be selecting suitable Investments with the assistance of one or more key persons as referred to in this Private Placement Memorandum or as may be appointed thereafter. A material adverse effect on the returns of the Scheme may be created by the loss of one or more key persons of the Investment Manager who are responsible for managing the Scheme.

Further the key persons may rely on certain information filed with the regulators or directly available to the Investment Manager or through sources other than the issuers post assessment, however the Investment Manager may not be in position to confirm the accuracy and completeness of such information and thus no representation or warranty is made as to future performance.

Concentration risk

The portfolio would typically comprise of 30- 35 securities without any benchmark constraints, where the portfolio manager has a high conviction on the growth prospects. The relatively limited number of holdings may expose the portfolio to higher levels of volatility vis-à-vis a more diversified portfolio. Further the portfolio would comprise of Indian stocks and therefore lacks the versatility that may otherwise be available with greater geographical diversification.

Risk associated with reliance on forward looking statements

This Memorandum contains statements which contain words or phrases such as “will”, “aim”, “will result”, “possible”, “likely”, “believe”, “propose”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “should”, “project”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. By their nature, certain forward-looking statements are only estimates and actual events or results thereof or the actual performance of the Scheme may differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to future performance or such forward-looking statements.

Manager Control

The Investment Manager may, among other things, at its discretion (a) suspend trading or operations; (b) create additional classes, sub-classes or series of Units; (c) impose or amend investment restrictions; or (d) impose or increase redemption or other fees payable by the Scheme, in each case without breaching any legal or contractual obligation with respect to the Scheme and without the approval of the Unit Holders.

Management risk

The investors have no authority to participate in the management or to make decisions or to exercise business discretion on behalf of the Scheme. Management authority for the Scheme, including but not limited to the power to make decisions regarding investments and divestments is held by the Trustee, who delegates authority for all such investment decisions to the Investment Manager. The monitoring of the Investments will be done by the Investment Manager. Accordingly, investors must be prepared to entrust management of the Scheme to the Trustee and / or the Investment Manager.

Potential Conflicts of Interest

Section entitled “Conflicts of Interest” sets out the conflicts of interest that may occur. It is possible that other actual and potential conflicts of interest may arise. The Manager will endeavor to resolve all such conflicts in a reasonable manner, but there can be no assurance that any such resolution will be in the manner most favorable to the Scheme and the investors.

Risk associated with Third Party service providers

The Fund and the investment manager may rely on third party service providers or intermediaries for the operations of the fund and there may be circumstances whereby the fund may suffer losses on account of Investment Manager or fund acting on the advice of such third part or intermediaries. The Investment Manager will not be liable for acting bonafide based on such advices.

Risk of Default in payment of Capital Contribution

Investors are requested to review the clauses pertaining to “Default” by the investors for not honoring to pay the Capital Contribution for detailed disclosure. In case of such defaults by any one or many Investors may have an adverse effect on the interest of other Investors. Also the Defaulting Contributor may be subject to financial consequences as specified in the relevant clauses pertaining to defaults.

h. Restrictions on Withdrawal and Transfer

The Investors may not be permitted to withdraw from the Scheme as the case may be, except in limited circumstances as determined by the Trustee, on the recommendation of the Investment Manager. In addition, the investors may not be able to transfer any of the interests, rights or obligations with regard to the Scheme except with the prior written consent of the Investment Manager, which consent may be conditional upon satisfaction as to the creditworthiness of the transferee and as may be stipulated in the Indenture and / or the Contribution Agreement and subject to the payment of the applicable stamp duty as per the provisions of the Indian Stamp Act, 1899 and the Rules made thereunder as amended from time to time.

Indemnification

The Scheme, in terms of the Scheme Documents, is required to indemnify the Investment Manager, the Settlor, the Trustee, the investment committee (if any) or any other committee constituted by the Investment Manager in relation to the Scheme, and their respective officers, directors, agents, stockholders, members, partners, employees and affiliates against losses, liabilities, damages and expenses incurred in connection with the affairs of the Scheme. Such liabilities may be material and may have an adverse effect on the returns to the investors. The indemnification obligations of the Scheme would be payable from the assets of the Scheme, including the unpaid commitments of investors, in terms of the Indenture. In the event that the assets of the Scheme are insufficient to satisfy any indemnification obligation, the investors in the Scheme will be required to return distributions to the Scheme in cash as necessary to satisfy such obligation, to the extent and in reverse order of distributions received, subject to some limitations. Such liabilities may be material.

E. REGULATORY RISK FACTORS

Risk of regulatory actions

The Investment Manager, Trustees & the fund have sought multiple registration from various regulators to operate this alternative investment fund, there is a risk of the registration / approval being cancelled or suspended by regulators for any breach or non-compliance under Applicable Laws. Regulator may also take action as it may deem appropriate which may impair the operations of the Fund.

Legal Risk

Investors are requested to review the “LEGAL, REGULATORY, AND TAX CONSIDERATIONS” section for various legal and regulatory disclosures. The Fund, Investment Managers, Trustee may be subjected to any investigation / inspection for affairs by the regulators and in certain circumstances, the regulator may direct to divest assets or restrain disposing investments, stop new launches, refund proceeds to Investors or any other action which may impact the operations and performance of the fund.

As with any other investment in India, any Investment of the Scheme will rely on the legal

system to resolve potential issues relating to a specific investment. While the Indian legal system is well established in its jurisprudence, resolution through the Indian court system could be a relatively lengthy process which could result in time delays. The Scheme's Investment may expose it to the potential risks of becoming involved in litigation with third parties

Investigations and Actions regarding the Scheme

Any investigations of, or actions against, the Scheme or any of Unit Holders initiated by the SEBI or any other Indian regulatory authority may lead to a ban on the investment and trading activities of the Scheme or other adverse consequences.

Rights and Obligations

Creation of Classes, series or sub-classes of Units or other arrangements may create a variation of rights and obligations, without notice to existing Unit holders

Segregation

The Scheme is a subsequent scheme of the Fund and there may be additional schemes launched by the Fund. Although the Trustee and the Investment Manager are required, under the Indenture and SEBI Regulations, to segregate the assets and liabilities of the Scheme from the other schemes of the Fund or other funds for which the Trustee acts as trustee or the Investment Manager acts as investment manager, there is no assurance that such segregation will be respected in all cases in respect of and by third parties.

Adherence of 20-25 rules

The Investment Manager is required by SEBI to ensure that the Scheme shall have a minimum of 20 Contributors and no Contributor shall hold more than 25% of the aggregate Capital Contributions made by all Contributors to the Scheme. As the Investment Manager also manages assets of DSP Mutual Fund; as per SEBI norms, any scheme managed by the Investment Manager, including an AIF scheme shall have to abide by 20-25 rules. Non-adherence of the same may require the Scheme to be wound up as per SEBI norms.

Enforcement Risks; Non-availability of Creditor Protection Laws

The enforcement of security that may be obtained in respect of the Fund's Investments will involve actions in Indian courts or arbitral tribunals, and the Fund will be exposed to the delays in the Indian judicial system and arbitrations. In the normal course, such enforcement could take between seven to ten years. Further, the Fund would not qualify as a "secured creditor" under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002 ("**SARFAESI**"), unless the Fund's Investments are made in listed secured debentures wherein the debenture trustee appointed for the debenture holders shall qualify as a "secured creditor". Therefore, the Fund will not be entitled to the fast track enforcement process under SARFAESI unless it invests in listed secured debentures. Even where the Fund is eligible to undertake enforcement action under SARFAESI pursuant to investments in listed secured debentures, there is still no assurance that can guarantee that the Fund will be able to realise the full value of its collateral, due to, among other things, delays on Fund's part in taking action to secure the property, delays in legal proceedings, inability to sell the property, diminution in the value of the property, economic downturns, defects in the perfection of collateral and fraudulent transfers by Portfolio Entity. The Fund will also not be entitled to the fast track debt recovery process under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993. Therefore, even where security is created and

perfected in favour of the Fund, enforcement will be time consuming. Even where the Fund is entitled to enforce security without intervention of court, it is difficult to take possession and dispose off such security as the Portfolio Entity or other obligors who have created security may obtain an injunction against enforcement actions. In such cases, the Fund will have to prove its claims against the Portfolio Entity or other obligors through a civil suit. Further, security provided by the Portfolio Entity and/or other obligors will be subject to the risk of insolvency of such persons. The Insolvency and Bankruptcy Code, 2016 was notified on August 5, 2016 and has been amended from time to time. In case insolvency proceedings are initiated against a Portfolio Entity, the Fund may not have complete control over the recovery of amounts due to the Fund.

F. GENERAL RISK FACTORS

Political Risk

As with any investment in India, any Investments of the Scheme may be materially adversely impacted by Indian politics and changes in the political scenario in India either at the federal or local/state level. The Scheme does not intend to obtain political risk insurance. Actions of the central government or respective state governments in the future could have a significant effect on the Indian economy, which could affect private sector companies and the Scheme, general market conditions, prices and yields of securities in the Scheme's portfolio. The occurrence of selective unrest or external tensions could adversely affect the political and economic stability of India and consequently adversely affect the Scheme. Delays or changes in the development of conducive policy frameworks will have an impact on Investments.

Economic Risk

A slowdown in economic growth or macro-economic imbalances such as the increase in central and state level fiscal deficits, High inflationary pressures, etc. may adversely affect investments in the country. The underlying growth in the economy is expected to have a direct impact on the volume of new investments and the performance of the investments in the country. Further there could be certain global events viz. war, pandemic which can have an adverse impact on the economic growth or may create macro-economic imbalances in the country impacting the performance of the portfolio.

Risk related to armed conflicts, war, or heightened geopolitical tensions

Armed conflicts, war-like situations, or heightened geopolitical tensions in any part of the world may have significant adverse implications on global and domestic financial markets, supply chains, and economic stability. Such events may lead to heightened market volatility, disruption of trade and capital flows, sanctions, currency fluctuations, or restrictions on cross-border transactions. These developments could adversely impact the ability of the Fund to deploy capital, raise additional commitments, or exit from Portfolio Investments at favourable valuations.

Further, in extreme circumstances, war conditions may lead to prolonged economic disruption, closure of financial markets, restrictions on movement of capital, or impairment of underlying Portfolio Entities and their assets. As a result, the value of the Fund Investments may decline significantly and, in certain scenarios, Investors may experience partial or complete loss of their capital commitment in the Fund.

Segregation

The Scheme is a subsequent scheme of the Fund and there may be additional schemes

launched by the Fund. Although the Trustee and the Investment Manager are required, under the Indenture and SEBI Regulations, to segregate the assets and liabilities of the Scheme from the other schemes of the Fund or other funds for which the Trustee acts as trustee or the Investment Manager acts as investment manager, there is no assurance that such segregation will be respected in all cases in respect of and by third parties.

Corporate Disclosure, Accounting and Corporate Governance Standards in India

The Investment Manager, the Scheme and/ or the investors may not have adequate information while evaluating investment or divestment decisions. Further, differences may arise in such areas as valuation of properties and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to the investors. Further, Investee Companies may be scrutinized by the SEBI and other market regulators for compliance with regulations and guidelines, including insider trading, tax, and other operational matters. Such scrutiny may negatively affect the Scheme's performance.

G. TAX RELATED FACTORS

Tax Risks

Contributors in the Fund/Scheme are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Fund/Scheme are subject to change, and tax liabilities could be incurred by contributors as a result of such changes. The tax consequences of an investment in the Fund/Scheme are complex, and the full tax impact of an investment in the Fund/Scheme will depend on circumstances particular to each Contributor and the additional peculiarities associated with respect to activities of each Portfolio Investment. Alternative tax positions adopted by the income tax authorities could give rise to incremental tax liabilities in addition to the tax amounts already discharged by the Fund/Scheme. Since the Fund/Scheme would distribute the surplus funds to the beneficiaries, if the funds available with the Fund/Scheme are insufficient to meet the additional tax liability, the Trustees reserves the right to collect/recover the additional tax liability from the Contributors even beyond the term of the Trust.

Though the Trustee shall be assessed as a representative of the Contributors under section 304 to 307 of the Income-tax Act, 2025 and would thus pay tax qua the Contributors (beneficiaries), no assurance can be given by the Trustee that the tax authorities would necessarily accept the Trustee's contentions that such income is not again liable to tax in the hands of Contributors and if such contention the Contributors could face adverse tax implications. Further, taxes, if any, owed by the Fund/Scheme will be paid before any Operating Expenses are paid or any distributions made to Contributors or redemptions of Units are made and as a result, the Fund's/Scheme's ability to pay distributions or make any redemptions may be impaired.

The Investors and the Fund are subject to a number of risks related to tax matters. In particular, the tax laws and its interpretation relevant to the Fund are subject to change, and tax liabilities could be incurred as a result of such changes. The tax consequences of an investment in the Fund are complex, and the full tax impact of an investment in the Fund will depend on facts and circumstances of each case.

We request investor to review the section on "**TAXATION**" for detail evaluation on the various topic of taxation including but not limited to a. General Anti Avoidance Rules, Changes in applicable tax laws, Renegotiating of tax treaties, Changes in the administrative interpretations, etc.

There can be no guarantee that the position taken by the Investment Manager or the Fund or the Trustees regarding taxation of the Fund and taxation of Contributors of the Fund would be necessarily accepted by the income-tax authorities under the ITA. No representation is thus made either by the Trustee of the Fund or the Investment Manager or any employee, director, shareholder or agent of the Investment Manager in regard to the acceptability or otherwise of the above position regarding taxation of the Fund and taxation of the Contributors of the Fund by the income tax authorities under the ITA. As an overall point, income tax positions in respect of AIFs are in an evolutionary phase and there are not many judicial precedents available in India at this point in time. Given this, the tax positions that the Scheme may adopt would take into consideration general industry practices and interpretations, though such positions may not have been specifically addressed or endorsed by the revenue / judicial authorities.

Further, the information relating to Indian taxation legislation contained in this Memorandum is based on Indian domestic tax laws along with the rules and regulations made thereunder and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, can have an effect on the validity of the information stated herein.

The Fund will operate under applicable taxation laws including the ITA, Goods and Services Tax Act, etc. If policy announcements or regulations are made subsequent to this offering, which require retrospective changes in the structure or operations of the Fund, these may adversely impact the performance of the Fund.

Prospective Investors are urged to consult their own tax advisers for tax matters.

H. SECTOR SPECIFIC RISK FACTORS

Risks associated with investment in Sectoral / thematic fund:

Any sectoral or thematic fund will seek to invest in underlying investments belonging to a defined sector or the theme. Investor needs to understand that a specific sector/theme may not achieve desired result / growth and may also experience unexpected changes adversely affecting the performance, thus investing in a sectoral /thematic fund could involve potentially higher volatility and risk. Further the fund would be restricted to invest only in underlying investments from the defined sectors/themes as per the investment objective of the fund and thus the concentration risk is also expected to be high.

I. CURRENCY RELATED RISKS

Currency Risk

Overseas Investors are requested to review the risk factors highlighted in the section "RISKS FOR CERTAIN TYPE OF INVESTORS" for their investment for the enhance risk on account of currency conversion for their investment in the fund.

ADDITIONAL RISKS

Disclosure of confidential Fund and Contributor information

The Contributors are expected to include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Scheme, its investments and its Contributors. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. To the extent

that the Investment Manager determines in good faith that, as a result of such public records or similar laws, a Contributor or any of its affiliates or agents may be required to disclose information relating to the Fund, its affiliates and / or any investee company (other than information the Investment Manager has previously consented in writing that the Contributor may disclose), the Investment Manager may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Contributor (other than certain basic capital account information). Confidential fund information may also become investee companies subject to public disclosure or regulatory disclosure due to the relationship between the Fund and a public entity. In addition, in order to comply with regulations and policies to which the Scheme, the Investment Manager, investee companies, or service providers (including financial institutions) are or may become subject, or to satisfy regulatory or other requirements in connection with transactions, the Scheme or the Investment Manager may be required to disclose information about the Contributors, including their identities.

Registration / licensing requirements in certain jurisdictions

As the Scheme seeks contributions from eligible non-residents from various jurisdictions, the regulatory authorities in certain jurisdictions may, from time to time, require the Investment Manager / Fund / Scheme / Trustee, either upfront or on reaching a certain threshold, to register with the authorities therein and may require the Scheme to comply with applicable investment restrictions, which may be in addition to the ones applicable as per Regulations or the regulatory authorities may require the Scheme to claim exemptions which may entail limitations on certain aspects of the investment strategy. The same may impact the Scheme's operations / returns.

THE FOREGOING FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS AND SIGNIFICANT CONSIDERATIONS INVOLVED IN INVESTING IN THE SCHEME. INVESTORS SHOULD UNDERSTAND THAT ALL INVESTMENTS INVOLVE RISK AND THERE CAN BE NO GUARANTEE AGAINST LOSS RESULTING FROM AN INVESTMENT IN THE SCHEME, NOR CAN THERE BE ANY ASSURANCE THAT THE SCHEME'S INVESTMENT OBJECTIVE WILL BE ACHIEVED. NEITHER THE INVESTMENT MANAGER NOR THE TRUSTEE GUARANTEE THE PERFORMANCE OR ANY FUTURE RETURN OF THE SCHEME.

SECTION XI: LEGAL, REGULATORY AND TAX CONSIDERATIONS

THIS SECTION IS ONLY A SUMMARY OF THE RELEVANT LAWS AND REGULATIONS AND IS NOT A COMPREHENSIVE DISCLOSURE OR ADVICE REGARDING ALL THE LAWS AND REGULATIONS APPLICABLE TO THE SCHEME AND ITS INVESTEE COMPANIES.

PLEASE NOTE THAT THE SUMMARY OF LEGAL AND REGULATORY CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS AND INTERPRETATIONS OF THE LAWS OF INDIA WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY OR JUDICIAL DECISIONS AND ANY SUCH CHANGES COULD HAVE A DIFFERENT LEGAL AND REGULATORY IMPLICATION.

IT IS THE RESPONSIBILITY OF ALL PERSONS INTERESTED IN SUBSCRIBING FOR THE UNITS TO INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES ARISING IN THE JURISDICTIONS IN WHICH THEY ARE RESIDENT OR DOMICILED OR HAVE ANY OTHER PRESENCE FOR TAX PURPOSES, AS WELL AS ANY FOREIGN EXCHANGE OR OTHER FISCAL OR LEGAL RESTRICTIONS WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSAL OF THE UNITS.

THE FOLLOWING SUMMARY DOES NOT CONSTITUTE LEGAL OR TAX ADVICE. IT IS INTENDED ONLY TO IDENTIFY SOME OF THE ISSUES AND CONSIDERATIONS THAT PROSPECTIVE INVESTORS SHOULD DISCUSS WITH THEIR ADVISORS. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISORS ON THE POTENTIAL CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING OR REDEEMING THE INVESTOR UNITS UNDER THE LAWS OF THEIR COUNTRY OF CITIZENSHIP, DOMICILE OR RESIDENCE. THE FUND AND THE INVESTMENT MANAGER HAVE NO PRESENT PLANS TO APPLY FOR ANY CERTIFICATIONS OR REGISTRATIONS, OR TO TAKE ANY OTHER ACTIONS, UNDER THE LAWS OF ANY JURISDICTION (OTHER THAN REGISTRATION OF THE FUND WITH SEBI IN INDIA), WHICH WOULD AFFORD RELIEF TO INVESTORS OF SUCH JURISDICTION FROM THE NORMAL TAX / REGULATORY REGIME OTHERWISE APPLICABLE TO AN INVESTMENT IN THE UNITS OF THE FUND.

THE INFORMATION IN THIS SECTION HAS BEEN EXTRACTED FROM PUBLICLY AVAILABLE DOCUMENTS FROM VARIOUS SOURCES, INCLUDING OFFICIALLY PREPARED MATERIALS FROM SEBI, THE STOCK EXCHANGES, AND HAS NOT BEEN PREPARED OR INDEPENDENTLY VERIFIED BY THE COMPANY OR ANY OF THEIR RESPECTIVE AFFILIATES OR ADVISORS.

THE COMMENTS HEREIN ARE NOT BINDING ON THE INDIAN TAX AUTHORITIES AND THERE CAN BE NO ASSURANCE THAT THESE AUTHORITIES WILL NOT TAKE A POSITION CONTRARY TO ANY OF THE COMMENTS HEREIN. THE FUND AND THE TRUSTEE OR THE INVESTMENT MANAGER AND THEIR RESPECTIVE DIRECTORS NOR ANY OTHER PERSONS INVOLVED SHALL ACCEPT RESPONSIBILITY FOR ANY LEGAL OR TAX EFFECTS OR LIABILITIES RESULTING FROM THE PURCHASE, OWNERSHIP OR DISPOSAL OF THE UNITS.

The DSP ALTERNATIVE INVESTMENT FUND – CATEGORY III has been settled by DSP HMK Holdings Pvt. Ltd. under the Indian Trusts Act, 1882, and registered under the Registration Act, 1908. DSP Trustee Pvt. Ltd. is the Trustee of the Fund. DSP Asset Managers Pvt. Ltd. is the Manager to the Fund. The Trust is registered with SEBI as an AIF Category III under the SEBI Regulations.

Legal Relationship between Investors and the Fund.

1. The legal relationship between the Fund and its Investors shall be governed by the provisions of the Indenture read with the Contribution Agreement that will be entered into by the Trustee, the Manager and the investors to the Fund.
2. The Trustee will be subject to the powers, duties and obligations as prescribed under the Indenture.
3. Investors of the Fund will be the beneficiaries of the Trust and shall be entitled to distributions as set out in the Contribution Agreement read with the Indenture. The contributions received from the investors shall form part of the corpus of the Fund, which will then be invested in Investee Companies within the investment focus of the Fund.

1. Indian Trusts Act, 1882

The Fund is a scheme of Trust that is set up as a contributory trust under the Indian Trusts Act, 1882. The Trust at all times shall be subject to the provisions of Indian Trusts Act, 1882 and the Regulations. The Trustee has been appointed as the trustee of the Trust. The Trustee will have the powers and obligations as vested upon it under the Indenture. The Investment Manager shall manage the assets of the Trust and the Fund in accordance with the Investment Management Agreement. The Contributors shall be the Beneficial Interest holders of the Fund.

2. Indian Securities Laws

A. SEBI (Alternative Investment Funds) Regulations, 2012

(a) Brief overview of SEBI (Alternative Investment Funds) Regulations, 2012

The Regulations are a consolidated framework for registration and regulation of all kinds of AIFs that raise private pools of capital from high net worth individuals, banks, insurance companies, body corporates, estates, family offices, non-banking finance companies, societies, Hindu undivided families, corporations, partnerships (whether limited or unlimited), limited liability companies, body of individuals, associations, trusts, proprietorships, AIFs, foreign portfolio investors, institutional investors or any other institutions, entities or organizations.

The Regulations define an AIF to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which, (i) is a privately pooled investment vehicle which collects funds from investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors; and (ii) is not covered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026, Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999 or any other regulations of SEBI to regulate fund management activities. However, family trusts set up for the benefits of 'relatives' as defined under Companies Act, 2013; ESOP trusts set up under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or as permitted under Companies Act, 2013; employee welfare trusts or gratuity trusts set up for benefit of employees; holding companies within the meaning of sub-section 46 of Section 2 of the Companies Act, 2013; other special purpose vehicles not established by fund managers, including securitization trusts, regulated under a specific regulatory framework; funds managed by securitisation company or reconstruction company which is registered with the RBI under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and any such pool of funds which is directly regulated by any other regulator in India have been excluded from the purview of the Regulations.

The Regulations provide that no entity or person shall act as an AIF unless it is registered with SEBI. The Regulations have categorised AIFs into three categories viz., Category I AIFs, Category II AIFs, and Category III AIFs. Category I AIFs have been further divided into sub-

categories viz., venture capital funds, SME Funds, social impact funds, infrastructure funds, special situation funds and such other AIFs as may be specified by SEBI.

AIFs shall not have more than one thousand investors in a scheme Further, if the AIF is established in the form of a company, the provisions of the Companies Act, 2013 shall be applicable.

The Regulations define Category III AIF as an AIF which employs diverse or complex trading strategies and may employ leverage including through investment in listed or unlisted derivatives. The Regulations also explain that AIFs such as hedge funds or funds which trade with a view to make short term returns or such other funds which are open ended and for which no specific incentives or concessions are given by the government or any other regulator shall be included in Category III.

(b) Key considerations associated with the Fund

The Regulations prescribe that the raising of funds should be done strictly on a private placement basis through issuance of a placement memorandum/information memorandum (by whatever name called) by way of issue of beneficial interest and the minimum investment that can be accepted by a Category III AIF from an investor, whether Indian, foreign or non-residents Indian is INR 1,00,00,000 (Indian Rupees One Crore); provided that in case of investors who are employees or directors of a Category III AIF or employees or directors of the Investment Manager, the minimum value of investment will be INR 25,00,000 (Indian Rupees Twenty-Five Lakhs). However, with respect to beneficial interest of a Category III AIF issued to the employees of the investment manager of a Category III AIF for profit-sharing, such minimum investment amount is not applicable in cases where such beneficial interest do not entail any contribution/investment from the employees. Chapter 20 of SEBI Master Circular for AIFs has prescribed that a Category III AIF shall issue beneficial interest to its investors only in dematerialised form in the manner as prescribed under the said chapter of the SEBI Master Circular for AIFs. The following conditions shall apply to the schemes launched after October 31, 2023:

- i. The units issued after April 30, 2024, to investors who have provided their demat account details shall be credited to such investors' demat accounts.
- ii. The investors on-boarded prior to May 01, 2024, who have not provided their demat account details, units of such investors shall be credited in Aggregate Escrow Demat Account temporarily, till investors provide their demat account details.

For schemes with corpus more than Rs. 500 crore:

- i. The units issued after October 31, 2023 to investors who have provided their demat account details shall be credited to such investors demat account.
- ii. The investors on-boarded prior to November 01, 2023, who have not provided their demat account details, units of such investors shall be credited in Aggregate Escrow Demat Account temporarily, till investors provide their demat account details.

Investment managers of AIFs shall maintain investor wise KYC details of beneficial interest held in Aggregate Escrow Demat Account, including name, PAN and bank account details, along with audit trail of the transactions. The same shall also be reported to depositories and custodians on a monthly basis. Investment managers shall follow the standards to be prescribed under the circular for maintaining investor-wise records of transactions etc. The Investment Manager shall maintain records as specified under Regulation 27(1) of the Regulations and shall ensure that such records are preserved for a period of five years after the winding up of the fund, in accordance with Regulation 27(2) of the Regulations.

The terms of transfer of beneficial interest of Category III AIF held by an investor in dematerialised form shall continue to be governed by the terms of private placement memorandum, contribution agreements entered with the investors and any other Trust Documents. However, no transfer of beneficial interest of AIFs from or within Aggregate Escrow Demat Account is allowed except for the transfer of beneficial interest to the investor's demat account.

Further, the Regulations prescribe that placement memorandum should contain all material information about the Category III AIF and its investment manager, background of key investment team of the investment manager, targeted investors, fees and all other expenses proposed to be charged, tenure of the Category III AIF or scheme, conditions or limits on redemption, investment strategy, risk management tools and parameters employed, key service providers, terms of reference of the committee constituted for approving the decisions of the Alternative Investment Fund, conflict of interest and procedures to identify and address them, disciplinary history and other terms and conditions on which the Manager offers investment services, its affiliations with other intermediaries, manner of winding up of the Alternative Investment Fund or the scheme and such other information as may be necessary for the investor to take an informed decision on whether to invest in the Alternative Investment Fund. Furthermore, in respect of any subsequent scheme(s) launched, the placement memorandum/information memorandum of such scheme(s) should be filed with SEBI through a merchant banker at least 30 (Thirty) days prior to launch of such scheme(s) along with the specified fee. This Memorandum satisfies all the applicable requirements laid down under the Regulations. In case of an open-ended AIF, the first single lump-sum investment amount received from a Contributor shall not be less than the minimum investment amount, as specified under the Regulations. All AIFs are required to inform SEBI in case of any change in the sponsor, manager or designated partners or any other material change from the information provided by the AIF at the time of application for registration. In case of change in control of the AIF, sponsor or manager, prior approval from SEBI shall be taken by the AIF. The books of accounts of the AIF shall be audited annually by a qualified auditor.

(c) General investment conditions

- 1) AIFs may invest in securities of companies incorporated outside India subject to conditions/guidelines stipulated by RBI/SEBI from time to time;
- 2) The investment manager or sponsor cannot co-invest in an investee company on terms more favourable than those offered to the AIFs. Further, the terms of exit from the co-investment in an investee company including timing of exit shall be identical to the terms applicable to that of exit of AIF.
- 3) AIFs shall not invest in (a) Associates or (b) beneficial interest of an AIF managed or sponsored by its manager, sponsor or associates of its investment manager or sponsor except with the approval of 75% (seventy-five percent) of investors by value of their investment in the AIFs;
- 4) AIFs shall not buy or sell investments, except with the approval of 75% (seventy-five percent) of investors by value of their investment and subject to the conditions specified by SEBI, from or to:
 - a) Associates; or
 - b) schemes of AIFs managed or sponsored by its investment manager, sponsor or associates of its investment manager or sponsor; or

- c) an investor who has committed to invest at least 50% of the corpus of the scheme of the AIF; provided that while obtaining approval of the investors, such investor as specified in this clause (c) shall be excluded from the voting process;
- 5) Alternative Investment Funds which are authorised under the Trust Documents to invest in units of Alternative Investment Funds shall not offer their units for subscription to other Alternative Investment Funds.
- 6) AIFs may invest the un-invested portion of the investable funds and divestment proceeds pending distribution to investors in liquid mutual funds or bank deposits or other liquid assets of higher quality such as treasury bills, triparty repo dealing and settlement, commercial papers, certificates of deposits, etc. till deployment of funds as per the investment objective or the distribution of the funds to investors as per the terms of the Trust Documents, as applicable; and
- 7) AIFs may act as nominated investor as specified in clause (b) of sub-regulation (1) of regulation 106N of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 8) In accordance with SEBI Master Circular for AIFs, AIFs shall hold their investments in dematerialised form, subject to such conditions as may be specified by SEBI from time to time, within the timelines prescribed by SEBI. Provided that such requirement shall not apply to:
- i. investments by AIFs in such type of instruments which are not eligible for dematerialisation,
 - ii. investments held by a liquidation scheme of the Alternative Investment Funds that are not available in the dematerialised form, and
 - iii. such other investments by Alternative Investment Funds and such other schemes of Alternative Investment Funds as may be specified by the Board from time to time.

(d) Key investment conditions applicable specifically to a Category III AIF

The following are certain key conditions applicable to a Category III AIF:

• **Investment Conditions:**

1. A Category III AIF may invest in securities of listed or unlisted investee companies or derivatives or complex or structured products or in units of other AIFs as maybe disclosed in the Memorandum;
2. AIF authorised under the Trust Documents to invest in beneficial interest of AIFs shall not offer their beneficial interest for subscription to other AIFs;
3. Category III AIFs may deal in goods received in delivery against physical settlement of commodity derivatives. "Goods" means the goods notified by the Central Government under clause (bc) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative;
4. A Category III AIF may engage in leverage or borrowing subject to consent from the investors in the fund and subject to a maximum limit, as may be specified by SEBI; provided that such funds shall disclose information regarding the overall level of leverage employed, the level of leverage arising from borrowing of cash, the level of leverage arising from position held in derivatives or in any complex product and the main source of leverage in their fund to the investors and to SEBI periodically, as may be specified by SEBI;
 - a. A Category III AIF may buy CDS (Credit Default Swap) for the purpose of hedging or otherwise, within permissible leverage.

- b. A Category III AIF may sell CDS by earmarking unencumbered Government Bonds/Treasury Bills equal to the amount of the said CDS exposure.
5. A Category III AIF shall be regulated through issuance of directions regarding areas such as operational standards, conduct of business rules, prudential requirements, restrictions on redemption and conflict of interest as may be specified by SEBI; and
 6. A Category III AIF may invest in units of Category I AIFs or Category II AIFs; provided that they invest solely in such units and shall not invest in units of other fund of funds; An AIF shall not invest in units of another AIF unless it is fund of AIFs as specified under the Regulations.
 7. Alternative Investment Funds which are authorised under the Trust Documents to invest in units of Alternative Investment Funds shall not offer their units for subscription to other Alternative Investment Funds.
 8. The Sponsor or Manager of the Alternative Investment Fund shall appoint a Custodian registered with the Board for safekeeping of the securities of the Alternative Investment Fund, in the manner as may be specified by the Board from time to time:
Provided that the Custodian appointed by the Sponsor or Manager of a Category III Alternative Investment Fund shall keep the custody of the securities and goods received in delivery against the physical settlement of commodity derivative:
Provided further that the Custodian appointed by the Sponsor or Manager of an Alternative Investment Fund shall report or disclose such information regarding investments of the Alternative Investment Fund in such manner as may be specified by the Board from time to time.
Provided that the Sponsor or Manager of a Category III Alternative Investment Fund shall appoint such a custodian, irrespective of the size of the corpus of the Alternative Investment Fund:
Provided further that the custodian appointed by Category III Alternative Investment Fund shall keep the custody of the securities and goods received in delivery against the physical settlement of commodity derivatives.
 9. A Custodian which is an associate of the Sponsor or Manager of an Alternative Investment Fund may act as a custodian for that Alternative Investment Fund only when all the following conditions are met:
 - (a) the Sponsor or Manager has a net worth of at least twenty thousand crore rupees at all points of time;
 - (b) fifty per cent or more of the directors of the Custodian do not represent the interest of the Sponsor or Manager or their associates;
 - (c) the Custodian and the Sponsor or Manager of the Alternative Investment Fund are not subsidiaries of each other;
 - (d) the custodian and the Sponsor or Manager of the Alternative Investment Fund do not have common directors; and
 - (e) the Custodian and the Manager of the Alternative Investment Fund sign an undertaking that they shall act independently of each other in their dealings of the schemes of the Alternative Investment Fund.
 10. A Category III AIF shall invest not more than ten per cent of the investable funds in an Investee Company, directly or through investment in units of other AIFs and the large value funds for accredited investors of Category III AIF may invest up to twenty percent of the investable funds in an Investee Company, directly or through investment in units of other AIFs:

However, large value funds for accredited investors of Category III AIF may invest up to twenty per cent of the investable funds in an Investee Company, directly or through investment in units of other AIFs.

Provided that for investment in listed equity of an Investee Company, Category III AIFs

may calculate the investment limit of ten per cent of either the investable funds or the net asset value of the scheme and large value funds for accredited investors of Category III AIFs may calculate the investment limit of twenty per cent of either the investable funds or the net asset value of the scheme, subject to the conditions specified by SEBI from time to time.

In this regard, the following is to be noted –

- (i) The limit for investment in listed equity shall be calculated based on the NAV of the fund on the business day immediately preceding the date on which the Category III AIF makes such investment.
- (ii) NAV of the AIF shall be the sum of value of all securities adjusted for mark to market gains/losses (including cash and cash equivalents). The NAV shall exclude any funds borrowed by the AIF.
- (iii) Passive breach of concentration norm *i.e.*, when the market value of the investment of Category III AIF in listed equity of an investee company exceeds the investment limit as prescribed under Regulation 15(1)(d) of the Regulations, shall be rectified within 30 days from the date of the breach.

- **Calculation of Leverage:**

SEBI *vide* paragraph 5.2 of SEBI Master Circular for AIFs, has prescribed certain prudential requirements in respect of leverage that may be undertaken by Category III AIFs, whether through investments in derivatives or by borrowing or by any other means, which are as follows:

- (a) For the purpose of arriving at leverage undertaken by an AIF, leverage shall be calculated as the ratio of the exposure to the Net Asset Value of the AIF.
- (b) Leverage shall be calculated as under:

$$\text{Leverage} = \frac{\text{Total exposure \{Longs + Shorts (after offsetting as permitted)\}}}{\text{Net Asset Value (NAV)}}$$

- (c) The leverage of a Category III AIF shall not exceed 2 times of the NAV of the AIF. *i.e.* if an AIF's NAV is INR100 crore, its exposure (Longs + Shorts) after offsetting positions as permitted shall not exceed INR.200 crore.

Calculation of exposure and NAV

- i. The total exposure of the AIF for the purpose of computing leverage shall generally be the sum of the market value of all the securities/ contracts held by the AIF. The total exposure at any point of time will be a sum of exposure through instruments in both the spot market and the derivative market.
- ii. Exposure shall generally be calculated as below:
 - 1. Futures (long and short) = Futures Price * Lot Size * Number of Contracts
 - 2. Options bought = Option Premium Paid * Lot Size * Number of Contracts
 - 3. Options sold = Market price of underlying * Lot Size * Number of Contracts
 - 4. In case of any other derivative exposure, the exposure is proposed to be calculated as the notional market value of the contract.
- iii. Idle cash and cash equivalents shall not be included in the calculation of total exposure. Long put positions shall be considered as short exposure and short put positions shall be considered as long exposure. Short selling of a stock through the

Stock Lending and Borrowing Mechanism (SLBM) shall be treated as short exposure. Temporary borrowing arrangements which relate to and are fully covered by capital commitments from investors need not be included in calculation of leverage.

- iv. Offsetting of positions shall be allowed for calculation of leverage for transactions entered into for hedging and portfolio rebalancing as provided under Master Circular for Mutual Funds dated March 20, 2026
- v. Sum of all exposures without offsetting transactions for hedging and portfolio rebalancing shall be termed as 'gross exposure' and the ratio of such gross exposure and Net Asset Value (the "NAV") shall be termed as 'gross leverage'.
- vi. Net Asset Value of the AIF shall be the sum of value of all securities adjusted for mark to market gains/losses (including cash and cash equivalents). The NAV shall exclude any funds borrowed by the AIF.

Each scheme of an AIF is required to comply with the above restrictions/limits.

(e) Continuing commitment of the investment manager and/or the sponsor

As stated in this Memorandum, there shall be a continuing interest in the Category III AIF of not less than five percent of the corpus or Indian Rupees ten crore, whichever is lower, in the form of investment in the Category III AIF and such interest shall not be through the waiver of management fees. Such interest may be maintained *pro-rata* to the amount of funds raised (net) from other investors in the AIF.

(f) Tenure of the Fund and conditions for winding up

A Category III AIF may be open ended or close ended. The tenure of the Fund shall be as specified in the Memorandum and shall commence from the first closing as mandated by SEBI vide paragraph 11.3 of the SEBI Master Circular. Further, the tenure of a close ended Category III AIF may be extended by up to 2 (two) years subject to approval of two-third of the unit holders by value of their investment in AIF. In the absence of consent or upon expiry of the extended tenure, the AIF or the scheme of AIF shall be wound up as per procedure provided below in point I, II, III and IV, respectively.

- I. AIF set up as a trust, shall be wound up in the event of the following conditions:
 - 1) when the tenure of the AIF or all schemes launched by the AIF, as mentioned in the private placement memorandum is over; or
 - 2) if it is the opinion of the trustee, that the AIF be wound up in the interests of investors in the beneficial interests; or
 - 3) if 75% (seventy-five percent) of the investors by value of their investment in the AIF pass a resolution at a meeting of beneficial interest holders that the AIF be wound up; or
 - 4) if SEBI so directs in the interests of investors.
- II. Where the AIF is set up as a limited liability partnership, only sub-clause (1), (3) and (4) of clause I above, will be applicable and such AIF shall be wound up in accordance with the provisions of the Limited Liability Partnership Act, 2008.
- III. An AIF set up as a company shall be wound up in accordance with the provisions of the Companies Act, 2013.
- IV. SEBI *vide* paragraph 2.3 of the SEBI Master Circular for AIFs, under the Regulations prescribing, *inter alia*, guidelines for declaration of first close of AIFs, calculation of tenure

and change of sponsor/ manager or change in control of sponsor/ manager. Key points of the paragraph 2.3 of SEBI Master Circular for AIFs have been summarized hereunder:

1) *Timeline for declaration of First Close/Initial Offer Period of Schemes of AIFs:*

The first close of a scheme shall be declared not later than 12 months from the date of SEBI communication for taking the PPM of the scheme on record. For open ended schemes of Category III AIFs, the first close shall refer to the close of their 'initial offer period'.

The corpus of the scheme, at the time of declaring its first close, shall not be less than the minimum corpus prescribed under the Regulations for the respective category or sub-category of the AIF. The SEBI Master Circular for AIFs has also clarified that the commitment provided by sponsor or manager, to meet the aforesaid minimum corpus requirement at the time of declaration of first close shall not be reduced or withdrawn or transferred after the first close.

2) *Calculation of tenure of schemes of AIFs in case of a close-ended scheme:*

The SEBI Master Circular for AIFs has clarified that in case of close ended schemes, the tenure shall be calculated from the date of close of the first closing. The AIFs have been permitted to modify the tenure of a scheme at any time before its first close. Further, it is pertinent to note that the investor may choose to withdraw or reduce commitment provided to such a scheme prior to declaration of the first close/initial offer period.

(g) Flexibility to AIFs and their investors to deal with unliquidated investments of their schemes

SEBI vide circular no. SEBI/HO/AFD/PoD-I/P/CIR/2024/026 dated April 26, 2024 read with SEBI circular SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/100 dated July 9, 2024 has provided additional flexibility to AIFs and their investors to deal with unliquidated investments of their schemes.

Dissolution Period means the period which follows the expiry of the liquidation period of the fund for the purpose of liquidating the unliquidated investments of the fund ("**Dissolution Period**").

The aforesaid circular further provides for conditions for entering into Dissolution period:

- a. The scheme is not to accept any fresh commitment from any investor during the Dissolution Period;
- b. The scheme is to not make any new investment during the Dissolution Period
- c. No management fee is charged during the Dissolution Period;
- d. The tenure of the Dissolution Period is to not be more than the original tenure of the scheme and shall not be extended in any manner upon expiry of the Dissolution Period;
- e. The investment manager communicates the value of the unliquidated investments of the scheme to performance benchmarking agencies for appropriately capturing the track record of performance of the manager, where, the value of such unliquidated investments shall be:

- i. Calculated based on the bid value if the investment manager successfully raises bids for a minimum of 25% of the value of unliquidated investments;
- ii. INR 1, if otherwise.

It may be noted that an AIF may enter into a Dissolution Period even if the investment manager fails to arrange for any bids for its unliquidated investments

AIFs are not permitted to launch a new liquidation scheme after April 25, 2024. If the liquidation period for a scheme of an AIF has already expired or is expiring within three months from the date of notification of the Regulations (i.e., July 24, 2024), it will be granted an additional liquidation period until April 24, 2025, provided there are no investor complaints pending regarding non-receipt of funds or securities. Further, the aforesaid circular clarifies that no further extension or liquidation period shall be available to any AIF/scheme of an AIF after the expiry of Dissolution Period.

(h) Reporting obligations

1) General reporting obligations

Category III AIFs shall ensure transparency and shall make the following disclosures to investors:

- a. financial, risk management, operational, portfolio, and transactional information regarding fund investments shall be disclosed periodically to the investors;
- b. any fees ascribed to the manager or sponsor; and any fees charged to the AIF or any investee company by an associate of the manager or sponsor shall be disclosed periodically to the investors;
- c. any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction, as and when occurred;
- d. any material liability arising during the AIF's tenure shall be disclosed, as and when occurred;
- e. any breach of a provision of the placement memorandum or agreement made with the investor or any other Trust Documents, if any, as and when occurred;
- f. change in control of the sponsor or manager or investee company.
- g. any significant change in the key investment team shall be intimated to all investors;
- h. AIFs shall provide, when required by SEBI, information for systemic risk purposes (including the identification, analysis and mitigation of systemic risks).
- i. AIFs shall report details of CDS transaction to the custodian by the next working day.

2) Periodic reporting obligations

Category III AIFs shall provide quarterly reports to investors containing the following information, within 60 (sixty) days of end of the quarter:

- i. financial information of investee companies.
- ii. material risks and how they are managed which may include:
 - a. concentration risk at fund level;
 - b. foreign exchange risk at fund level;
 - c. leverage risk at fund and investee company levels;
 - d. realization risk (i.e. change in exit environment) at fund and investee company levels;

- e. strategy risk (i.e. change in or divergence from business strategy) at investee company level;
- f. reputation risk at investee company level;
- g. extra-financial risks, including environmental, social and corporate governance risks, at fund and investee company level.

Pursuant to SEBI Circular HO/19/28/(1)2026-AFD-SEC3/I/6176/2026 dated March 04, 2026, AIFs are now required to submit a comprehensive annual activity report at the end of each financial year. The report is required to be filed online through the SEBI Intermediary Portal (“SI Portal”) within 30 (thirty) calendar days from the end of March of the relevant financial year. The first such annual activity report will be required to be submitted for the financial year ending March 2026 and must be filed on or before May 31, 2026.

A limited Quarterly Activity Report shall be submitted by all AIFs online on the SI Portal in a revised format within 15 calendar days from the end of each such quarter. The first such report shall be submitted for the quarter ending June 2026.

3) Other disclosure obligations

- a. The manager and sponsor of the AIF shall disclose their investment in the AIF to its Investors; and
- b. The manager and sponsor of the AIF shall act in a fiduciary capacity towards its Investors and shall disclose to the Investors, all conflicts of interests as and when they arise or seem likely to arise.
- c. The manager shall establish and implement written policies and procedures to identify, monitor and appropriately mitigate conflicts of interest throughout the scope of business.
- d. The manager and sponsor of Alternative Investment Fund shall abide by high level principles on avoidance of conflicts of interest with associated persons, as may be specified by SEBI from time to time.
- e. The manager shall designate an employee or director as Compliance Officer who shall be a person other than CEO of the Investment Manager (or such equivalent role or position depending on the legal structure of manager). The Compliance Officer shall be responsible for monitoring compliance with the provisions of the SEBI Act, Regulations and circulars issued thereunder.
- f. The manager shall comply with requirement of compliance test report as specified in paragraph 15.2 of the SEBI Master Circular for AIFs.
- g. The manager shall also be obligated to address all investor complaints, provide to the Board any information sought by Board, maintain all records as may be specified by the Board; take all steps to address conflict of interest as specified in these regulations and ensure transparency and disclosure as specified in the regulations.
- h. Any deviation in the valuation at each asset level, in case there is a deviation of more than 20% (twenty percent) between two consecutive valuations or a deviation of more than 33% (thirty three percent) in a Financial Year.
- i. Any breach in leverage limit shall be reported to all investors of AIF before 10 am on the next working day stating that there is a breach in the limit along with reasons for the same.

(i) Alteration in strategy of the Fund

An AIF shall obtain the consent of at least two-third of its beneficial interest holders by value of their investment in the AIF prior to any material alternation in its investment strategy.

(j) Alteration in category of the Fund

AIF may change its category subsequent to receipt of the registration from SEBI, with prior approval of SEBI *vide* paragraph 3.2 of the SEBI Master Circular for AIFs, an AIF that has not made any investment under the category in which it was registered with SEBI earlier is allowed to make an application to SEBI for change in category. The trust is required to make an application in Form A to SEBI along with application fees of Rs. 1,00,000 (Indian Rupees One Lakh) stating rationale for the change proposed in AIF category. Registration fees shall not apply for such application. If the AIF has raised commitments/funds prior to application for change in category, the AIF shall be required to send letters/emails to all its investors providing them the option to withdraw their commitments/ funds raised without any penalties/charges. Any fees collected from investors seeking to withdraw commitments/ funds shall be returned to them. Partial withdrawal may be allowed subject to compliance with the minimum investment amount required under the Regulations. The AIF shall not make any investments other than in liquid funds/ banks deposits until approval for change in category is granted by SEBI. On approval of the request from SEBI, the AIF shall send a copy of the revised placement memorandum and other relevant information to all its investors.

(k) Valuation

AIFs should carry out valuation of its investments in the manner specified by the SEBI from time to time and provide to its investors, a description of its valuation procedure and methodology for valuing assets. Category III AIFs shall ensure that calculation of the net asset value (NAV) is independent from the fund management function of the AIF and such NAV shall be disclosed to the investors at intervals not longer than a quarter for close ended funds and at intervals not longer than a month for open ended funds. Provided that for the purpose of calculation of NAV, Category III AIF shall undertake valuation of their investment in unlisted securities and listed debt securities by an independent valuer.

As per paragraph 3.1 of SEBI circular no. HO/19/34/11(8)2025-AFD-POD1/4335/2026 dated February 6, 2026 AIFs, through their RTAs, shall upload the latest available NAV corresponding to each ISIN of units of the AIF in the depository system before May 01, 2026, or within 30days from the date of valuation of the investment portfolio, whichever is later. For the purpose of aforesaid mandate, the valuation date shall be the date of the valuation report in case the valuation is carried out by independent valuers. In case the valuation is carried out by an internal valuer, the valuation date shall be the date on which the valuation is documented in the internal records of the fund.

SEBI *vide* its Chapter 22 of the SEBI Master Circular for AIFs, as amended by SEBI Circular SEBI/HO/AFD/PoD-1/P/CIR/2024/123 dated September 19, 2024 titled "*Modification in framework for valuation of investment portfolio of AIFs*", has stipulated certain standardized norms for valuation of investment portfolio of a Category III AIF, as detailed hereinbelow:

- a) Valuation of securities, other than unlisted securities and listed securities which are non-traded and thinly traded, for which valuation norms have been prescribed under SEBI (Mutual Funds) Regulations, 2026 shall be carried out as per the norms prescribed under the same.
- b) Valuation of securities which are not covered in para (a) above, shall be carried out as per valuation guidelines endorsed by any AIF industry association, which in terms of membership represents at least 33% of the number of SEBI registered AIFs.
- c) The investment manager shall also disclose in private placement memorandum, the details of the valuation methodology and approach adopted under the stipulated guidelines for each asset class of the scheme of the AIFs.
- d) The investment manager shall ensure that the AIF appoints an independent valuer who satisfies the following criteria as specified by the SEBI:

- (i) The independent valuer shall not be an associate of investment manager or sponsor or trustee of the AIF.
 - (ii) The independent valuer shall have at least three years of experience in valuation of unlisted securities.
 - (iii) The independent valuer is a valuer registered with Insolvency and Bankruptcy Board of India and has membership of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India or CFA Institute; or
 - (iv) The independent valuer is a holding company or subsidiary of a Credit Rating Agency registered with SEBI; or
 - (v) Such entity or company shall be a 'Registered Valuer Entity' registered with Insolvency and Bankruptcy Board of India
 - (vi) The deputed/authorized person(s) of such 'Registered Valuer Entity', who undertake(s) the valuation of investment portfolio of AIFs, shall have a membership of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India or a Chartered Financial Analyst Charter from the Chartered Financial Analyst Institute.
 - (vii) Any other criteria as may be specified by SEBI from time to time.
- e) The investment manager and the key management personnel of the investment manager shall ensure that the independent valuer computes and carries out valuation of the investments of the scheme of the AIFs in the manner specified by SEBI from time to time.
 - f) The investment manager shall be responsible for true and fair valuation of the investments of the scheme of the AIFs. In case the established policies and procedures of valuation do not result in fair and appropriate valuation, the investment manager shall deviate from the established policies and procedures in order to value the assets or securities at a fair value and document the rationale for such deviation. Such deviation and its rationale shall be reported to the trustee of the AIF and investors of the AIFs.
 - g) At each asset level, in case there is a deviation of more than 20% between two consecutive valuations or a deviation of more than 33% in a financial year, the investment manager shall inform the investors the reasons/factors for the same, both generic and specific, including but not limited to changes in accounting practices/policies, assumptions/projections, valuation methodology and approach, etc. and reasons thereof.
 - h) Change in valuation methodology/ approach to comply with clause 22.1 of the SEBI Master Circular on 'Standardised approach to valuation of investment portfolio of AIFs' shall not be construed as a material change.
 - i) Change in methodology/approach within the valuation guidelines / valuation norms prescribed for AIFs, shall ensue not be construed as a 'material change'. However, upon such change, the valuation of the investment carried out based on valuation methodologies / approaches, both old and new, shall be disclosed to the investors to ensure transparency.
 - j) In order to ensure timely and appropriate reporting of valuation of investment portfolio to performance benchmarking agencies:
 - (i) Investment manager of AIF shall ensure that a specific timeframe for providing audited accounts by the investee company to the AIF is included as one of the terms in subscription agreement / investment agreement with the investee company, so as to enable AIFs to report valuation based on audited data of investee companies as on March 31 to performance benchmarking agencies within the specified timeline of seven months i.e. by October 31 of each year.
 - (ii) Investment manager of AIF shall ensure that valuation based on audited data of investee company is reported to performance benchmarking agencies only after the audit of books of accounts of the AIF in terms of regulation 20(14) of Regulations, within the stipulated timelines.

(I) Material changes to the placement memorandum

In cases of material changes (i.e. changes in the fundamental attributes of the AIF) significantly influencing the decision of the investor to continue to be invested in the AIF, an exit process as prescribed under paragraph 2.5.4. of SEBI Master Circular for AIFs, is required to be complied with. Such changes shall include, but not be limited to the following:

- a. Change in sponsor/investment manager (*not including an internal restructuring within the group*)
- b. Change in control of sponsor/investment manager
- c. Change in fee structure or hurdle rate which may result in higher fees being charged to the beneficial interest holders.

If required under Applicable Law, prior approval of the Board shall be taken by the Alternative Investment Fund for such material changes, subject to levy of fees and any other conditions as may be specified by the Board from time to time.

SEBI vide its circular dated April 29, 2024, stipulated that the changes in the terms of PPM, may not be required to be submitted through a merchant banker and may be filed directly with SEBI. Further, as per paragraph 12.12 of SEBI Master Circular, Large Value Fund for Accredited Investors (“LVF”) are exempted from the requirement of intimating any changes in the terms of the PPM through a merchant banker. LVFs may directly file any changes in the terms of PPM with SEBI, along with a duly signed and stamped undertaking by CEO of the investment manager of the AIF (or person holding equivalent role or position depending on the legal structure of the investment manager) and compliance officer of investment manager of the AIF, in the format as specified by SEBI.

As per paragraph no. 2.5.5. of SEBI Master Circular for AIFs, if at least 75% (seventy-five percent) of the investors by value of their investments in the AIF approve changes mentioned in sub-clause (a) and (b) above, the exit process as prescribed under the above stated Master Circular is not required to be complied with.

In terms of the above SEBI Master Circular for AIFs, the following process is required to be followed by the AIF:

In case the scheme of the AIF is open-ended, the exit option may be provided as under:

1. Buying out of beneficial interests of the dissenting investors by the investment manager/any other person as may be arranged by the investment manager, valuation of which shall be based on market price of underlying assets.
2. Redemption of beneficial interests of the investors through sale of underlying assets.

OR

In case the scheme of the AIF is close-ended, the exit option may be provided as under:

- The exit option shall be provided by buying out of units of the dissenting investors by the investment manager/any other person as may be arranged by the investment manager.
- Prior to buying out of such units, valuation of the units shall be undertaken by 2 (two) independent valuers and the exit shall be at value not less than average of the two (two) valuations.

The responsibility to provide exit to the dissenting investors shall be on the investment manager. The expenses for the entire process shall be borne by the investment

manager/sponsor/proposed new manager or sponsor and shall not be charged to the unit holders. The entire process of exit to dissenting investors shall be completed within 3 months from the date of expiry of last date of the offer for dissent. The trustee of AIF (in case AIF is a trust)/ sponsor (in case of any other AIF) shall be responsible for overseeing the process, ensuring compliance and regularly updating SEBI on the developments.

(m) Overseas investments by an AIF

Under Regulation 15(1)(a) of the Regulations, an alternative investment fund may invest in securities of companies incorporated outside India subject to such conditions or guidelines that may be stipulated or issued by the RBI and SEBI from time to time.

In this regard, RBI *vide* its A.P. (DIR Series) Circular No.48 dated December 09, 2014 has permitted AIFs, registered with SEBI, to invest overseas in terms of the provisions issued under the A.P. (DIR Series) Circulars No. 49 and 50 dated April 30, 2007 and May 04, 2007 respectively as may be amended from time to time.

SEBI *vide* Chapter 7 (Guidelines for overseas investments by AIFs and related reporting) of the SEBI Master Circular for AIFs has issued the following guidelines on overseas investments by an AIF:

- a. AIFs may invest in equity and equity linked instruments only of offshore venture capital undertakings, subject to overall limit of USD 1,500 million (combined limit for AIFs and Venture Capital Funds registered under the SEBI (Venture Capital Funds) Regulations, 1996).
- b. For the purpose of such investment, it is clarified that “Offshore Venture Capital Undertakings” means a foreign company whose shares are not listed on any of the recognized stock exchange in India or abroad.
- c. AIFs desirous of making investments in offshore venture capital undertakings shall submit their proposal for investment to SEBI for prior approval. It is clarified that no separate permission from RBI is necessary in this regard. AIFs shall file an application for allocation of overseas investment limit in the prescribed format.
- d. AIFs shall invest in an overseas company, which is incorporated in a country whose securities market regulator is a signatory to the International Organization of Securities Commission’s Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to the bilateral Memorandum of Understanding with SEBI.
- e. AIFs shall not invest in an overseas investee company, which is incorporated in a country identified in the public statement of Financial Action Task Force (“FATF”) as:
 - (i) A jurisdiction having strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
 - (ii) A jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with FATF to address the deficiencies.
- f. Such investments shall not exceed 25% (twenty-five percent) of the investable funds of the scheme of the AIF.
- g. Every transaction relating to the purchase and sale of foreign security by an AIF shall be routed through the designated AD bank in India.
- h. The allocation of investment limits would be done on—‘first come - first serve’ basis, depending on the availability in the overall limit of USD 1,500 million.
- i. In case an AIF that is allocated certain investment limit, wishes to apply for allocation of further investment limit, the fresh application shall be dealt with on the basis of the date of its receipt and no preference shall be granted to it in fresh allocation of investment limit.
- j. As per paragraph 7.3 of the SEBI Master Circular for AIFs read with SEBI circular no. SEBI/HO/AFD/PoD/CIR/P/2023/137 dated August 04, 2023, the AIF shall have a time limit of 4 (four) months from the date of approval from SEBI for making allocated investments

in offshore venture capital undertakings. In case the applicant does not utilize the limits allocated within the stipulated period, SEBI may allocate such unutilized limit to other applicants.

- k. AIF shall report the utilization of the allocated investment limits within 5 (five) working days of such utilization on SEBI intermediary portal. In an event, the AIF has not utilized the allocated investment limits granted by SEBI within 4 (four) months from the date of SEBI approval (“**Validity Period**”), the same shall be reported within 2 (two) working days after expiry of the Validity Period. In the event, AIF has not utilized a part of allocated investment limit within the Validity Period, the same shall be reported within 2 (two) working days after the expiry of the Validity Period. In case an AIF wishes to surrender the overseas limit at any point of time within the Validity Period, the same shall be reported within 2 (two) working days from the date of decision to surrender the limit.
- l. These investments would be subject to Foreign Exchange Management (Overseas Investment) Regulations, 2022, along with Foreign Exchange Management (Overseas Investment) Rules, 2022, including amendments thereof and related directions issued by RBI from time to time.
- m. Such investment or transfer by AIF, under the Overseas Investment Rules, is to be treated as OPI and thus, the AIF shall be obligated to report the same within sixty (60) days from the end of the half-year in which such investment or transfer is made as of September or March end.
- n. If an AIF liquidates investment made in an overseas investee company previously, the sale proceeds received from such liquidation, to the extent of investment made in the said overseas investee company, shall be available to all AIF for reinvestment.
- o. AIFs shall transfer/ sell the investment in overseas investee company only to the entities eligible to make overseas investments, as per the extant guidelines under the Foreign Exchange Management Act, 1999.
- p. AIFs shall furnish the sale/ divestment details of the overseas investments to SEBI, in the prescribed format, within 3 (three) working days of the divestment for updating the overall limit available for overseas investment by AIFs.
- q. AIFs shall not invest in joint venture/wholly owned subsidiary while making overseas investments.
- r. AIFs shall adhere to FEMA Regulations and other guidelines specified by RBI from time to time with respect to any structure which involves Foreign Direct Investment (FDI) under Overseas Direct Investment (ODI) route.
- s. AIFs shall comply with all requirements under RBI guidelines on opening of branches/subsidiaries/joint venture/undertaking investment abroad by NBFCs, where more than 50% of the funds of the AIF has been contributed by a single NBFC.

(n) Pro rata and pari-passu rights of investors

By way of the SEBI (Alternative Investments Funds) (Fifth Amendment) Regulations, 2024 (“**Fifth Amendment Regulations**”), dated November 18, 2024, SEBI has inserted two new sub-regulations (i.e. Regulation 20(21) and Regulation 20(22)) to Regulation 20 of the Regulations. The salient features of the Fifth Amendment Regulations are captured below:

- i. **Obligation to ensure pro rata rights of investors:** Regulation 20(21) states that the investors of a scheme of an AIF shall have rights, pro-rata to their commitment to the scheme, in each investment of the scheme and in the distribution of proceeds of such investment, except as may be specified by SEBI from time to time.

In this regard, it is specified that the requirement of maintaining investors’ rights pro-rata to their commitment to the scheme, shall not be applicable in an investment of a scheme and distribution of proceeds of the investment to the extent: -

- a. an investor has been excused or excluded from participating in the said investment; or,

- b. an investor has defaulted on providing his/her pro-rata contribution for the said investment.

Further, the requirement of maintaining pro-rata rights of investors in distribution of proceeds of investments of a scheme, shall not be applicable to the extent returns or profit on the investments is shared by an investor with the manager or sponsor of the AIF (by whatever name it is called, such as carried interest/additional return), in terms of contribution agreement executed between them.

In case, the rights of investors of a scheme of an AIF issued before the notification of the Fifth Amendment Regulations, are not pro-rata to their commitment to the scheme, and are not exempted by SEBI, such rights shall be dealt with in the manner specified by SEBI.

- ii. ***Obligation to ensure pari-passu rights of investors***: Regulation 20(22) states that the rights of investors of a scheme of an AIF (except a Large Value Fund for Accredited Investors), other than that specified in Regulation 20(21), shall be pari – passu in all aspects. However, a scheme of an AIF is permitted to offer differential rights to select investors, in the manner specified by SEBI, and without affecting the interests of other investors in the scheme.

In case an AIF has already issued any differential rights to investors before the notification of the Fifth Amendment Regulations, and such rights are affecting the interests of other investors, such rights shall be dealt with in the manner as specified by SEBI.

Pursuant to the SEBI circular dated December 13, 2024 (SEBI/HO/AFD/AFD-POD-1/P/CIR/2024/175), the Standard Setting Forum for AIFs (“SFA”) has issued the implementation standards for offering of differential rights to select investors of an AIF. These implementation standards prescribe the list of specific differential rights that may be offered by AIFs to select investors. AIFs may offer differential rights in respect of the following:

- Fund expenses
- Management fees
- Hurdle rate of return
- Carried interest
- Co-investment rights
- Reporting and information rights
- Representation on committees constituted by the AIF/scheme
- Most favoured nation
- Confidentiality of investors’ details/information
- Representation and warranties

As per the circular, the following shall not be considered as a differential right:

- Information provided to select investors which is in the nature of elaborating on terms/disclosures in the PPM or contribution agreement/Tund Documents, in line with the Regulations and circulars issued thereunder.
- Right in the nature of providing specific treatment to select investors, in order for the investors to comply with laws or regulations applicable to them.

The list may be reviewed and updated by SFA, in consultation with SEBI, whenever necessary. Accordingly, any differential right not covered in the list, which meets the conditions specified in the SEBI circular dated December 13, 2024, may be shared with the SFA) or the respective industry associations for AIFs for updation, after due consultation with SEBI.

(o) Code of Conduct

- a. AIF, key management personnel of the AIF, trustee, trustee company, directors of the trustee company, designated partners or directors of the AIF, as the case may be, investment managers and key management personnel of investment managers shall abide by the Code of Conduct as specified in the Fourth Schedule of the Regulations.
- b. The investment manager and either the trustee or trustee company or the board of directors or the designated partners of the AIF, as the case may be, shall ensure compliance by the AIF with the Code of Conduct as specified in the Fourth Schedule of the Regulations.
- c. All AIFs shall have detailed policies and procedures, as approved jointly by the Manager and the trustee or trustee company or Board of Directors or designated partners of the AIF, as the case may be, to ensure that all the decisions of the AIF are in compliance with the provisions of the Regulations, terms of the placement memorandum, agreements made with investors, other Tund Documents and applicable laws.
- d. All AIFs shall review the policies and procedures laid down in terms of the Regulations, other internal policies, if any, and their implementation, on a regular basis or as a result of business developments, to ensure their continued appropriateness.
- e. The investment manager shall be responsible for every decision of the AIF, including ensuring that the decisions are in compliance with the provisions of the Regulations, terms of the Trust Documents and Applicable laws.
- f. The investment manager shall be responsible for ensuring that every decision of the AIF is in compliance with the policies and procedures laid down for the AIF and other internal policies of the AIF, as applicable.
- g. Further, to abide by the code of conduct, the AIF, investment manager, trustee and sponsor shall:
 - a. act in the interest of unitholders of the AIF/scheme and not take any action which is prejudicial to the interest of the unitholders and not place the interest of the sponsor/manager/trustee of the AIF or any of their associates above the interest of the unitholders of the scheme/AIF.
 - b. maintain high standards of integrity and fairness in all their dealings and in the conduct of the business and render at all times high standards of service, exercise due diligence and exercise independent professional judgment.
 - c. not offer any assured returns to any prospective investors/unitholders

(p) Accredited Investor Framework

- a) Definition. Regulation 2(ab) of Regulations defines Accredited Investor. As per the definition “Accredited Investor” means any person who is granted a certificate of accreditation by an accreditation agency upon qualifying the following criteria for accreditation:

Category of persons seeking recognition as ‘accredited investor’	Criteria
1) Individuals, HUFs, Family Trusts and Sole Proprietorships	<ul style="list-style-type: none">• Annual Income \geq INR 2 Crores; OR• Net Worth \geq INR 7.5 Crores, out of which at least INR 3.75 Crores is in the form of financial assets; OR

	<ul style="list-style-type: none"> • Annual Income \geq INR 1 Crore+ Net Worth \geq INR 5 Crores, out of which at least INR 2.5 Crores is in the form of financial assets.
2) Partnership Firms	Each partner has to independently meet the criteria for accreditation as set out above.
3) Trusts (other than family trusts)	Net worth exceeding or equal to INR 50 Crores.
4) Body Corporates	Net worth exceeding or equal to INR 50 Crores.

It is to be noted 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, Category I FPI investors, Sovereign Wealth Funds, and other multilateral agencies are deemed to be accredited investors and are not required to obtain certification from accredited agencies.

b) Provisions of minimum investment of Rs.1 Crore is not applicable to Accredited Investors. Procedure for Accreditation and availing benefits linked to accreditation. SEBI *vide* circular no. SEBI/HO//AFD/PoD1/CIR/189 read with Chapter 12 of SEBI Master Circular for AIFs notified modalities for implementation of the framework for Accredited Investors. Please find below key provisions with respect to the accreditation process as set out under the SEBI circular.

- SEBI has specified eligibility criteria for Accredited Agency for carrying out the accreditation process.
- For accreditation, the prospective Accredited Investor (“**Applicant**”) is required to make an application to the Accreditation Agency in the manner specified by the Accreditation Agency.
- For the purpose of accreditation, eligibility criteria shall be reckoned based on the documents as specified in Annexure B of the SEBI Master Circular for AIFs.
- In case of accreditation of individual investors, HUFs and Sole Proprietorships, the value of the primary residence of the individual, Karta of HUF and the Sole Proprietor respectively, shall not be considered for calculation of net worth.
- The Accreditation Agency shall grant accreditation solely based on the KYC and the financial information of the applicants.
- Upon clearing the stage of verification mentioned above, the Accreditation Agency shall issue a certificate of accreditation (“**Accreditation Certificate**”) having a unique accreditation number, name of accreditation agency, PAN of the Applicant and validity of the accreditation certificate.

(q) Modalities for filing of placement memorandum through a Merchant Banker

SEBI *vide* paragraph 2.2 of the SEBI Master Circular for AIFs, issued the modalities for AIFs with respect to filing of placement memorandum, including that merchant bankers have to independently exercise due diligence regarding the disclosures and provide a due diligence certificate. Under SEBI norms, AIFs can launch schemes subject to filing of placement memorandum with the regulator through a registered merchant banker. The framework has come into effect from November 11, 2021.

While filing draft placement memorandum at the time of registration or prior to launch of new scheme on the SEBI intermediary portal, the due diligence certificate provided by the merchant banker will also be submitted along with other necessary documents. The details of the merchant banker will have to be disclosed in the placement memorandum.

The merchant banker appointed for filing of placement memorandum will not be an associate of the AIF, its sponsor, manager or trustee. AIFs are required to intimate the regulator regarding any changes in terms of placement memorandum on a consolidated basis, within one month of the end of each financial year. Such an intimation will also be submitted through a merchant banker along with the due diligence certificate provided by such merchant banker.

(r) Investor Charter and Investor Grievance Redressal Mechanism

With an aim to simplify the private placement memorandum, SEBI has prescribed incorporation of an additional section in the offering document titled “**Investor Charter**” for new schemes. The Investor Charter has been envisaged as a brief document capturing certain details that may be particularly relevant to the investor, e.g., details of grievance redressal mechanism, responsibilities of the investors, etc. The Investor Charter is required to be written in lucid language in the format prescribed by SEBI to facilitate readability of the private placement memorandum as a whole. In case of existing schemes, Investor Charter has to be e-mailed to investors as a separate document as a one-time measure. Additionally, data on investor complaints received against AIFs and each of their schemes and redressal status thereof shall be disclosed by all AIFs and each of their schemes and the redressal status thereof shall be disclosed by all AIFs as per the format prescribed by SEBI. Both of these measures have been introduced with an aim to provide the highest standards investor awareness and investor protection and bring to about greater transparency.

Investors can also approach SEBI for redressal of their complaints through SEBI SCORES platform. On receipt of complaints, SEBI takes up the matter with the concerned AIF.

Further, as per paragraph 8 of the SEBI’s master circular no. SEBI/HO/OIAE_IAD-3/P/CIR/2023/195 titled ‘Master Circular for Online Dispute Resolution’ dated July 31, 2023 (including any amendment or clarificatory circulars that may be issued by SEBI from time to time) time as updated on December 20, 2023, AIFs are obligated to enroll in the ODR Portal upon receipt of registration and are thereafter directed to display a link to the ODR Portal on the home page of their websites and mobile apps.

(s) Compliance Officer

The investment managers of all AIFs are required to designate an employee or director as ‘Compliance Officer’ other than the CEO (or person holding such equivalent role or position). The Compliance Officer shall be responsible to monitor compliance with the provisions of the SEBI Act, Regulations and circulars issued thereunder and report any non-compliance within 7 (seven) working days from the date of observing such non-compliance. The Compliance Officer shall satisfy the eligibility criteria as may be specified by SEBI from time to time.

The Compliance Officer of Manager of an AIF shall obtain certification from the National Institute of Securities Market by passing the NISM Series – III - C: Securities Intermediaries Compliance (Fund) Certification Examination as mentioned in the communique No. NISM/Certification/Series – III - C: Securities Intermediaries Compliance (Fund) Certification Examination /2025/01/November 20, 2025 issued by the National Institute of Securities Market. Managers of AIFs shall ensure that, with effect from January 1, 2027, only those persons who have obtained the aforesaid certification shall be appointed as or shall continue to act as compliance officer of managers of AIFs.

(t) Stamp Duty payable under the Indian Stamp Act, 1899

The Finance Act, 2019, had introduced amendments in the Indian Stamp Act, 1899 (“the Act”)

to, *inter alia*, bring uniformity in the levy of stamp duty on 'securities', whether in physical or dematerialized form. Part I of Chapter IV of the Finance Act 2019 related to amendments to the Act.

The Ministry of Finance ("MoF") pursuant to notification no. S.O. 4419I dated December 10, 2019, had initially appointed January 9, 2020, as the date on which the amendments to the Act shall come into force. Vide notification no. S.O. 115(E) dated January 8, 2020, the MoF appointed April 1, 2020, as the day amendments to the Act shall come into force. Further, vide notification no. S.O. 1226(E) dated March 30, 2020, the MoF appointed July 1, 2020, as the day amendments to the Act shall come into force.

Vide notification G.S.R. 901(E) dated December 10, 2019, the MoF had notified the Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 ("the Rules") to *inter alia* regulate the utilised mechanism for the collection of stamp duty across India. The Rules were initially to come into force from January 9, 2020. Pursuant to notification no. G.S.R. 19(E) dated January 8, 2020, the MoF appointed April 1, 2020, as the day the Rules shall come into force. Further, vide notification no. G.S.R. 226(E) dated March 30, 2020, the MoF appointed July 1, 2020, as the day the Rules shall come into force.

SEBI has, *vide* paragraph 18 of the SEBI Master Circular for AIFs, directed all AIFs to comply with the applicable provisions of the Indian Stamp Act, 1899 and the Rules and *inter alia* has directed all AIFs to appoint registrars to an issue and/or share transfer agents ("RTA") registered with SEBI. The RTA shall be deemed as a 'depository' for the limited purposes of acting as a 'collecting agent' under the Act and the rules made thereunder, in cases of instruments of transactions otherwise than through a recognised stock exchange or depository.

Further, on July 1, 2020, SEBI has issued "*Frequently Asked Questions (FAQs) on Indian Stamp Act, 1899 Amendments and Rules made thereunder*". As per answer to Question 18 in the FAQs, the RTA shall be responsible to transfer the collected stamp duty to the respective States/Union Territories in India based on the buyer-based principle i.e. on the basis of place of residence/registered office of the Contributor, in accordance with Section 9A(4) of the Act.

As per answer to Question 19 in the FAQs, in case of sale, transfer and issue of Units in demat mode through a recognised 'stock exchange' as defined under Securities Contracts (Regulation) Act, 1956 or 'depository' as defined under Depositories Act, 1996, the stock exchange/clearing corporation or depository would be required to collect the applicable stamp duty.

Thus, with effect from July 1, 2020, a stamp duty at the rate of 0.005% of the market value of Units would be levied on issue of Units and a stamp duty at the rate of 0.015% of the consideration amount would be levied on any transfer of Units. No stamp duty is payable in respect of redemption of Units.

In case of issue of Units, the onus to pay stamp duty is upon the Fund (being the issuer of Units).

In the case of transfer of Units, the onus to pay stamp duty is upon the transferor of Units. As per answer to Question 20 in the FAQs, when the transferee approaches RTA for effecting the transfer in its books, the RTA will collect the stamp duty from the transferor of Units before effecting the transfer which will then be remitted by the RTA to the State/Union Territory of domicile of the transferee.

(u) Stewardship Code

SEBI *vide* paragraph 13.4 of SEBI Master Circular for AIFs has notified the 'Stewardship Code', applicable to 'institutional investors', i.e., all mutual funds, asset management companies, trustee

companies, boards of trustees of mutual funds and all AIFs in relation to their investment in listed equities.

The Stewardship Code has identified certain principles that the institutional investors need to follow with effect from July 01, 2020. The principles on the same are given below:

- a. **Principle 1: Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically:** Stewardship responsibilities include monitoring and actively engaging with investee companies on various matters including performance (operational, financial, etc.), strategy, corporate governance (including board structure, remuneration, etc.), material environmental, social, and governance (ESG) opportunities or risks, capital structure, etc. Every institutional investor should formulate a comprehensive policy on how it intends to fulfil the aforesaid stewardship responsibilities and disclose it publicly. The policy should be reviewed and updated periodically and the updated policy should be publicly disclosed on the entities website.
- b. **Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it:** Institutional investors should formulate a detailed policy for identifying and managing conflicts of interest. The policy shall be intended to ensure that the interest of the client/beneficiary is placed before the interest of the entity. The policy should also address how matters are handled when the interests of clients or beneficiaries diverge from each other. The conflict of interest policy formulated shall, among other aspects, address the manner in which such conflicts might arise, procedures put in place in case such conflict of interest situations arise (such as blanket bans on investments, constituting an investment committee etc.), periodic review, update and public disclosure of such policy.
- c. **Principle 3: Institutional investors should monitor their investee companies:** Institutional investors should have a policy on continuous monitoring of their investee companies in respect of all aspects they consider important which shall include performance of the companies, corporate governance, strategy, risks etc. Accordingly, the institutional investors shall formulate a policy specifying, inter-alia, different levels of monitoring in different investee companies, areas of monitoring (such as company strategy, industry level monitoring, quality of company management etc.), situations that might trigger communication of insider information and procedures adopted to ensure insider trading regulations are complied with in such cases.
- d. **Principle 4: Institutional investors should have a clear policy on intervention in their investee companies. Institutional investors should also have a clear policy for collaboration with other institutional investors where required, to preserve the interests of the ultimate investors, which should be disclosed:** Institutional investors should have a clear policy identifying the circumstances for active intervention in the investee companies and the manner of such intervention. The policy should also involve regular assessment of the outcomes of such intervention. Intervention should be considered even when a passive investment policy is followed or if the volume of investment is low, if the circumstances so demand. Circumstances for intervention may, inter alia, include poor financial performance of the company, corporate governance related practices, remuneration, strategy, ESG risks, leadership issues, litigation etc. The mechanisms for intervention may include meetings/discussions with the management for constructive resolution of the issue and in case of escalation thereof, meetings with the boards, collaboration with other investors, voting against decisions, etc.

- e. **Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity:** Institutional investors must take voting decisions in the investee company after an in-depth analysis. A comprehensive voting policy is required to be framed by the institutional investors including details of mechanisms of voting, circumstances in which voting should be for/against/abstained, disclosure of voting, etc. The voting policy should be publicly disclosed.
- f. **Principle 6: Institutional investors should report periodically on their stewardship activities:** Institutional investors shall report to their clients/ beneficiaries periodically on how they have fulfilled their stewardship responsibilities as per their policy in an easy-to-understand format. Institutional investors shall report periodically on their stewardship activities by placing a report on their website on implementation of every principle.

(v) Certification requirement for key investment team of manager of AIF

SEBI vide circular SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/42 dated 13 May, 2024 has prescribed that under terms of Regulation 4(g)(i) of SEBI (Alternative Investment Funds) Regulations, 2012 (“AIF Regulations”), the key investment team of the Manager of an Alternative Investment Fund (AIF) shall have at least one key personnel with relevant certification as may be specified by SEBI from time to time, as an eligibility criterion for obtaining certification of registration as an AIF.

Further, as per the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (amended on June 25, 2025):

- a. at least one key personnel, amongst the associated persons functioning in the key investment team of the Investment Manager of Category I Alternative Investment Fund or Category II Alternative Investment Fund or Category I and II Alternative Investment Fund, shall obtain certification from the National Institute of Securities Market by passing either the NISM Series-XIX-C: Alternative Investment Fund Managers Certification Examination as mentioned in the communiqué No. NISM/ Certification/ Series-XIX-C: Alternative Investment Fund Managers/2024/01 dated January 10, 2024 or the NISM Series-XIX-D: Category I and II Alternative Investment Fund Managers Certification Examination as mentioned in the communiqué No. NISM/ Certification/ Series-XIX-D: Category I and II Alternative Investment Fund Managers/2025/01 dated April 29, 2025, issued by the National Institute of Securities Market.
- b. at least one key personnel, amongst the associated persons functioning in the key investment team of the Investment Manager of Category III Alternative Investment Fund, shall obtain certification from the National Institute of Securities Market by passing either the NISM Series-XIX-C: Alternative Investment Fund Managers Certification Examination as mentioned in the communiqué No. NISM/ Certification/ Series-XIX-C: Alternative Investment Fund Managers/ 2024/01 dated January 10, 2024 or the NISM Series-XIX-E: Category III Alternative Investment Fund Managers Certification Examination as mentioned in the communiqué No. NISM/ Certification/ Series-XIX-E: Category III Alternative Investment Fund Managers/2025/02 dated April 29, 2025, issued by the National Institute of Securities Market.

The requirement for at least one key personnel of the key investment team of manager of AIF to obtain the aforesaid certification, shall be applicable as an eligibility criterion to all the applications for registration of AIFs and launch of schemes by AIFs filed after June 25, 2025.

Further, the aforesaid requirement of obtaining the certifications shall be complied on or before July 31, 2025, for the existing schemes of AIFs and, schemes of AIFs whose application for launch of scheme pending with SEBI as on July 31, 2025.

The trustee/sponsor of AIF, as the case may be, shall ensure that the 'Compliance Test Report' prepared by the manager in terms of para 15.2 of the Master Circular includes compliance with the provisions of the aforesaid circular.

(w) Specific Due Diligence of Investors and Investments of the AIF

SEBI *vide* its circular dated October 08, 2024, titled '*Specific due diligence of investors and investments of AIFs*'. provided for specific due diligence to be carried out by AIFs, investment managers of AIFs and their Key Management Personnel, with respect to investors and investments of the AIF, to prevent facilitation of circumvention of the following regulatory frameworks:

- i. **Investors availing benefits designated for QIBs through AIFs** - SEBI mandates AIFs to conduct due diligence of investors where the AIF qualifies as a Qualified Institutional Buyer ("**QIB**") under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**"). If an investor/ investors belonging to the same group, contribute 50% (Fifty Percent) or more to an AIF's corpus, the necessary due diligence as per the implementation standards formulated by Standard Setting Forum ("**SFA**") for AIFs, shall be carried out prior to availing benefits available to QIBs.
- ii. **Investors availing benefits designated for Qualified Buyers through AIFs** - RBI has designated AIFs registered with the SEBI as qualified buyers ("**QBs**") under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**"). This classification allows AIFs to subscribe to Security Receipts ("**SRs**") issued by Asset Reconstruction Companies ("**ARC**"). The above-mentioned circular has introduced a due diligence framework aimed at ensuring that investors not inherently eligible for QB status do not gain access to financial assets involved in securitization through AIFs. If any investor/ investors belonging to the same group contribute 50% (Fifty Percent) or more to the AIF's corpus, necessary due diligence as per the implementation standards formulated by SFA, shall be carried out prior to making any investments in SRs issued by ARCs or availing benefits designated for QBs under the SARFAESI Act.
- iii. **RBI regulated lenders/entities ever-greening their stressed loans/assets through AIFs:** Further, the circular establishes specific due diligence requirements to ensure compliance with the RBI prudential norms concerning income recognition, asset classification, provisioning, and the management of stressed assets.

Per the circular, for every scheme of an AIF:

- i. whose manager or sponsor is an entity regulated by RBI; or,
- ii. that has investor(s) regulated by RBI who:
 - (i) individually or along with investors of the same group contribute(s) 25% (Twenty-five Percent) or more to the corpus of the scheme; or,
 - (ii) is an associate of the manager/sponsor of the AIF; or,
 - (iii) by itself, or through its representative(s)/nominee(s), has majority or veto power in voting over decisions of the investment committee set up by the manager to approve investment decisions of the schemenecessary due diligence as per the implementation standards formulated by SFA, shall be carried out. If an investor of the scheme is an AIF, or a fund set up outside India or in International Financial Services Centres in India, then the criteria check for investor(s) regulated by RBI shall be carried out on a look through basis.

If a proposed investment fails these checks, it cannot be made, or involved regulated entities must be excluded from the investment. Additionally, AIFs must

conduct ongoing due diligence on existing investments, reporting any failures to the custodian by April 07, 2025, or confirming compliance if all investments meet the required standards.

- iv. **Investment from countries sharing land border with India through AIFs** - For AIF schemes where 50% (Fifty Percent) or more of the corpus is contributed by investors from bordering countries, or whose beneficial owners are from such countries, due diligence according to the implementation standards from the SFA must be conducted before any investment.

Further, the AIFs must report details of existing investments holding 10% (Ten Percent) or more of equity in an investee company to their custodians by April 07, 2025, using a specified format. For new investments resulting in similar ownership, AIFs must report to their custodians within 30 (Thirty) days of the investment. Custodians are required to compile this information monthly and report it to SEBI within 10 (Ten) working days after each month.

(x) Foreign Investment in AIFs

AIFs may raise funds from any Investor whether Indian, foreign or non-resident Indians. A resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory to the bilateral Memorandum of Understanding with SEBI can be a foreign investor of an AIF. Further, an investor, or its or its beneficial owner as determined in terms of sub-rule (3) of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, should not be the person(s) mentioned in the Sanctions List notified from time to time by the United Nations Security Council and is not a resident in the country identified in the public statement of the Financial Action Task Force.

In case an investor who has been on-boarded to a scheme of an AIF, subsequently does not meet the aforementioned conditions, the manager of the AIF shall not draw down any further capital contribution from such investor for making an investment until the investor again meets the said conditions. The same shall also apply to investors already on-boarded to existing schemes of AIFs, who do not meet the conditions specified above.

(y) Direct Plan

SEBI *vide* Chapter 25 of the SEBI Master Circular for AIFs, stipulated that an AIF shall have an option of 'Direct Plan' for investors. Such Direct Plan shall not entail any distribution fee/ placement fee. SEBI further clarified that investors who approach a Category III AIF through a SEBI registered intermediary which is separately charging the investor any fee (such as advisory fee or portfolio management fee), are on-boarded via Direct Plan only and shall not be charged any distribution fee/ placement fee.

SEBI *vide* the circular also stipulated the following modalities for payment of distribution fee/ placement fee to the placement agent/s/distributors:

- Category III AIFs shall disclose distribution fee/ placement fee, if any, to the investors of AIF/scheme of AIF at the time of on-boarding.
- Category III AIFs shall charge distribution fee/ placement fee, if any, to investors only on equal trail basis i.e. no upfront distribution fee/ placement fee shall be charged by Category III AIFs directly or indirectly to their investors. Further, any distribution fee/ placement fee paid shall be only from the management fee received by the managers of such Category III AIFs.

(z) Excuse and Exclusion

SEBI *vide* Chapter 24 of the SEBI Master Circular for AIFs, has prescribed that a Category III AIF may excuse its investor from participating in a particular investment in the following circumstances:

- 1) Violation of applicable law: If the investor, based on the opinion of a legal professional/legal advisor confirms that its participation in the investment opportunity would be in violation of an applicable law; or
- 2) Contravention of internal policy of the investor- If an investor had disclosed to the investment manager, as part of the contribution agreement or any other agreement signed executed with such an investor, participation of the investor in such investment opportunity would be in contravention to the internal policy of the investor. The investment manager shall ensure that terms of such agreement with the investor include reporting of any change in the disclosed internal policy, to the AIF, within 15 days of such change.
- 3) Determination by the investment manager- An investor may be excused from participating in an investment opportunity, if the investment manager is of the opinion that investor's participation would violate any applicable law or regulation or cause any material adverse effect on AIF.
- 4) If the investor is also an AIF or any other investment vehicle, such investor may be partially excused or excluded from participation in an investment opportunity, to the extent of the contribution of the said fund/investment vehicle's underlying investors who are to be excused or excluded from such investment opportunity.

(aa) Accredited Investors only fund – SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2025

By way of the Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2025 (“Third Amendment Regulations”), notified on November 18, 2025, SEBI has introduced a new concept of “Accredited Investors only fund” and has made amendments to the Regulations.

Regulation 2(1) (ac) of the Regulations defines an “Accredited Investors only fund” to mean an Alternative Investment Fund or a scheme of an Alternative Investment Fund in which each investor, other than the Manager, the Sponsor, employees or directors of the Alternative Investment Fund and employees or directors of the Manager, is an Accredited Investor. Existing AIFs or schemes launched prior to the notification of the Third Amendment Regulations may be permitted to convert into an Accredited Investors only fund, subject to the conditions as may be specified by SEBI. The Regulations also clarify that an “Accredited Investors only fund” shall include a large value fund for accredited investors.

Further, Regulation 2(1) (pa) of the Regulations (defining “large value fund for accredited investors”) has been amended to, inter alia, reduce the minimum investment threshold per investor in such funds from INR 70 crore to INR 25 crore. In addition, an AIF or scheme launched prior to the notification of the Third Amendment Regulations may, subject to conditions specified by SEBI, be permitted to convert into a large value fund for accredited investors.

The Third Amendment Regulations have also:

- provided that certain eligibility requirements under Regulation 4(g)(i) of the Regulations shall not apply to an Accredited Investors only fund;

- amended Regulation 10(f) of the Regulations to clarify that accredited investors shall be excluded while computing the number of investors in a scheme of an AIF;
- aligned Regulation 13(5) of the Regulations with the concept of Accredited Investors only fund by replacing references to “large value fund for accredited investors” with “Accredited Investors only fund”; and

amended Regulation 20 of the Regulations, including (a) inserting a further proviso to Regulation 20(8) to exempt large value funds for accredited investors from the requirements of that sub-regulation, (b) replacing references to “Large Value Fund for Accredited Investors” with “Accredited Investors only fund” in the second proviso to Regulation 20(22), and (c) inserting Regulation 20(24) to provide that, in case of an Accredited Investors only fund, the responsibilities and obligations of a trustee specified under the Regulations shall be carried out by the manager of such Accredited Investors only fund.

(bb) Holding investments of AIFs in dematerialised form

SEBI vide Chapter 20 of the Master Circular, mandates the dematerialisations of all units of an AIF.

SEBI vide its circular dated February 14, 2025 (SEBI/HO/AFD/PoD-1/P/CIR/2025/17) has provided to relax the timelines for AIFs to hold their investments in dematerialised form. In this regard, the following may be noted:

- i. Any investment made by an AIF on or after July 01, 2025 shall be held in dematerialised form only, irrespective of whether the investment is made directly in the investee company or is acquired from another entity.
- ii. The investments made by an AIF prior to July 01, 2025 are exempted from the requirement of being held in dematerialised form, except in the following cases:
 - Investee company of the AIF has been mandated under applicable law to facilitate dematerialisation of its securities;
 - The AIF, on its own, or along with other SEBI registered intermediaries/entities which are mandated to hold their investments in dematerialised form, exercises control over the investee company.

For the purpose of the aforesaid clause, the definition of ‘control’ shall be construed with reference to Regulation 2(1)(f) of the Regulations.

- iii. The investments made by an AIF prior to July 01, 2025 which are covered under the aforesaid conditions, shall be held in dematerialised form by the AIF on or before October 31, 2025.
- iv. The aforesaid requirement of holding investments in dematerialised form shall not be applicable to:
 - A scheme of an AIF whose tenure (not including permissible extension of tenure) ends on or before October 31, 2025;
 - A scheme of an AIF which is in extended tenure as on February 14, 2025.

(cc) Cybersecurity and Cyber Resilience Framework

SEBI vide circular SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated August 20, 2024, has formulated Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI regulated entities, including the AIFs, in order to strengthen the cybersecurity measures in Indian securities market, and to ensure adequate cyber resiliency against cybersecurity incidents/attacks. The CSCRF aims to provide standards and guidelines for strengthening cyber

resilience and maintaining robust cybersecurity of SEBI regulated entities.

SEBI vide the circular dated April 30, 2025, 'Clarifications to Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)' revised the thresholds and categorisations of SEBI-regulated entities including AIFs. Additionally, SEBI clarified that the category of the regulated entities, for the framework, shall be decided at the beginning of each financial year on the basis of the data of the previous financial year. The regulated entity shall remain in the same category for the financial year irrespective of any changes in the parameters. Further, SEBI vide the circular dated June 30, 2025, extended the timeline to adhere to the compliances by two (2) months, i.e., till August 31, 2025 to all REs, except Market Infrastructure Institutions (MIs), KYC Registration Agencies (KRAs), and Qualified Registrars to an Issue and Share Transfer Agents(QRTAs).

(dd) Compliance with the Rights of Persons with Disabilities Act, 2016

SEBI, vide Circular No. SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/111 dated July 31, 2025, has mandated that all Regulated Entities ("REs") ensure compliance with the Rights of Persons with Disabilities Act, 2016 and related rules, with specific emphasis on digital accessibility for persons with disabilities. The requirements cover accessibility of all digital platforms (including websites, mobile applications, portals, and investor communication), adherence to prescribed standards such as WCAG 2.1, GIGW, and IS 17802, appointment of certified digital accessibility auditors, milestone-based implementation, annual reporting to SEBI/stock exchanges, and establishment of nodal officers and grievance redressal mechanisms. The circular also prescribes requirements for accessible investor documents, inclusive e-KYC processes, training and awareness initiatives, and mandatory periodic accessibility audits.

(ee) Adoption of Standardised, Validated and Exclusive UPI IDs for Payment Collection by SEBI Registered Intermediaries from Investors:

SEBI, vide circular no. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86 dated June 11, 2025, has introduced a standardised, validated and exclusive UPI ID mechanism for fund collection by SEBI-registered investor-facing intermediaries. This framework aims to enhance the safety, transparency, and authenticity of investor payments, enable fund transfers only to verified and registered market entities and Prevent fraud and misrouting of investor funds.

3. SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2018

This Section summarises some of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**"), which will apply in the event that the Fund makes an investment before the initial public offering ("**IPO**") of a Portfolio Entity or subscribes to the securities of the company by way of a preferential allotment or a Qualified Institutions Placement ("**QIP**"), subject to Applicable Laws. The Trust being an AIF, will be a qualified institutional buyer (QIB) for the purposes of ICDR Regulations. The ICDR Regulations replaced the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2009, and were notified by SEBI on September 11, 2018. The ICDR Regulations are, *inter alia*, applicable to public issues by listed and unlisted companies, all offers for sale and rights issues by listed companies, preferential issues, QIPs.

SEBI Regulations on Initial Public Offer

i. Eligibility norms, compliances and key regulatory requirements

The ICDR Regulations permit companies to make an IPO of equity shares or convertible securities upon the satisfaction of certain conditions, which include the following:

- Pre-issue net tangible assets of at least Rs. 3,00,00,000 (Indian Rupees Three Crore), calculated on a restated and consolidated basis, in each of the preceding 3 (three) full years (of 12 (twelve) months each) of which not more than 50% (fifty percent) is held in monetary assets. Provided that if more than 50% (fifty percent) of the net tangible assets are held in monetary assets, the issuer has utilized or made firm commitments to utilize such excess monetary assets in its business or project; provided further that the limit of 50% (fifty percent) on monetary assets shall not be applicable in case the IPO is made entirely through an offer for sale.
- The issuer company has an average operating profit at least Rs. 15,00,00,000 (Indian Rupees Fifteen Crore), calculated on a restated and consolidated basis, during the 3 (three) preceding years (of 12 (twelve) months each), with operating profit in each of these preceding three years.
- The issuer company has a net worth of at least Rs. 1,00,00,000 (Indian Rupees One Crore) in each of the preceding 3 (three) full years (of 12 (twelve) months each), calculated on a restated and consolidated basis.
- If the company has changed its name within the last 1 (one) year, at least 50% (fifty percent) of the revenue, calculated on a restated and consolidated basis, for the preceding 1 (one) full year has been earned by it from the activity indicated by the new name.

As per the ICDR Regulations an unlisted company, which does not comply with any of the conditions specified above, may make an IPO of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if the issue is made through the book-building process and the issuer company undertakes to allot, at least 75% (seventy five percent) of the net offer to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.

If an issuer has issued SR equity shares (equity shares of an issuer having superior voting rights compared to all other equity shares issued by that issuer) to its promoters/ founders, the said issuer shall be allowed to do an initial public offer of only ordinary shares for listing on the main board subject to compliance with the provisions of Chapter II of the ICDR Regulations and as per the clauses mentioned below:

- (i) the issuer shall be intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition.
- (ii) the net worth of the SR shareholder, as determined by a registered valuer, shall not be more than Rs. 1000 crores.

Explanation: While determining the individual net worth, the SR shareholder, his investment/shareholding in other listed companies shall be considered but not that of his shareholding in the issuer company.

- (iii) The SR shares were issued only to the promoters/founders who hold an executive position in the issuer company;
- (iv) The issue of SR equity shares had been authorized by a special resolution passed at a general meeting of the shareholders of the issuer, where the notice calling for such general meeting specifically provided for –

- (a) the size of issue of SR equity shares,
 - (b) ratio of voting rights of SR equity shares vis-à-vis the ordinary shares,
 - (c) rights as to differential dividends, if any
 - (d) sunset provisions, which provide for a time frame for the validity of such SR equity shares,
 - (e) matters in respect of which the SR equity shares would have the same voting rights as that of the ordinary shares
- (v) The SR equity shares have been issued prior to the filing of draft red herring prospectus and held for a period of at least 3 (three) months prior to the filing of the red herring prospectus;
- (vi) The SR equity shares shall have voting rights in the ratio of a minimum of 2:1 upto a maximum of 10:1 compared to ordinary shares and such ratio shall be in whole numbers only;
- (vii) The SR equity shares shall have the same face value as ordinary shares;
- (viii) The issuer shall only have one class of SR equity shares;
- (ix) The SR equity shares shall be equivalent to ordinary equity shares in all respects, except for having superior voting rights.

ii. Entities not eligible to make an initial public offer

1. An issuer shall not be eligible to make an initial public offer -
 - a) if the issuer, any of its promoters, promoter group or directors or selling shareholders are debarred from accessing the capital market by SEBI;
 - b) any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by SEBI;
 - c) the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower; or
 - d) any of its promoters or directors is a fugitive economic offender.
2. No unlisted company shall be allowed to make an initial public offer under the ICDR Regulations if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares.

Provided that the above shall not apply to:

- a) outstanding options granted to employees, whether currently an employee or not, pursuant to an employee stock option scheme framed in accordance with the Companies Act, 2013, relevant guidance note or accounting standards, if any, issued by the Institute of Chartered Accountants of India or pursuant to the Companies Act, 2013, in this regard;
- b) fully paid-up outstanding convertible securities which are required to be converted on or before the date of filing of the red herring prospectus (in case of book-built issues) or the prospectus (in case of fixed price issues), as the case may be.

iii. Allotment procedure and basis of allotment.

1. An issuer company shall not make an allotment pursuant to a public issue in terms of the ICDR Regulations if the number of prospective allottees is less than 1,000 (one thousand).
2. An issuer shall not make any allotment in excess of the specified securities offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the designated stock exchange. Provided that in case of oversubscription, an allotment of Not more than one per cent. of the net offer to public may be made for the purpose of making allotment in minimum lots.
3. The allotment of specified securities to applicants other than to the retail individual investors, non-institutional investors and anchor investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed in the offer documents.
4. Provided that the value of specified securities allotted to any person, except in case of employees, in pursuance of reservation made under clause (a) of sub-regulation (1) or clause (a) of subregulation (2) of regulation 33 of the ICDR Regulations, shall not exceed INR 2,00,000 (Indian Rupees Two Lakhs) for retail investors or up to INR 5,00,000 (Indian Rupees Five Lakhs) for eligible employees.
5. The allotment of specified securities to each retail individual investor shall not be less than the minimum bid lot, subject to the availability of shares in retail individual investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.
6. The allotment of specified securities to each non-institutional investor shall not be less than the minimum application size, subject to the availability of shares in non-institutional investors' category, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the ICDR Regulations.
7. The authorised employees of the designated stock exchange, along with the lead manager(s) and registrars to the issue, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure as specified in Part A of Schedule XIV of ICDR Regulations.

IV. Pricing

An issuer company may determine the price of its equity shares or any securities convertible at a later date into equity shares in consultation with the lead manager(s) for the issue (i.e. fixed price route) or through the book building process.

- a) The fixed price route of pricing is that under which the issuer company in consultation with the lead manager, arrives at a price and the securities are offered to the public at this fixed price;
- b) The book building route of pricing is where the issuer company appoints a merchant banker who acts as a "Lead Manager" for a book building period, and accepts bids from qualified bidders in a price band determined by the issuer company in consultation with the Lead Manager. This mechanism enables the issue to discover the price that the market is willing to pay for the shares of the issuer company. At the end of the book-

building period, the issue of shares is made at the best bid price obtained by the issuer company in consultation with the Lead Manager.

v. Promoters Contribution, Lock-in and Restrictions on Transferability

SEBI has stipulated that promoters must retain a certain minimum certified holding of the equity capital issued by the company. For the purposes of these disclosures, the term “promoter” includes the person who (a) has been named as such in the draft offer document or offer document and/or is identified by the issuer in the annual return referred to in section 92 of the Companies Act; or (b) has overall control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or (c) in accordance with whose advice, directions and instructions the board of directors of the issuer is accustomed to act.

vi. Lock-in of specified securities held by the Promoters

As per Regulation 16 of ICDR Regulations, the specified securities held by the promoters shall not be transferable for the periods as stipulated hereunder:

minimum promoters’ contribution including contribution made by alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India referred to proviso to sub-regulation (1) of regulation 14 of ICDR Regulations, shall be locked-in for a period of 18 (eighteen) months from the date of allotment in the initial public offer:

Provided that in case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be 3 (three) years from the date of allotment in the initial public offer.

promoters’ holding in excess of minimum promoters’ contribution shall be locked-in for a period of six months from the date of allotment in the initial public offer.

Provided that in case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be 1 (one) year from the date of allotment in the initial public offer.

Explanation: For the purpose of the above paragraph, “capital expenditure” shall include civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc.

The SR equity shares shall be under lock-in until conversion into equity shares having voting rights same as that of ordinary shares or shall be locked-in for a period of specified in paragraph 1 above, whichever is later.

vii. Lock-in of specified securities held by persons other than promoters

As per Regulation 17 of the ICDR Regulations;

The entire pre-issue capital held by persons other than the promoters shall be locked-in for a period of 6 (six) months from the date of allotment in the initial public offer.: Provided that these provisions will not apply to:

- a. equity shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme of the issuer prior to the initial public offer, if the issuer has made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VI of ICDR Regulations;
- b. equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme.
Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- c. equity shares held by a venture capital fund or alternative investment fund of Category I or Category II or a foreign venture capital investor:
Provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of Category I or Category II or foreign venture capital stor.

Explanation:

- (i) For the purpose of clause (c) above, in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of 6 (six) months period and convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at time of their conversion.
- (ii) For the purposes of clause (c) above, in case such equity shares have resulted pursuant to a bonus issue, then the holding period of such equity shares against which the bonus issue is made as well as holding period of resultant bonus equity shares together shall be considered for the purpose of calculation of 6 (six) months period, subject to the following:
 - a. that the bonus shares being issued out of free reserves and share premium existing in the books of account as at the end of the financial year preceding the financial year in which the draft offer document is filed with the Board; and
 - b. that the bonus shares not being issued by utilisation of revaluation reserves or unrealized profits of the issuer.

VIII. Minimum promoter contribution

As per Regulation 14 of the ICDR Regulations:

- (1) The promoters of the issuer company shall hold atleast 20% (twenty percent) of the post issue capital of the issuer company is required to be held by the promoters. In case the post issue shareholding of the promoters is less than 20% (twenty percent), then AIFs or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India may contribute for the purpose of meeting the shortfall in minimum contribution as specified for promoters, subject to a maximum of 10% (ten percent) of the post issue capital without being identified as promoters. Provided further that the requirement of minimum promoters' contribution shall not apply in case an issuer does not have any identifiable promoter.

- (2) Such promoters' contribution (including contribution made by AIFs or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India in the manner prescribed hereinabove) cannot be disposed of until the expiry of 3 (three) years from the date of allotment in the public issue (in case majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure) or until the expiry of 18 (eighteen) months from the date of allotment in the public issue (in other cases). In the event the promoters hold specified securities in excess of the minimum promoter's contribution, this excess shall be locked in for a period of 1 (one) year (in case majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure) or for a period of 6 (six) months (in other cases).
- The Superior Rights ("SR") equity shares (equity shares of an issuer having superior voting rights compared to all other equity shares issued by that issuer) shall be under lock-in until conversion into equity shares having voting rights same as that of ordinary shares or shall be locked-in for a period as specified in clause (ii) above, whichever is later.
 - The ICDR Regulations prescribe lock-in restrictions on the pre-issue share capital of the issuer company held by persons other than promoters provided below:
 - a) The entire pre-issue share capital of any persons other than the promoter shall be locked-in for a period of 6 (six) months from the date of allotment in the proposed public issue.
 - b) This lock-in period of 6 (six) months is not applicable to the equity shares allotted to:
 - i. employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme of the issuer prior to the initial public offer, if the issuer has made full disclosures with respect to such options or schemes in accordance with Part A of Schedule VI of the ICDR Regulations;
 - ii. equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not in accordance with the employee stock option plan or employee stock purchase scheme; Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - iii. held by a venture capital fund or AIFs of Category I or of Category II or a foreign venture capital investor; Provided that such equity shares shall be locked in for a period of at least 6 (six) months from the date of purchase by the venture capital fund or alternative investment fund of Category I or Category II or foreign venture capital investor.
 - iv. For the purpose of clauses (iii) and (iv) above, in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of 6 (six) months period and convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at the time of their conversion.
 - v. Further, the requirement of holding equity shares for a period of 1 (one) year does not apply:

- a. to an offer for sale of a government company or statutory authority or corporation or any special purpose vehicle set up and controlled by any one or more of them, which is engaged in infrastructure sector;
- b. if the equity shares offered for sale have been acquired pursuant to a scheme approved by a High Court or approved by a tribunal or the Central Government under sections 230 to 234 of the Companies Act, 2013, as applicable, in lieu of business and invested capital that had been in existence for a period of more than one year prior to such approval;
- c. if the equity shares offered for sale were issued under a bonus issue on securities held for a period of at least one year prior to the filing of the draft offer document with SEBI and further subject to the following: (i) such specified securities being issued out of free reserves and share premium existing in the books of account as at the end of the financial year preceding the financial year in which the draft offer document is filed with SEBI; and (ii) equity shares not being issued by utilisation of revaluation reserves or unrealised profits of the issuer.

General conditions

As per regulation 7 of the ICDR Regulations, an issuer making IPO shall ensure that:

- (i) it has made an application to one or more stock exchanges to seek an in-principle approval for listing of its specified securities on such stock exchanges and has chosen one of them as the designated stock exchange, in terms of Schedule XIX of the ICDR Regulations;
- (ii) it has entered into an agreement with a depository for dematerialisation of the specified securities already issued and proposed to be issued;
- (iii) all its specified securities held by the promoters are in dematerialised form prior to filing of the offer document;
- (iv) all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited; and
- (v) it has made firm arrangements of finance through verifiable means towards 75% (seventy-five percent) of the stated means of finance for a specific project proposed to be funded from the issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals.

The amount for general corporate purposes, as mentioned in objects of the issue in the draft offer document and the offer document shall not exceed 25% (twenty five per cent) of the amount being raised by the issuer.

The amount for: (i) general corporate purposes, and (ii) objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed thirty five per cent. of the amount being raised by the issuer, shall not exceed 35% (thirty five per cent) of the amount being raised by the issuer.

Provided that the amount raised for such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed 25% (twenty five per cent) of the amount being raised by the issuer.

Provided further that such limits shall not apply if the proposed acquisition or strategic investment object has been identified and suitable specific disclosures about such acquisitions or investments are made in the draft offer document and the offer

document at the time of filing of offer documents.

Participation in private placement of securities

The Fund may invest in Portfolio Entities by participating in a private offer of securities by such Portfolio Entities. All issues of capital by a listed public company by way of shares or convertible securities on a preferential basis are subject to fulfillment of the conditions prescribed by the Companies Act, 2013 and provisions relating to preferential issues set out under the ICDR Regulations. The Companies Act, 2013 requires the prior approval of the existing shareholders through a special resolution, which means a majority of three-fourth of the votes, by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, cast in favour of resolution for preferential allotment of shares.

Preferential Issue - Requirements

Regulation 160 of the ICDR Regulations prescribe the following conditions for issuance of securities by a listed company, whose equity share capital is listed on any recognized stock exchange:

- a) all equity shares allotted by way of preferential issue shall be made fully paid up at the time of the allotment;
- b) a special resolution has been passed by its shareholders;
- c) all equity shares held by the proposed allottees in the issuer are in dematerialised form before an application seeking in-principle approval is made by the issuer to the stock exchange(s) where its equity shares are listed;
- d) the issuer is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchange where the equity shares of the issuer are listed and the SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by SEBI thereunder;
- e) the issuer has obtained the permanent account numbers of the proposed allottees, except those allottees which may be exempt from specifying their permanent account number for transacting in the securities market by SEBI.
- f) the issuer has made an application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when the notice has been sent in respect of the general meeting seeking shareholders' approval by way of special resolution.

All issues of capital by listed companies in the form of shares or convertible securities by means of preferential allotment are subject to the pricing guidelines provided under the ICDR Regulations.

Pricing of frequently traded shares

As per regulation 164 of the ICDR Regulations:

1. If the equity shares of the issuer company have been listed on a recognised stock exchange for a period of 90 (ninety) trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall not be less than higher of the following:
 - a. the 90 (ninety) trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

b. The 10 (ten) trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer company provides for a method of determination which results in a floor price higher than that determined under the ICDR Regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue..

2. If the equity shares of the issuer company have been listed on a recognised stock exchange for a period of less than 90 (ninety) trading days as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:
 - a. the price at which equity shares were issued by the issuer company in its initial public offer or the value per share arrived at in a scheme of compromise, arrangement and amalgamation under sections 230 to 234 the Companies Act, 2013, as applicable, pursuant to which the equity shares of the issuer company were listed, as the case may be; or
 - b. the average of the volume weighted average prices of the related equity shares quoted on the recognised stock exchange during the period of the equity shares have been listed preceding the relevant date; or
 - c. the average of the 10 (ten) trading days' volume wighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under the ICDR Regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

3. Where the price of the equity shares is determined in terms of paragraph (2) above, such price shall be recomputed by the issuer company on completion of 90 (ninety) trading days from the date of listing on a recognised stock exchange with reference to the 90 (ninety) trading days' volume weighted average prices of the related equity shares quoted on the recognised stock exchange during these 90 (ninety) trading days and if such recomputed price is higher than the price paid on allotment, the difference shall be paid by the allottees to the issuer.

Provided that if the Articles of Association of the issuer company provide for a method of determination which results in a floor price higher than that determined under the ICDR Regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

4. (a) A preferential issue of specified securities to qualified institutional buyers, not exceeding 5 (five) in number, shall be made at a price not less than the 10 (ten) trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under ICDR Regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

(b) no allotment shall be made, either directly or indirectly, to any qualified institutional

buyer who is a promoter or any person related to the promoters of the issuer: Provided that a qualified institutional buyer who does not hold any shares in the issuer and who has acquired rights in the capacity of a lender shall not be deemed to be a person related to the promoters.

Explanation - For the purpose of this clause, a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters of the issuer company:-

- (a) rights under a shareholders' agreement or voting agreement entered into with promoters or promoter group;
 - (b) veto rights; or
 - (c) right to appoint any nominee director on the board of the issuer.
5. For the purpose of this provision in the ICDR Regulations, "frequently traded shares" means the shares of the issuer company, in which the traded turnover on any recognised stock exchange during the 240 (two-hundred and forty) trading days preceding the relevant date, is at least 10% (ten per cent) of the total number of shares of such class of shares of the issuer company:
Provided that where the share capital of a particular class of shares of the issuer company is not identical throughout such period, the weighted average number of total shares of such class of the issuer company shall represent the total number of shares.
- Explanation:** For the purpose of this provision in the ICDR Regulations, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer company are listed and in which the highest trading volume in respect of the equity shares of the issuer company has been recorded during the preceding 90 (ninety) trading days prior to the relevant date.

Pricing of Infrequently traded shares

As per regulation 165 of the ICDR Regulations, where the shares are not frequently traded, the price determined by the issuer company shall take into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such issuer companies, provided that the issuer company shall submit a certificate stating that the issuer company is in compliance of ICDR Regulations, obtained from an independent registered valuer to the stock exchange where the equity shares of the issuer company are listed.

- 1) If warrants are issued on a preferential basis with an option to apply for and be allotted shares, the issuer company shall determine the price of the resultant shares as aforementioned, and an amount equivalent to at least 25% (twenty five percent) of the price so fixed shall become payable for the warrants on the date of their allotment, which shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option for the purpose. However, if the option to acquire shares is not exercised then the amount paid on allotment gets forfeited.
- 2) If Partly Convertible Debentures ("PCDs"), Fully Convertible Debentures ("FCDs") or other convertible instruments, are issued on a preferential basis, providing for the issuer to allot shares at a future date, the issuer shall determine the price at which the shares could be allotted in the same manner as specified for pricing of shares allotted in lieu of warrants as indicated in paragraph (1) above.
- 3) The tenure of the instruments such as warrants, PCDs, FCDs or any other financial instrument with a provision for the allotment of equity shares at a future date, either

through conversion or otherwise, shall not exceed beyond 18 (eighteen) months from the date of issue of the relevant instrument.

- 4) The instruments allotted on a preferential basis to the promoter or the promoter group and the shares allotted pursuant to exercise of options attached to such warrants, shall be subject to lock-in of 18 (eighteen) months from the date of trading approval granted for the specified securities or equity shares allotted pursuant to exercise of the option attached to warrant, as the case may be. Provided that not more than 20 per cent. of the total capital of the issuer shall be locked-in for 18 months from the date of trading approval and provided further that equity shares allotted in excess of the 20 per cent. shall be locked-in for 6 months from the date of trading approval pursuant to exercise of options or otherwise, as the case may be. The instruments allotted on preferential basis to persons other than promoter and promoter group and the equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis to such persons shall be locked in for a period of 6 (six) months from the date of trading approval.
- 5) The allotment should be completed within a period of 15 (fifteen) days from the date of passing of the shareholders resolution granting consent for preferential issues of any financial instrument. However, where any application for exemption from the applicability of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days will be counted from the date of order on such application or the date of approval or permission, as the case may be.

Offer for Sale

Subject to the terms contained under the ICDR Regulations, the Fund may act as the selling shareholder and may sell the specified securities held by it to the public by way of an offer for sale (as a part of an initial public offer/further public offer by the issuer company). A company whose equity shares are offered through an “offer for sale” must comply with the conditions described in the ICDR Regulations. Additionally, only those equity shares which are held by the offeror for a period of at least 1 year at the time of filing the draft offer document with the SEBI can be offered to the public through an “offer for sale.”

Qualified Institutions Placement (QIP) – Requirements

Qualified Institutions Placement (“**QIP**”) means allotment of eligible securities by a listed issuer to Qualified Institutional Buyers (“**QIBs**”) on private placement basis and includes an offer for sale of specified securities by the promoters and/or promoter group on a private placement basis.

The ICDR Regulations permit companies to make QIP of equity shares, non-convertible debt instruments along with warrants and convertible securities other than warrants (“eligible securities”) upon the satisfaction of certain conditions, which include the following:

1. A special resolution approving the QIP has to be passed by the shareholders of the company. The allotment shall be completed within 365 days from the date of passing the resolution.

Provided that no shareholders’ resolution will be required in case the qualified institutions placement is through an offer for sale by promoters or promoter group for compliance with minimum public shareholding requirements specified in the

Securities Contracts (Regulation) Rules, 1957.

2. The equity shares of the same class, which are proposed to be allotted through QIP or pursuant to conversion or exchange of eligible securities offered through QIP, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution;
3. The Company shall comply with the Securities Contract (Regulation) Rules, 1957, if applicable;
4. An issuer company shall be eligible to make a qualified institutions placement if any of its promoters or directors is not a fugitive economic offender.
5. All eligible securities issued through a qualified institutions placement shall be listed on the recognised stock exchange where the equity shares of the issuer company are listed. Provided that the issuer shall seek approval under rule 19(7) of the Securities Contract (Regulation) Rules, 1957, if applicable.
6. The issuer company shall not make any subsequent qualified institutions placement until the expiry of 2 (two) weeks from the date of the prior qualified institutions placement made pursuant to one or more special resolutions.
7. "Relevant Date" means –
 - (i) in case of allotment of equity shares, the date of the meeting in which the board of directors of the issuer or the committee of directors duly authorised by the board of directors of the issuer decides to open the proposed issue;
 - (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the board of directors of the issuer or the committee of directors duly authorised by the board of directors of the issuer decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.
8. Pricing:
 - (i) The issue price of the shares shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the 2 (two) weeks preceding the relevant date; Provided that the issuer company may offer a discount of not more than 5% (five per cent) on the price so calculated, subject to approval of shareholders as specified in clause (a) of regulation 172 of ICDR Regulations, except that no shareholders' approval will be required in case of a qualified institutions placement made through an offer for sale by promoters for compliance with minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957.
 - (ii) Where eligible securities are convertible into or exchangeable with equity shares of the issuer, the issuer shall determine the price of such equity shares allotted pursuant to such conversion or exchange taking the relevant date as disclosed in special resolution referred to in clause (a) of sub-regulation (1) of regulation 172;
9. Restrictions: Allotment under QIP shall be subject to the following restrictions:
 - (i) Minimum 10% (ten percent) of eligible securities to be allotted to Mutual Funds; in case Mutual Funds do not subscribe to such minimum percentage, such part shall be allotted to other QIBs;
 - (ii) No allotment shall be made, either directly or indirectly, to any QIB who is a promoter or any person related to promoters of the issuer;
 - (iii) Provided that a qualified institutional buyer who does not hold any shares in the issuer and who has acquired the said rights in the capacity of a lender shall

not be deemed to be a person related to the promoters. In a QIP of non-convertible debt instrument along with warrants, an investor can subscribe to the combined offering of non-convertible debt instruments with warrants or to the individual securities, that is, either non-convertible debt instruments or warrants;

- (iv) The applicants cannot withdraw or revise downwards their bids after the closure of the issue.
10. Persons deemed to be related to the promoter: No allotment shall be made, either directly or indirectly to any QIB who shall be deemed to be a promoter or a person related to the promoter of the issuer. A QIB who has any of the following rights shall be deemed to be a person related to the promoters of the issuer:
- (i) rights under a shareholders' agreement or voting agreement entered into with promoters or persons related to the promoters;
 - (ii) veto rights; or
 - (iii) right to appoint any nominee director on the board of the issuer.
11. Minimum number of allottees: The minimum number of allottees for each QIP shall not be less than:
- (i) 2 (two), where the issue size is less than or equal to Rs. 250 crores;
 - (ii) 5 (five), where the issue size is greater than Rs. 250 crores.
- Provided that no single allottee shall be allotted more than 50% (fifty per cent) of the issue size.
12. Tenure: The tenure of the convertible or exchangeable eligible securities issued through qualified institutions placement shall not exceed 60 (sixty) months from the date of allotment
13. Lock-in of eligible securities for 1 (one) year, except sold on the recognised stock exchange.

Exit Opportunity to Dissenting Shareholders:

Pursuant to ICDR Regulations, the promoters or shareholders in control of an issuer company shall provide an exit offer to the dissenting shareholders in case of change in objects or variation in the terms of contract referred to in the prospectus being dissented to by at least 10% (ten per cent) of the shareholders and the amount to be utilized for the objects of the issued prospectus is less than 75% (seventy five per cent) of the amount raised, in terms of the provisions of the Companies Act, 2013. Such provisions however will not apply where there are neither identifiable promoters nor shareholders in control of the issuer company.

Further, investments in listed securities would be subject to SEBI regulations pertaining to (a) SEBI (Prohibition of Insider Trading) Regulations, 2015; and (b) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Promoter being a willful defaulter or fraudulent borrower or a fugitive economic offender:

SEBI prohibits an issuer from making a public issue of equity securities, if the issuer or any of its promoters or directors is a wilful defaulter or fraudulent borrower. 'Wilful defaulter or fraudulent borrower' has been defined as a person or an issuer who is categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI. The ICDR Regulations prohibit an issuer from undertaking an IPO if any of its promoters or directors is a fugitive economic offender. A 'Fugitive Economic Offender' has been defined to mean an

individual who is declared a fugitive economic offender under section 12 (twelve) of the Fugitive Economic Offenders Act, 2018.

4. **Takeover Regulations**

On September 23, 2011, SEBI announced its new takeover code, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Code**"), which came into effect on October 22, 2011, and replaced the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Once the Portfolio Entities in which the Fund has invested are listed or if the Fund invests in securities of a listed company, the Takeover Code may apply to the Trust.

Under the provisions of the Takeover Code, any acquirer (meaning a person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in a company or acquires or agrees to acquire control over a company, either by himself, or through, or with any person acting in concert) who acquires aggregating to 5% (five percent) or more of the shares of a listed public Indian company is required to notify to the company at its registered office and each of the stock exchanges on which the shares of such company are listed about its aggregate shareholdings and voting rights within 2 (two) days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition of shares or voting rights.

Furthermore, any person, who together with the persons acting in concert with him, holds shares or voting rights entitling them to 5% (five percent) or more of the shares or voting rights in a target company is required to inform the company at its registered office and the stock exchange about any change in its holdings representing more than 2% (two percent) of the shares or voting rights of the company within two days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition or disposal of shares or voting rights. Acquisition beyond five per cent but up to ten per cent of the voting rights in the target company shall be permitted for the financial year 2020-21 only in respect of acquisition by a promoter pursuant to preferential issue of equity shares by the target company. It is to be noted that, in case of listed entity which has listed its specified securities on Innovators Growth Platform, any reference to "five per cent" is to be read as "ten per cent" and any reference to "two per cent" is to be read as "five per cent."

Upon the acquisition of 25% (twenty-five percent) or more of shares having voting rights, or an acquisition of control of the company (by himself or by persons acting in concert with him), whether direct or indirect, the purchaser / acquirer is required to make an open offer to the other shareholders offering to purchase at least 26% (twenty-six percent) of all the outstanding shares of the company at a minimum offer price as determined pursuant to the provisions of the Takeover Code. Further, under the provisions of the Takeover Code, any existing shareholder of a listed public Indian company, holding 25% (twenty-five percent) or more but less than maximum permissible non-public shareholding in the company is entitled to acquire an additional 5% (five percent) of the shares or voting rights of the company in any financial year ending March 31, without making a public offer for such an acquisition. Provided such additional acquisition of shares or voting rights shall not exceed the maximum permissible non-public shareholding in the company. For purposes of determining the quantum of acquisition of additional voting rights of 5% (five percent) gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the company. It is to be noted that, in case of listed entity which has listed its specified securities on Innovators Growth Platform any reference to "twenty-five per cent" is to be read as "forty-nine per cent." This provision shall, however, be omitted with effect from 1st April, 2022.

The Takeover Code also defines indirect acquisition or control. This is defined as the ability to exercise or direct the exercise of voting rights which would otherwise attract the obligation of

making a public announcement of an open offer. The threshold point for such indirect control or ability to control is where the proportionate net assets or sales turnover or market capitalization of the target company as a percentage of consolidated net assets value or sales turnover or enterprise value for the entity or business being acquired, respectively, is in excess of 80% (eighty percent) on the basis of recent audited financial statements. In such a case, such indirect acquisition would be deemed to be a direct acquisition of the target company for the purposes of the Takeover Code and the obligations relating to timing, pricing and other compliance requirements for the open offer relating to direct acquisition shall apply accordingly.

The open offer for the acquisition of a further minimum of 26% (twenty-six percent) of shares of the company or such other percentage as prescribed under the Takeover Code has to be made by way of a public announcement on the date of agreeing to acquire shares or voting rights in, or control over the company.

The acquirer shall be responsible to pursue all statutory approvals required by the acquirer in order to complete the open offer without any default, neglect or delay. In case the acquirer is unable to make payment to the shareholders who have accepted the open offer within such period, the acquirer shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at the rate of 10% (ten percent) per annum.

Exemptions from making Open Offer

SEBI has the power to grant exemption or relaxation from the requirements of the open offer under the Takeover Code in the interest of investors and the securities market. Such relaxations or exemptions can be sought by the acquirer by making an application to SEBI. Some instances of acquisition of shares exempted by the Takeover Code which may apply to the Trust are as follows:

- Allotment pursuant to rights issue, (i) to the extent of his entitlement; and (ii) up to the percentage specified in Regulation 11;
- Acquisition pursuant to inter-se transfer of shares amongst qualifying persons;
- Acquisition pursuant to inter-se transfer of shares amongst qualifying persons, being (i) immediate relatives; (ii) persons named as promoters in the shareholding pattern filed by the target company; (iii) a company, its subsidiaries, its holding company, other subsidiaries of such holding company, personal holding not less than fifty percent of the equity shares of such company or other company in which such person holds not less than fifty per cent; (iv) persons acting in concert for not less than three years prior to the proposed acquisition and (v) shareholders of a target company who have been persons acting in concert for a period of not less than three years prior to the proposed acquisition;
- Acquisition of shares in the ordinary course of business by (i) an underwriter registered with SEBI by way of allotment pursuant to an underwriting agreement in terms of SEBI (Issuer of Capital and Disclosure Requirements) Regulations, 2009; (ii) a registered stock-broker of a stock exchange on behalf of clients; (iii) a merchant banker registered with SEBI or a nominated investor in the process of market making or subscription to the unsubscribed portion of issuer in terms of Chapter XB of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; (iv) a registered market maker of a stock exchange in respect of shares for which he is the market maker, during the course of market making; (iii) by Public Financial Institutions on their own account; (v) by banks and public financial institutions as pledgees, etc.;
- Acquisitions at subsequent stages pursuant to an agreement of disinvestment;
- Acquisition pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016);
- Acquisition pursuant to the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

- acquisition pursuant to the Provisions of Delisting Regulations;
- acquisition by way of transmission, succession or inheritance.
- acquisition of voting rights or preference shares carrying voting rights arising out of the operation of sub-section (2) of section 47 of the Companies Act, 2013 (18 of 2013).
- acquisition of shares by the lenders pursuant to conversion of their debt as part of their debt restructuring.
- acquisition of shares pursuant to a scheme – (i) framed under Section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985; (ii) of arrangement or reconstruction including amalgamation or merger or demerger under any law or regulation, Indian or foreign acquisition of shares in companies whose shares are not listed on any stock exchange.
- according to the Takeover Code, an increase in the voting rights of any shareholder beyond the threshold limits without the acquisition of control, shall be exempted from the obligation to make an open offer if the SR equity shares have been converted into ordinary equity shares.
- any acquisition of shares or voting rights or control of the target company by way of preferential issue shall be exempt from the obligation to make an open offer;

The above exemption from open offer shall also apply to the target company with infrequently traded shares. An increase in voting rights in a target company of any shareholder beyond the limit attracting an obligation to make an open offer pursuant to buy-back of shares by the target company shall be exempt from the obligation to make an open offer provided such shareholder reduces his shareholding such that his voting rights fall to below the threshold within 90 (ninety) days from the date of the closure of the said buy-back offer.

5. **SEBI (Prohibition of Insider Trading) Regulations, 2015**

SEBI (Prohibition of Insider Trading) Regulations, 2015, (“**Insider Trading Regulations**”) have been notified by SEBI and came into force with effect from May 15, 2015. The Insider Trading Regulations replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Regulations prohibit an “insider” and a “connected person” from dealing, either on his own behalf or on behalf of any other person, in the securities of a company listed on any stock exchange when in possession of “unpublished price sensitive information” which is distinguished from “generally available information”. When a person who has traded in securities has been in possession of “unpublished price sensitive information”, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The terms “insider”, “connected person”, “unpublished price-sensitive information” and “generally available information” are defined in the Insider Trading Regulations.

The insider is prohibited from communicating, counseling, causing or procuring, directly or indirectly, any unpublished price-sensitive information to any other person who while in possession of such unpublished price-sensitive information is prohibited from dealing in securities except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations and in furtherance in the interest of the company. Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Insider Trading Regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the Insider Trading Regulations.

In the case of “connected persons” the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on SEBI. However proof of innocence can be established by an insider if: (a) the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information; (b) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information; (c) the transaction was carried out pursuant to a statutory or

regulatory obligation to carry out a bona fide transaction; (d) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations; (e) in the case of non-individual insiders; (i) the individuals in possession of unpublished price sensitive information were different from individuals taking trading decisions and such decision making individuals were not in possession of unpublished price sensitive information when they took the decision to trade; and (ii) appropriate and adequate arrangements were in place to ensure that the provisions are not violated and no unpublished price sensitive information was communicated by individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached; and (f) the trades were pursuant to a trading plan set up in accordance with the Insider Trading Regulations. The Insider Trading Regulations also provides for disclosures to be made by certain person and such disclosures shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.

The Insider Trading Regulations make it compulsory for listed companies and the board of directors or head(s) of the organisation of every intermediary to ensure that the chief executive officer or managing director establishes an internal code of conduct to prevent insider-trading deals and also to regulate disclosure of unpublished price-sensitive information within such entities so as to minimize misuse of such information. To this end, the Insider Trading Regulations provide a model code of conduct. Further, the Insider Trading Regulations specify a code of fair disclosure practices to prevent insider trading, which must be implemented by all listed companies and intermediaries. The Insider Trading Regulations requires appointment of a compliance officer to administer the code of conduct and other requirements under the Insider Trading Regulations.

The Insider Trading Regulations requires a person, on his appointment as key managerial personnel or a director or upon becoming a promoter or member of the promoter group of every company whose securities are listed on any recognised stock exchange, to disclose his holding of securities of the company as on the date of his appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

On a continual basis, every promoter, member of the promoter group, designated person and director of every company is required to disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of rupees ten lakh rupees or such other value as may be specified. Every company is required to notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information. The disclosures made shall be maintained by the company, for a minimum period of five years.

The terms "promoter" and "promoter group" shall have the same meaning as assigned to them under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with the Insider Trading Regulations. The chief executive officer, managing director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the Insider Trading Regulations to prevent insider trading.

The disclosures required to be made by any person under the Insider Trading Regulations shall include those relating to trading by such person's immediate relatives. The term "immediate relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

An insider is entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan. The Insider Trading Regulations prescribe certain requirements to be complied with in relation to such trading plans.

6. Anti-Money Laundering Legislation

Prevention of Money Laundering Act, 2002 ("**PML Act**") came into effect from July 1, 2005. Further, SEBI *vide* its master circular no. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78 dated June 06, 2024 has mandated that all intermediaries should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures, policy for acceptance of clients and also to adopt a Know Your Customer ("**KYC**") policy. The intermediaries may, according to their requirements, specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. SEBI has further advised all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the PML Act requiring *inter alia* maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND). The PML Act, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended and modified from time to time, the guidelines/circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as 'PML Laws'. The Trust as an AIF would have to ensure that the overall client due diligence process is followed and that the amount invested by the Contributors is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the ITA, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under.

The Trust shall produce reliable, independent source documents or produce such information as may be required from time to time for verification of the details. The Trust shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND that it believes are suspicious in nature within the purview of the PML Laws.

Further, SEBI had extended the 'Uniform Know Your Client (KYC) Requirements for the Securities Markets' *vide* SEBI Circular MIRSD/SE/Cir-21/2011 dated October 5, 2011 to Venture Capital Funds (VCFs) and thereby to AIFs and advised them to meet certain basic uniform requirements that have been prescribed by SEBI for Customer Due Diligence (CDD) or KYC. The Finance (No. 2) Act, 2019 has further amended the Prevention of Money-Laundering Act, 2002 to introduce the process to carry out digital KYC by the reporting entity. Moreover, SEBI *vide* its circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020, has enabled online KYC processes with a view to achieve ease of doing business in the securities market, which may be completed through online / application based KYC, in-person verification through video, online submission of officially valid document / other documents.

7. Companies Act, 2013

The Companies Act 2013 (“**Companies Act**”) came into effect on September 12, 2013 and replaced the Companies Act, 1956. The Companies Act shall govern the Portfolio Companies in which the AIF shall invest. Under the Companies Act, a member (as defined under section 2(55) of the Companies Act) may be issued shares or debentures as per the agreement executed between them. The company shall issue shares to its members as per the provisions of section 42 and 62 of the Companies Act and rules prescribed thereunder. Equity shares issued by the company shall have voting rights or differential rights which may include dividend, voting or such other rights as may be provided under The Companies (Share Capital and Debentures) Rules, 2014. A company may issue debentures (under section 71 of the Companies Act and rules provided thereunder) with an option to convert such debentures into shares, either wholly or partly at the time of redemption. The debentures may be secured or non-secured. In the event of issue of secured debentures, the company shall comply with the provisions of rule 18 of The Companies (Share Capital and Debentures) Rules, 2014.

8. Foreign investment laws

A. Foreign Investment in AIFs

The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“**FEMA Rules**”) provides as follows:

Rule 2 (ae) of the FEMA Rules defines a ‘investment vehicle’ to mean an entity registered and regulated under relevant regulations framed by SEBI or any other authority designated for that purpose and shall include Real Estate Investment Trusts governed by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, Infrastructure Investment Trusts governed by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and AIFs governed by the Regulations.

Rule 2 (aq) of the FEMA Rules defines a ‘beneficial interest’ to mean beneficial interest of an investor in an investment vehicle.

The terms and conditions laid down in Schedule VIII of the FEMA Rules governing investment in Investment Vehicle are as follows:

- a) A person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India (other than an entity incorporated in Pakistan or Bangladesh) may invest in units of Investment Vehicles.
- b) A person resident outside India who has acquired or purchased beneficial interests in accordance with Schedule VIII of the FEMA Rules may sell or transfer in any manner or redeem the beneficial interests as per regulations framed by SEBI or directions issued by RBI.
- c) An investment vehicle may issue its beneficial interests to a person resident outside India against swap of capital instruments of a special purpose vehicle proposed to be acquired by such Investment Vehicle.
- d) Investment made by an investment vehicle into an Indian entity shall be reckoned as indirect foreign investment for the investee Indian entity if the sponsor or the manager or the investment manager (i) is not owned and not controlled by resident Indian citizens or (ii) is owned or controlled by persons resident outside India.

Provided that for sponsors or managers or investment managers organized in a form other than companies or LLPs, SEBI shall determine whether the sponsor or manager or investment manager is foreign owned and controlled.

Explanation: 'Control' of the AIF should be in the hands of 'sponsors' and 'managers/ investment managers', with the general exclusion to others. In case the 'sponsors' and 'managers/ investment managers' of the AIF are individuals, for the treatment of downstream investment by such AIF as domestic, 'sponsors' and 'managers/ investment managers' should be resident Indian citizens.

- e) The amount of consideration shall be paid as inward remittance from abroad through banking channels or by way of swap of shares of a special purpose vehicle or out of funds held in NRE or FCNR (B) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016. The sale/maturity proceeds (net of taxes) of the beneficial interests may be remitted outside India or may be credited to the NRE or FCNR (B) account of the person concerned.

In terms of Schedule IV to the FEMA Rules, a Non-resident Indian (NRI) including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs may purchase/ contribute on non-repatriation basis, the beneficial interests issued by an investment vehicle without any limit, either on the stock exchange or outside it. Any such investment shall be deemed to be domestic investment at par with the investment made by residents.

SEBI vide Chapter 4 of SEBI Master Circular for AIFs, has prescribed guidelines for foreign investment in alternative investment funds. As per the SEBI Master Circular for AIFs, at the time of onboarding investors, the Investment Manager must ensure the following:

- a) Foreign investor of the Fund is a resident of the country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory to the bilateral Memorandum of Understanding with SEBI.
- b) The investor, or its beneficial owner as determined in terms of sub-rule (3) of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, is not the person(s) mentioned in the Sanctions List notified from time to time by the United Nations Security Council and is not a resident in the country identified in the public statement of Financial Action Task Force as –
 - (i) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
 - (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.

9. SEBI (Foreign Portfolio Investors) Regulations, 2019

- Overview

The SEBI (Foreign Portfolio Investors) Regulations, 2019 ("**FPI Regulations**") were notified by SEBI on September 23, 2019. A foreign portfolio investor (FPI) has been defined as a person who has been registered under Chapter II of the FPI Regulations.

The Government of India in exercise of its powers under clauses (aa) and (ab) of Section 46(2)

of FEMA has formulated the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“**NDI Rules**”). The RBI in exercise of its powers under Section 6(2)(a) and Section 47 of FEMA has issued the Foreign Exchange Management (Debt Instruments) Regulations, 2019 (“**DI Regulations**”).

FPIs are permitted to invest in, *inter alia*, the following types of instruments under the FPI Regulations, the NDI Rules and the DI Regulations:

- a) equity instruments of an Indian company listed or to be listed on a recognized stock exchange in India;
- b) beneficial interests of domestic mutual funds or Category III Alternative Investment Fund or offshore fund for which no objection is issued in accordance with the SEBI (Mutual Fund) Regulations, 2026, which in turn invest more than 50% (fifty percent) in equity instruments on repatriation basis subject to the terms and conditions specified by SEBI and the RBI;
- c) beneficial interests of domestic mutual funds or Exchange-Traded Funds (ETFs) which invest less than or equal to 50% (fifty percent) in equity;
- d) beneficial interests of schemes floated by a collective investment scheme;
- e) treasury bills and dated government securities;
- f) commercial papers issued by an Indian company;
- g) credit enhanced bonds;
- h) security receipts issued by asset reconstruction companies;
- i) debt instruments issued by banks, eligible for inclusion in regulatory capital;
- j) non-convertible debentures/bonds issued by an Indian company;
- k) rupee denominated bonds or beneficial interests issued by infrastructure debt funds;
- l) Indian depository receipts;
- m) listed non-convertible/ redeemable preference shares or debentures issued in terms of Regulation 6 of the DI Regulations;
- n) securitised debt instruments, including (i) any certificate or instrument issued by a special purpose vehicle set up for securitisation of asset/s with banks, Financial Institutions or NBFCs as originators;
- o) rupee denominated bonds/ beneficial interests issued by Infrastructure Debt Funds; and
- p) such other instruments specified by the SEBI from time to time.

An FPI is required to adhere to the following:

- a) A registered FPI may trade or invest in all exchange traded derivative contracts approved by SEBI subject to the limits and margin requirement prescribed by RBI/SEBI as well as the stipulations regarding collateral securities as directed by the RBI from time to time.
- b) A registered FPI may, undertake short selling as well as lending and borrowing of securities subject to such conditions as may be stipulated by the RBI and the SEBI from time to time.
- c) An FPI shall transact only on the basis of taking and giving delivery of securities purchased or sold.
- d) Except in case of transactions in government securities and such other cases specified in FPI Regulations, the transactions in securities by an FPI shall be only through stockbrokers registered with SEBI.

- Categorisation

FPIs are categorized into 2 (two) classes:

- (a) **Category I FPI**: which shall include (i) government and government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies including entities controlled or at least 75% (seventy-five percent) directly or indirectly owned by such government and government related investor(s), (ii) pension funds and university

funds, (iii) appropriately regulated entities such as insurance or reinsurance entities, banks, asset management companies, investment managers, investment advisors, portfolio managers, broker dealers and swap dealers; (iv) entities from the Financial Action Task Force member countries or from any country specified by the Central Government by an order or by way of an agreement or treaty with other sovereign governments, which are – (A) appropriately regulated funds; (B) unregulated funds whose investment manager is appropriately regulated and registered as a Category I FPI: Provided that the investment manager undertakes the responsibility of all the acts of commission or omission of such unregulated fund; (C) university related endowments of such universities that have been in existence for more than five years; (v) an entity (A) whose investment manager is from the Financial Action Task Force member country and such an investment manager is registered as a Category I FPI; or (B) which is at least 75% (seventy-five percent) owned, directly or indirectly by another entity, eligible under sub-clause (ii), (iii) and (iv) above and such an eligible entity is from a Financial Action Task Force member country: Provided that such an investment manager or eligible entity undertakes the responsibility of all the acts of commission or omission of the applicants seeking registration under this sub-clause (v);

- (b) **Category II FPI:** which shall include all the investors not eligible for registration as Category I FPIs, such as (i) appropriately regulated funds not eligible as Category I FPIs, (ii) endowments and foundations, (iii) charitable organizations, (iv) corporate bodies, (v) family offices, (vi) individuals, (vii) appropriately regulated entities investing on behalf of their client as per the conditions specified by SEBI; and (viii) unregulated funds in the form of limited partnerships and trusts.

'appropriately regulated' entity means an entity which is regulated by the securities market regulator or the banking regulator of home jurisdiction or otherwise, in the same capacity in which it proposes to make investments in India.

- **Investment Caps:**

- **Equity Instruments**

The total holding by each FPI or an investor group, shall be less than 10% (ten percent) of the total paid-up equity capital on a 'fully diluted basis' or less than 10% (ten percent) of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under the NDI Rules, shall not exceed 24% (twenty-four percent) of paid-up equity capital on a 'fully diluted basis' or paid up value of each series of debentures or preference shares or share warrants. The said limit of 10% (ten percent) and 24% (twenty-four percent) shall be called the individual and aggregate limit, respectively. 'Fully diluted basis' means the total number of shares that would be outstanding if all possible sources of conversion are exercised. Further, it is to be noted that multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% (fifty percent) or common control, shall be treated as part of the same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single FPI.

In order to ensure compliance with the above, at the time of finalization of basis of allotment during primary market issuances, RTAs shall use Permanent Account Number ('PAN') issued by Income Tax Department of India for checking compliance for a single FPI. RTAs shall obtain validation from depositories for the FPI investor group who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines specified by SEBI for issue procedure.

Subject to the provisions of the NDI Rules, the aggregate limit of 24% (twenty-four percent) shall be increased to the sectoral caps applicable to the Indian company, in accordance with Schedule I of the NDI Rules with respect to its paid-up equity capital on a 'fully diluted basis' or such same sectoral cap percentage of paid up value of each series of debentures or preference shares or share warrants. Further, the aggregate limit for investments by FPIs in an Indian company in a sector where foreign direct investment is prohibited, shall be 24% (twenty-four percent).

The FPIs investing in breach of the prescribed limit shall have the option of divesting their holdings within 5 (five) trading days from the date of settlement of the trades causing the breach, by selling shares only to domestic investors. In case the FPI chooses not to divest, then the entire investment in the company by such FPI and its investor group shall be considered as investment under foreign direct investment, and shall be subject to the conditions as specified by SEBI and the RBI in this regard, including the NDI Rules and the 'Operating Guidelines for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors' ("**Operating Guidelines**") issued to facilitate the implementation of the FPI Regulations. Such FPI and its investor group shall inform respective custodians of their decision to treat their FPI investments as foreign direct investments, and the custodians in turn will report the same to SEBI, depositories and the relevant Indian Company. Such investments shall be treated as foreign direct investments and shall be subject to norms as prescribed by RBI from time to time and will be marked as foreign direct investments in custodian records. However, FPI and its investor group will be able to sell the securities only through the route as they were acquired and appropriate reporting will be made by the respective custodian.

FPIs are permitted to invest in corporate bonds with minimum residual maturity of above one year, subject to the condition that short-term investments (i.e. investment in securities with residual maturity up to 1 (one) year) in corporate bonds by an FPI shall not exceed 30% (thirty percent) of the total investment of that FPI in corporate bonds. These restrictions do not apply to investments in 'exempted securities', which includes (i) security receipts and debt instruments issued by Asset Reconstruction Companies, (ii) debt instruments issued by an entity under the Corporate Insolvency Resolution Process as per the resolution plan approved by the National Company Law Tribunal under the Insolvency Code, and (iii) non-convertible debentures /corporate bonds which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of amortising bond.

Debt Instruments

The RBI notifies the aggregate limits available to FPIs to invest in Central Government securities ("**G-secs**"), State Development Loans ("**SDLs**") and corporate bonds from time to time.

FPI are permitted to invest in G-secs and SDLs categories without any minimum residual maturity requirement, subject to the condition that short-term investments (i.e. investment in securities with residual maturity up to 1 (one) year) by an FPI under either category shall not exceed, at any point of time, 30% (thirty percent) of the total investment of that FPI in that category.

FPIs are permitted to invest in corporate bonds with minimum residual maturity of above one year, subject to the condition that short-term investments (i.e. investment in securities with residual maturity up to 1 (one) year) in corporate bonds by an FPI shall not exceed 30% (thirty percent) of the total investment of that FPI in corporate bonds. These restrictions do not apply to investments in 'exempted securities', which includes (i) security receipts and debt instruments issued by Asset Reconstruction Companies, (ii) debt instruments issued by

an entity under the Corporate Insolvency Resolution Process as per the resolution plan approved by the National Company Law Tribunal under the Insolvency Code, and (iii) non-convertible debentures /corporate bonds which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of amortising bond. The requirement that the short-term investments shall not exceed 30% (thirty percent) of total investment by an FPI in any category applies on an end-of-day basis. At the end of any day, all investments with residual maturity of up to one year will be reckoned for the 30% (thirty percent) limit.

FPI investment in corporate bonds shall be subject to the following requirements:

- (a) Investment by any FPI (including investments by related FPIs), shall not exceed 50% (fifty percent) of any issue of a corporate bond. In case an FPI (including related FPIs) has invested in more than 50% (fifty percent) of any single issue, it shall not make further investments in that issue until this stipulation is met.
- (b) No FPI shall invest in partly paid debt instruments.

An FPI shall comply with other conditions for investments in G-secs, SDLs and corporate bonds pertaining to security-wise limits, reporting of utilization of limits, concentration limits etc. as stipulated by RBI and SEBI from time to time.

Debt Instruments under the Voluntary Retention Route

The Reserve Bank of India on March 01, 2019, notified the 'Voluntary Retention Route' ("VRR") to enable investments by FPIs in debt markets in India. Investments through the VRR will be free of the macro-prudential and other regulatory norms applicable to FPI investments in debt markets, provided FPIs voluntarily commit to retain a required minimum percentage of their investments in India for a period. Participation through the VRR is voluntary.

- Appropriately regulated entities investing on behalf of clients

In terms of the Operating Guidelines, appropriately regulated entities such as banks, merchant banks, asset management companies, investment managers, investment advisors, portfolio managers, insurance & reinsurance entities, broker dealers and swap dealers (each an "**Appropriately Regulated Entity**") are permitted to undertake investments on behalf of their clients that are individuals or family offices. Such clients shall invest as Category II FPIs. The Appropriately Regulated Entity is also permitted to make proprietary investments by registering itself as a Category I FPI. Where an Appropriately Regulated Entity undertakes investments on behalf of its client, Category II FPI registration shall be granted to such client subject to following conditions:

- i. such client is either an individual or a family office;
- ii. such client shall be eligible for registration as FPI and shall not be dealing on behalf of a third party;
- iii. if the Appropriately Regulated Entity is from a Financial Action Task Force member country, then the KYC including identification and verification of the beneficial owner of the client of such Appropriately Regulated Entity shall be done by the Appropriately Regulated Entity as per requirements of its home jurisdiction. If the Appropriately Regulated Entity is from non-Financial Action Task Force member country, then the KYC including identification and verification of the beneficial owner of the client shall be done in accordance with laws of India;
- iv. the Appropriately Regulated Entity has to provide complete details of the client on quarterly basis (end of calendar quarter) by end of the following month to the DDP

- as specified in the Operating Guidelines;
- v. Investments made by the client directly as FPI and through its investor group (if any) shall be clubbed at the investment limit as applicable to a single FPI.

- Requirement for segregated portfolios

Funds investing in India include those with sub-funds or separate classes of shares or equivalent structure with segregated portfolio for such sub-funds or separate classes of shares or equivalent structure. The assets & liabilities across such sub-funds or separate classes of shares or equivalent structure may be ring fenced from each other as directed by the FPI. FPIs having segregated portfolio(s) are required to provide Beneficial Owner ('BO') declaration for each fund/sub-fund/share class/equivalent structure that invests in India. Further, in case of addition of fund/sub fund/share class/equivalent structure with segregated portfolio that invests in India, the FPI shall be required to provide BO information prior to investing in India through such new fund/sub fund/share class/equivalent structure. For deletion of sub-fund/share classes/equivalent structure that invests in India, an intimation should be provided to DDP forthwith. The FPI shall also ensure that funds/sub funds/share classes/equivalent structure that do not adhere to the above requirements shall not invest in India in future.

- Dealing in Offshore Derivative Instruments ("ODIs")

Under the FPI Regulations, only Category I FPIs are permitted to issue, subscribe and otherwise deal in ODIs, directly or indirectly, subject to the Operating Guidelines. Category II FPIs are not permitted to issue, subscribe or deal in ODIs.

- Conditions subject to which NRIs/ OCIs/ RIs shall be allowed to be constituents of FPIs

As per Part A of the Operating Guidelines, Non Resident Indians ("**NRIs**")/Overseas Citizens of India ("**OCIs**")/Resident Indians ("**RI**s") shall be allowed to be constituents of FPIs. The conditions *inter alia* are as follows:

- a) The contribution by a single NRI or OCI or RI should be below 25% (twenty-five percent) of the total contribution in the corpus of the FPI and aggregate contributions by NRIs, OCIs and RIs should be below 50% (fifty percent) of the total contribution in the corpus of the FPI. Further, the contribution of RI is permitted, if made through the Liberalised Remittance Scheme approved by RBI in global funds whose Indian exposure is less than 50% (fifty percent).
- b) NRI/ OCI/ RI should not be in control of the FPI. This is not applicable if the FPI is an 'offshore fund' for which 'No Objection Certificate' has been issued by SEBI in terms of the SEBI (Mutual Funds) Regulations, 2026, or is controlled by an investment manager which is controlled and/or owned by NRI or OCI or RI if the following conditions are satisfied: (i.) such investment manager is appropriately regulated in its home jurisdiction and registered with SEBI as a non-investing FPI, or (ii.) such investment manager is incorporated or setup under the Indian laws and appropriately registered with the SEBI.

The above restrictions in regard to eligibility conditions for investments by NRI/OCI/RI in an FPI will not be applicable to FPIs investing only in mutual funds in India.

- Know Your Client (KYC) requirements for FPI:

The Operating Guidelines have prescribed the requirements for identification and verification of beneficial owners of Category I FPI (excluding Category I FPIs registered under Regulation 5(a)(i)

of the FPI Regulations) & Category II FPI and the KYC requirements can be complied in accordance with the FPI Regulations and Operating Guidelines.

SEBI vide its circular SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/76 dated June 5, 2024 has amended the FPI master Circular and provided that in terms of Regulation 22, if there is any change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board, it shall inform the DDP and/or the Board in writing, in the following manner:

- a. 'Type I' material changes shall be informed by FPIs as soon as possible and within seven working-days of the occurrence of the change and the supporting documents (if any) shall be provided within 30 days of such change. This category shall include critical material changes that:
- I. render the FPI ineligible for registration
 - II. require FPI to seek fresh registration
 - III. render FPI ineligible to make fresh purchase of securities
 - IV. impact any privileges (e.g. QIB) available or granted to the FPI under the extant regulatory framework
 - V. impact any exemptions available or granted to the FPI under the extant regulatory framework The Circular further provides the definition of Type 1 and Type 2 material change.

The following material changes shall be considered as 'Type I' material changes:

- I. Change of Jurisdiction
- II. Name change on account of acquisition, merger, demerger, restructuring, change of ownership/control
- III. Acquisition/merger/demerger resulting in cessation of existence of FPI
- IV. Restructuring of legal form/sub-category (e.g. Corporate to trust)
- V. Change in regulatory status of the FPI (e.g. regulated to unregulated fund)
- VI. Change in compliance status of jurisdiction of FPI/BO in terms of Regulation 4(d), 4(e) or 4(f) of the FPI Regulations, 2019
- VII. Reclassification of the FPI from Category I to Category II
- VIII. Addition of FPI(s) to any existing/new investor group(s)
- IX. FPIs obtaining registration under Category-I on support of an Investment Manager (IM) and such IM being either removed (temporarily/permanently) or losing its Category I eligibility
- X. Breach of prescribed threshold for aggregate contribution of NRIs, OCIs and Ris
- XI. Any information or particulars previously submitted to the Board or DDP are found to be false or misleading, in any material respect
- XII. Any penalty, pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator
- XIII. Changes which impact any exemption granted in terms of SEBI Circular dated August 24, 2023
- XIV. Breach of any of the eligibility criteria as specified under Regulation 4 of FPI Regulations, 2019 unless the FPI has been exempted from complying with the said criteria

- b. 'Type II' material changes, i.e., any material changes other than those considered as 'Type I' material changes, shall be informed and supporting documents (if any) shall be provided by FPIs as soon as possible and within 30 days of such change.

The DDP shall examine all material changes informed by the FPIs and re assess the eligibility

of the FPI including requiring FPIs to seek fresh registration. However, the DDP shall mandatorily require the FPI to seek fresh registration in case of 'Type I' material changes. It was also provided that Deletion of sub-fund/share classes/equivalent structure that invests in India, shall be considered a 'Type II' material change.

SEBI vide its circular SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/77 dated June 5, 2024 provided the following framework for providing flexibility to Foreign Portfolio Investors in dealing with their securities post expiry of their registration:

- i. FPIs who wish to continue with their registration for the subsequent block of three years, should pay the fees to their DDPs and inform change in information, if any, as submitted earlier.
- ii. In case of no change in information, FPIs shall give declaration that there is no change in the information, as previously furnished.
- iii. FPI shall provide the additional information, if applicable, along with supporting documents including fees for continuance of its registration at least 15 days prior to current validity of its registration in order to facilitate a smooth continuance process. FPI is required to submit a reason for delay, if any, in delayed submission of such information/fees
- iv. If DDP is in receipt of registration fees prior to validity date but the due diligence including KYC review is not complete by the validity date due to non-submission of information by the FPI, no further purchases may be permitted until intimation of continuance is given by DDP.
- v. An FPI who fails to pay the requisite fees before expiry of validity of its registration shall be permitted to pay the same along with a late fee and re-activate its registration within a period of 30 days from the date of such expiry. The re-activation of registration shall be subject to the FPI complying with applicable KYC and Anti Money Laundering/Countering the Financing of Terrorism (AML/CFT) requirements. The FPI shall be permitted to dispose the securities held in its account during the period from expiry of registration till re-activation of registration. However, no fresh purchases of securities shall be permitted from expiry of registration till re-activation of registration.
- vi. Where the FPI has not paid fees for continuance of its registration within the prescribed timelines, its FPI registration shall cease to be valid after the date, up to which, the last registration fees were duly paid by the FPI.
- vii. DDPs shall send suitable reminders to their respective FPI clients for renewal of registration well in advance of such expiry.
- viii. An FPI whose registration has expired and has failed to re-activate its registration within the prescribed time period, shall be permitted to dispose the securities held in its account within 180 days from the expiry of the prescribed 30 days' time period for reactivation of registration. The remittance of sale proceeds to the FPI shall be subject to applicable KYC, AML/CFT requirements.

It is clarified that till the expiry of the aforementioned 180-day period the monetary/non-monetary corporate benefits/voting rights with respect to such securities, if any, shall continue to accrue to the FPI.

B. Foreign investment laws in general

Currently, the fund is not foreign owned or controlled. However, if the fund becomes foreign owned or controlled then the following provisions shall be applicable:

Downstream investments by the Fund in certain securities (that is, investment in equity instruments as per the FEMA Rules) shall be subject to the FEMA Rules, and the reporting norms under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt

Instruments) Regulations, 2019.

An Indian entity that has received indirect foreign investment shall comply with the entry route, sectoral caps, pricing guidelines and other attendant conditions as applicable for foreign investment. In the event the Sponsor and the Investment Manager are not owned and not controlled by resident Indian citizens as of the date of this Memorandum, downstream investment by the Fund in certain securities (that is, investment in equity instruments as per the FEMA Rules) will be construed as indirect foreign investment.

Downstream investment that is treated as indirect foreign investment for the investee entity shall be subject to the following conditions, namely:-

- a. downstream investment shall have the approval of the board of directors as also a shareholders' agreement, if any;
- b. for the purpose of downstream investment, the Indian entity making the downstream investment shall bring in requisite funds from abroad and not use funds borrowed in the domestic markets and the downstream investments may be made through internal accruals and for this purpose, internal accruals shall mean profits transferred to reserve account after payment of taxes. Further raising of debt and its utilisation shall be in compliance with FEMA and rules or regulations made thereunder.

Equity instrument of an Indian company held by another Indian company which has received foreign investment and is not owned and not controlled by resident Indian citizens or is owned or controlled by persons resident outside India may be transferred to:

- a. a person resident outside India, subject to the reporting requirements as specified by the RBI.
- b. a person resident in India subject to adherence to pricing guidelines;
- c. an Indian company which has received foreign investment and is not owned and not controlled by resident Indian citizens or owned or controlled by persons resident outside India.

The first level Indian company making downstream investment shall be responsible for ensuring compliance with the provisions of these rules for the downstream investment made by it at second level and so on and so forth and such first level company shall obtain a certificate to this effect from its statutory auditor on an annual basis and such compliance of these rules shall be mentioned in the director's report in the annual report of the Indian company. In case statutory auditor has given a qualified report, the same shall be immediately brought to the notice of the regional office of the RBI in whose jurisdiction the registered office of the company is located and shall also obtain acknowledgement from the registered office.

Further, based on the guiding principle of the downstream investment, the arrangements which are available for direct investment under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules") such as investment by way of swap of equity instruments/equity capital, payment arrangements/mechanism as per Rule 9(6) of the NDI Rules etc, shall also be available for the purpose of downstream investment provided that the transaction does not circumvent the provisions contained in Rule 23 of the NDI Rules, including the restrictions on use of borrowed funds for downstream investment.

As per the amendment in Foreign Exchange Management (Overseas Investment) Directions, 2022 dated June 07, 2024:

- a. The investment (including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund overseas, duly regulated by the regulator

for the financial sector in the host jurisdiction, shall be treated as OPI. Accordingly, in jurisdictions other than IFSCs, listed Indian companies and resident individuals may make such investment. Whereas in IFSCs, an unlisted Indian entity also may make such OPI in units or any other instrument (by whatever name called) issued by an investment fund or vehicle, in terms of schedule V of the OI Rules subject to limits, as applicable.

b. person resident in India, being an Indian entity or a resident individual, may make investment (including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund or vehicle set up in an IFSC, as OPI. Accordingly, in addition to listed Indian companies and resident individuals, unlisted Indian entities also may make such investment in IFSC.

4. Other regulatory considerations

A. The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (“**Insolvency Code**”) seeks to provide for insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders.

Part II of the Insolvency Code applies to matters relating to insolvency and liquidation of corporate debtors where the minimum default is INR 1,00,00,000 (Indian Rupees One Crore). The Insolvency Code defines a corporate debtor as a corporate person who owes a debt to any person.

The Insolvency Code proposes 2 (two) processes for insolvency resolution (a) the insolvency resolution process, and (b) liquidation process. A financial creditor, an operational creditor or the corporate debtor itself, may apply for initiating corporate insolvency resolution process before the adjudicating authority in respect of the corporate debtor. The adjudicating authority shall within a period of 14 (fourteen) days of receipt of the application, either admit or reject the application for corporate insolvency process. Upon admission of the corporate insolvency process, the adjudicating authority shall appoint an interim resolution professional for the management of the affairs of the corporate debtor as specified in the Insolvency Code. The interim resolution professional shall constitute a committee of creditors, amongst other things. The interim resolution professional shall convene a meeting of the committee of creditors after collating all claims received against the corporate debtor. The committee of creditors shall appoint the resolution professional in the first meeting.

The resolution professional shall conduct the corporate insolvency resolution process in accordance with the procedure specified in the Insolvency Code. In the event, the adjudicating authority does not receive a resolution plan before the expiry of the insolvency resolution process period or rejects the resolution plan for non-compliance with the requirements set out in the Insolvency Code, the adjudicating authority shall pass an order for the liquidation of the corporate debtor. The adjudicating authority for corporate insolvency resolution process would be the NCLT.

The Insolvency Code also provides for a fast track corporate insolvency resolution process for corporate debtors with assets and income below a level as may be notified by the Central Government or with such class of creditors or such amount of debt as may be notified by the Central Government or such other category of corporate persons as may be notified by the Central Government. Such fast track corporate insolvency resolution process shall be completed within a period of 90 (ninety) days from the date of admission of an application for initiating corporate insolvency resolution process by the NCLT. Such times lines may be extended in accordance with the process laid down under the Insolvency Code. Further such extension of

timelines will not be granted more than once.

B. The Competition Act, 2002

The Competition Act, 2002 (“**Competition Act**”) provides for the establishment of a ‘Commission’ to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India. As per the provisions of the Competition Act, no enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India. Further, presence of appreciable adverse effect on competition shall be presumed where any agreement entered into between enterprises or associations of enterprises or persons or associations of persons or between any person and enterprise or practice carried on, or decision taken by, any association of enterprises or association of persons, including cartels, engaged in identical or similar trade of goods or provision of services, which:

- a. directly or indirectly determines purchase or sale prices;
- b. limits or controls production, supply, markets, technical development, investment or provision of services;
- c. shares the market or source of production or provision of services by way of allocation of geographical area of market, or type of goods or services, or number of customers in the market or any other similar way;
- d. directly or indirectly results in bid rigging or collusive bidding, shall be presumed to have an appreciable adverse effect on competition.

Provided that nothing contained under section 3(3) of the Competition Act shall apply to any agreement entered into by way of joint ventures if such agreement increases efficiency in production, supply, distribution, storage, acquisition or control of goods or provision of services.

C. The Digital Personal Data Protection Act, 2023

The Digital Personal Data Protection Act, 2023 has been notified on August 11, 2023, and seeks to protect personal data⁴ of an individual. The Investment Manager including its service providers shall be subject to the norms specified in the said Act, including but not limited to seeking consent, purpose for seeking such personal data, roles and responsibilities of data fiduciary⁵ and data processor⁶ etc. The individuals (referred to as data principal) has been granted *inter alia* following rights:

- a) Right to receive information on summary of personal data being processed and various processing activities being undertaken;
- b) Identifying all data fiduciary and data processor with whom person data shall be shared;
- c) Right to correction and erasure of personal data;
- d) Right of grievance redressal; and
- e) Right to nominate

Various rules providing operational clarity including setting up of Data Protection Board of India shall be notified shortly.

⁴ ‘Personal Data’ is defined as any data about an individual who is identifiable by or in relation to such data.

⁵ ‘Data Fiduciary’ is defined as any person who alone or in conjunction with other persons determines the purpose and means of processing of personal data.

⁶ ‘Data Processor’ is defined as any person who processes personal data on behalf of Data Fiduciary.

D. Weapons of Mass Destruction and Their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005

The Ministry of Finance has issued an order dated January 30, 2023, detailing the procedure for implementation of Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (“**WMD Act**”). The WMD Act seeks to prohibit unlawful manufacture, transport, or transfer of WMD (chemical, biological and nuclear weapons) and their means of delivery. Under the amendments of 2022, the scope of the WMD Act has been enhanced to include the financing of such banned activity.

Pursuant to the order dated January 30, 2023, SEBI has issued a circular dated April 26, 2023, providing directions to SEBI registered intermediaries including an AIF, restricting onboarding and freezing assets of any investor which is:

- a) owned or controlled, wholly or jointly, directly or indirectly, by such person; or
- b) held by or on behalf of, or at the direction of, such person; or derived or generated from the funds or other assets owned or controlled, directly or indirectly, by such person.

THE INFORMATION PRESENTED ABOVE IS A BROAD DISCUSSION ON THE IMPORTANT LEGAL AND REGULATORY CONSIDERATIONS APPLICABLE TO THE FUND, THE INVESTMENT MANAGER AND/OR SPONSOR AND THE INVESTOR. FOR A COMPREHENSIVE UNDERSTANDING OF THE POSITION OF LAW, THE READER IS DIRECTED TO THE ORIGINAL TEXT OF THE STATUTES, REGULATIONS, RULES OR GUIDELINES MENTIONED ABOVE AND TO SEEK APPROPRIATE LEGAL COUNSEL IN CONNECTION THEREWITH.

TAXATION

THE INFORMATION FURNISHED BELOW OUTLINES BRIEFLY THE KEY TAX IMPLICATIONS APPLICABLE TO THE FUND AND TO THE CONTRIBUTORS OF THE FUND AND BASED ON THE RELEVANT PROVISIONS OF THE INCOME-TAX ACT, 2025 (THE ITA), THE INCOME TAX RULES, 2026 (THE RULES) AND VARIOUS CIRCULARS AND NOTIFICATIONS ISSUED THEREUNDER FROM TIME TO TIME. IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, EACH CONTRIBUTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES ARISING DUE TO INVESTMENT IN THE FUND. THE TRUSTEE, AND THEIR ADVISERS ACCEPT NO RESPONSIBILITY FOR ANY LOSS SUFFERED BY ANY CONTRIBUTOR AS A RESULT OF CURRENT TAXATION LAW AND PRACTICE OR ANY CHANGES THERETO. THIS SUMMARY DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL RELEVANT TAX CONSIDERATIONS, NOR DOES IT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL POTENTIAL RISKS INHERENT IN PURCHASING OR HOLDING INTERESTS IN THE FUND. THE CONTRIBUTORS MUST CONSULT THEIR OWN TAX ADVISORS IN THIS REGARD. THE CONCLUSIONS SUMMARIZED HEREIN COULD BE ADVERSELY AFFECTED IF ANY OF THE MATERIAL FACTUAL REPRESENTATIONS ON WHICH THEY ARE BASED SHOULD PROVE TO BE INACCURATE. THE SUMMARY IS BASED ON LAWS, REGULATIONS, RULINGS, JUDICIAL DECISIONS NOW IN EFFECT AND CURRENT ADMINISTRATIVE RULES, PRACTICES AND INTERPRETATIONS, ALL OF WHICH ARE SUBJECT TO CHANGE, WITH POSSIBLE RETROSPECTIVE EFFECT. IT IS THE RESPONSIBILITY OF ALL CONTRIBUTORS TO INFORM THEMSELVES AS TO ANY INCOME-TAX OR OTHER TAX CONSEQUENCES, WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE UNITS.

THE INCOME TAX ACT, 1961 AND THE INCOME TAX RULES, 1962 HAVE BEEN REPLACED WITH THE INCOME TAX ACT, 2025 AND INCOME TAX RULES, 2026 RESPECTIVELY WITH EFFECT FROM 1 APRIL 2026.

THE CBDT CIRCULARS/ NOTIFICATIONS ISSUED UNDER THE INCOME-TAX ACT, 1961 ('THE OLD ACT'), AND REFERENCED IN THE FOLLOWING PARAGRAPHS, ARE NOT INCONSISTENT WITH THE CORRESPONDING PROVISIONS OF THE ITA. ACCORDINGLY, IN TERMS OF SECTION 536(3)(J) OF THE ITA, ALL SUCH CIRCULARS/ NOTIFICATIONS SHALL CONTINUE TO REMAIN IN FORCE.

Please note that for the purpose of this Section, "Tax Considerations", the terms "beneficiaries" and "Contributors" have been used interchangeably. The rates mentioned below are as per the provisions of the Finance Act, 2026 and are **exclusive** (unless specifically stated) of surcharge and Health and Education Cess, as may be applicable

Taxation at the Trust level

The Fund has been registered as an Alternative Investment Fund (AIF) under SEBI (Alternative Investment Funds) Regulations, 2012. AIF registered with SEBI under Category III are not accorded a 'pass through' status under Schedule V (1) of the ITA and the Fund being an irrevocable trust under the provisions of the ITA, the Fund will be taxed in India in respect of its taxable income as per the provisions of the ITA.

Since the Fund has been set up as a trust, the Trustee would be assessed as a 'representative assessee' under the provisions of section 304 to 307 of the ITA.

If the Trust is regarded as a determinate trust, then the tax officer can choose to levy tax on either the beneficiaries or the trustee.

As the beneficiaries are not named in the Trust Deed with their respective shares as on the date of the Trust Deed, as per the provisions of section 307 of the ITA, the Trust will be regarded as a discretionary trust and not a determinate trust.

Once the tax has been paid by the Trustee in its representative capacity, the beneficiaries cannot be taxed once again as the same income cannot be taxed twice.

The Scheme is likely to adopt a buy and hold strategy, accordingly the income of the Scheme ought to be characterized as capital gains and taxable under the head "Capital gains". Further, CBDT vide its Circular No. 6 of 2016 dated February 29, 2016 has instructed the Assessing Officers that in respect of listed shares and securities held for a period of more than 12 months immediately preceding the date of its transfer, if the assessee desires to treat the income arising from the transfer thereof as capital gains, the same shall not be put to dispute by the Assessing officer. Further, such instruction does not cover listed shares and securities held for a period of upto 12 months immediately preceding the date of its transfer. Therefore, treatment of income arising from listed shares and securities held for a period of upto 12 months as Short term capital gains, may potentially be questioned / disputed by the Assessing officer. In such an event, the income may become subject to Maximum Marginal Rate of tax

To have consistent view in assessment and to avoid dispute/litigation pertaining to income arising from transfer of unlisted shares for which no formal market exist for trading, the CBDT vide its letter F.No.225/12/2016/ITA.II, dated May 02, 2016 has clarified that the income arising from transfer of unlisted shares would be considered under the head "capital gain" irrespective of holding. The above, however, would not apply where;

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

In accordance with the provisions of section 307 of the ITA, the income of the Scheme will be taxable at the maximum marginal rate; A better view seems to be that the maximum marginal rate in case of income chargeable under the head "Capital gains" will be the rate applicable to taxation of income under the head "Capital gains".

The tax rates in case of Capital Gains are tabulated below:

	Short-term capital gain	Long-term capital gain*
Listed equity shares/ Units of an equity-oriented scheme	20% where STT is paid~	12.5% where STT is paid~ and amount of capital gains exceeds INR 1,25,000 in a financial year
Units of a non-equity oriented scheme other than units of specified mutual fund	30%	12.5%
Units of Specified Mutual Fund ¹	30%	NA ^{&}
Listed debentures	30%	12.5%
Unlisted debentures/Bonds/Market Linked Debentures ²	30%	NA ^{&}
Unlisted equity shares	30%	12.5%

*Listed equity shares/ units of equity oriented scheme/ listed debentures held for a period of more than 12 months, unlisted equity shares, units of a non-equity oriented scheme other than specified mutual fund held for a period of more than 24 months.

&Capital gains from transfer of units of "specified mutual fund schemes" acquired on or after 1st April, 2023, market linked debentures and unlisted bonds/debentures are treated as short-term capital gains taxable at applicable rates irrespective of period of holding of such instruments.

¹Specified 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 such Mutual Fund subject to the following:-

(i) the percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures:

(ii) 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.

²"Market Linked Debenture" is defined to mean 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 market returns on other underlying securities or indices and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.

[~]Read with Notification no. [F. No. 43/2017/F. No. 370142/09/2017-TPL] dated 5th June 2017 issued by the Ministry of Finance.

Taxation on Dividend income and other Taxable income

Dividend income and other taxable income of the Scheme will be taxed at the rate of 30%

Buyback of Equity Shares

With effect from 1 April 2026, amount received by the investors (other than promoters as defined under the ITA 2025) on account of buy back of shares by the company shall be chargeable to tax under the head "Capital gains".

Securities Transaction Tax ("STT")

In respect of transactions of the Fund in respect of securities, the Fund will be liable to pay applicable STT.

Surcharge

The new tax regime shall be the default tax regime from FY 2023-24 onwards. Accordingly, tax will be computed as per section 202 where the assessee has not opted out of the new tax regime

Since the Fund does not expect to have any income under the head Profits and gains from Business or Profession, the Fund can opt for new tax regime or old tax regime (whichever is more beneficial to the fund) on an annual basis.

The highest surcharge rate for income above INR 2 crore is 25% under the new tax regime

whereas the same is 37% under the old tax regime.

Surcharge rate applicable to Fund for FY 2026-27 are as follows:

Nature of Income	Applicable rate of Surcharge (old tax regime)	Applicable rate of Surcharge (New tax regime Sec 202)
Capital Gains on Listed Equity Shares of companies & units of Equity Oriented Schemes as per section 196 and 198 of the ITA	15%	15%
Long Term Capital Gains other than Listed Equity Shares & units of Equity Oriented Schemes. (As per section 197 of the ITA)	15%	15%
Short Term capital gain (Other than section 196 of the ITA)	37%	25%
Other Income	37%	25%
Dividend Income	15%	15%

Health and Education Cess

The Health and Education cess rate applicable to the Fund is 4% (four percent) of the total income-tax plus surcharge, as applicable

Goods and Service Tax (“GST”)

GST at the rate of 18% would be levied on the Management Fee, Performance Fees and Trusteeship Fees payable by the Fund to the Investment Manager / Trustee, respectively. Further, GST at applicable rates would also be levied on the other services received by Fund.

It is customary that the GST and applicable cesses are passed on to the service recipient, which would be the Fund in this case.

In case there is any GST liability on the Fund in the future on account of the Fund being treated as a service provider to the investors, then such GST on the taxable consideration will be recoverable from each unit holder basis their respective share, net of input tax credit (if any availed).

Taxation of the investors

Taxation on Distribution of Income by the Fund / Redemption of Units

The Trustee of the Fund will discharge the tax on the income earned by the Fund from the Contribution Fund in its representative capacity. Once the tax has already been discharged by the Trustee, there ought not to be any further tax payable on the post-tax income distributed to the beneficiaries by the Trustee.

This is, however, subject to the provisions of minimum alternate tax (MAT) contained in section 206 of the ITA as may be applicable to corporate beneficiaries. However, corporate beneficiaries

who opt to be governed by the new tax regime (section 200 and 205/201 and 205 of the ITA) will not be liable to MAT.

Secondary Transfer of Units

Gains arising on transfer of units could be subjected to a tax and investors are urged to consult their own tax advisors with respect to their tax liability in respect thereof.

General Anti-Avoidance Rules

The General Anti Avoidance Rules ('GAAR') regime as introduced in the ITA is applicable from financial year 2017-2018. GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements.

Rule 128 of the Income Tax Rules, 2026 has been amended vide Notification G.S.R. 241(E) [NO. 55/2026/F. NO. 370142/15/2026-TPL], dated 31st March 2026, to provide that GAAR will not be applicable to income which accrues, arises, or deemed to accrue or arise, or received or deemed to be received by any person from transfer of investments which were made before April 1, 2017.

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 four tests mentioned below:

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

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

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

The above terms should be read in the context of the definitions provided under the ITA. Further, in case the GAAR provisions are invoked then *inter alia* the treaty entitlement could be denied.

Further, the ITA provides that an arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

Also, any resident or non-resident may approach the Authority for Advance Rulings to determine

whether an arrangement can be regarded as an impermissible avoidance arrangement. The Central Government has constituted Boards for advance Rulings for giving advance ruling with effect from 1st September, 2021.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION OF THE FUND AND TAXATION OF CONTRIBUTORS OF THE FUND WOULD BE NECESSARILY ACCEPTED BY THE INCOME-TAX AUTHORITIES UNDER THE ITA. NO REPRESENTATION IS MADE EITHER BY THE TRUSTEE OF THE FUND OR THE INVESTMENT MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE INVESTMENT MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION OF THE FUND AND TAXATION OF THE CONTRIBUTORS OF THE FUND BY THE INCOME TAX AUTHORITIES UNDER THE ITA. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

SECTION XII: ILLUSTRATION OF FEES, EXPENSES AND OTHER CHARGES

Management Fee:

The Scheme will pay management fees (“Management Fees”) at an annual rate on the Net Asset Value as mentioned in the below fee structure table, prior to charging of fees, costs and expenses, applicable taxes and performance fees. Other government duties, statutory charges and levies (like GST etc.), excluding income tax, will be charged over and above this.

Fee Structure			
Capital Commitment by the investor	Management Fees up to*(p.a)	Scheme Expenses* (including Trustee Fee) (p.a)	Total Fees * (Not to exceed following % of the pre-tax NAV) (p.a)
5% of the Corpus or INR 10 crores, whichever is lower (Class A)	0.25%	0.15%	0.40%
>= INR 1 crores - < INR 5 crores (Class B1)	1.75%	0.15%	1.90%
>=INR 5 crores - < INR 10 crores (Class B2)	1.50%	0.15%	1.65%
INR 10 crores and above (Class B3)	1.00%	0.15%	1.15%
>= INR 1 crores - < INR 5 crores (Class C1)	2.25%	0.15%	2.40%
>=INR 5 crores - < INR 10 crores (Class C2)	2.00%	0.15%	2.15%
INR 10 crores and above (Class C3)	1.75%	0.15%	1.90%
>= INR 1 crores - < INR 5 crores (Class D1)	0.55%	0.15%	0.70%
>=INR 5 crores but < INR 10 crores (Class D2)	0.45%	0.15%	0.60%
>=INR 10 crores but < INR 25 crores (Class D3)	0.35%	0.15%	0.50%
INR 25 crores and above (Class D4)	0.25%	0.15%	0.40%
>= INR 1 crores - < INR 5 crores (Class E1)	0.75%	0.15%	0.90%
>=INR 5 crores but < INR 10 crores (Class E2)	0.65%	0.15%	0.80%
>=INR 10 crores but < INR 25 crores (Class E3)	0.55%	0.15%	0.70%
INR 25 crores and above (Class E4)	0.40%	0.15%	0.55%
INR 25 lakhs and above (Class F)	0.25%	0.15%	0.40%

* Maximum limits, excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Scheme. The above also excludes brokerage and transaction cost on execution of trades which will be on actuals.

The Management Fee shall be charged on a daily basis or at such other frequency as the Investment Manager may, at its sole discretion, deem appropriate. The level of Management Fee payable may vary according to the Class of Units or sub-class (and, if applicable, each series thereof). The Investment Manager reserves the right to offer and charge a lower Management Fee.

Performance Fee:

Please refer to Performance Fee as described in Section 2 – Summary of Principal Terms.

Share class	A	B1	B2	B3	C1	C2	C3	D1	D2	D3	D4	E1	E2	E3	E3	F
Performance fee (p.a)	NIL	20%	20%	20%	NIL	NIL	NIL	20%	20%	20%	20%	NIL	NIL	NIL	NIL	NIL

Performance fee (“Performance Fee”) may be payable to the Investment Manager in respect of each Class of Units (or if, applicable, each series thereof), in addition to Management Fees and any other fees and expenses mentioned in this Private Placement Memorandum and the Scheme Documents. Such Performance Fee shall be inclusive of GST.

The Performance Fee will be calculated and paid at the end of the earlier of: (i) End of every financial year; or (ii) redemption/ switch by Investor or (iii) distribution/forfeiture by the Trustee/Investment Manager (“Performance Period”).

Trusteeship Fee:

The Trustee may also be paid trusteeship fees of an amount upto 0.10% p.a. of the assets of the Scheme (plus GST, if any, as applicable).

Placement Fees:

The Scheme or Investment Manager may use the services of placement agents or other distributors from time to time, to source investors for the Scheme. Such placement agents and/or distributors shall be paid a Placement Fee of up to 75% of the Management Fees on the average Net Asset Value of the investments made by such Investor.

The particulars of the Placement Fees applicable to each Investor shall be specifically disclosed in the application form which forms part of the Contribution Agreement entered into with the respective Investor. Such Placement Fee shall be paid only from the Management Fees received from the Scheme and on equal trail basis. No upfront Placement Fee shall be charged to the Scheme directly or indirectly.

Scheme Expenses:

The Trustee and/or Investment Manager shall have the right to be reimbursed the costs and expenses incurred in relation to the activities of the Scheme including without limitation the expenses directly related to operations of the Scheme including, (i) ordinary administrative expenses of the Scheme and out-of-pocket costs and expenses reasonably and properly incurred by the Investment Manager on behalf of the Scheme in connection with identifying, investing in, monitoring, holding and disposing of Investments; (ii) expenses in connection with meetings of the holders of the various Units (out-of-pocket expenses of representatives of Unit Holders will be borne by the Unit Holders), (iii) expenses associated with the Scheme’s financial statements and tax returns (including valuation of Investments) ,reports to Unit Holders and maintenance of books of accounts and other records of the Scheme, (iv) other expenses associated with the acquisition of, holding and disposition of the Scheme’s investments, including brokerage, custody and hedging costs and any other transactional costs, (v) any taxes, fees or other government charges levied against the Scheme, (vi) fees and expenses (including GST, if applicable) of any custodian, trustee and administrator of the Scheme and their agents, (vii) statutory, legal, audit and any other third party fees and operating expenses related to the Scheme, (viii) indemnification obligations, if any, of the Scheme including to any person pursuant to the terms of any agreements executed while making the Investments, (ix) interest on borrowings and guarantees, including expenses for enforcing securities; (x) all liquidation expenses of the Scheme; and (xi) any other incidental or ancillary expenses properly incurred in relation to the Scheme.

Scheme Expenses are not expected to exceed 15 basis points excluding all statutory levies and taxes (like Goods and Services Tax etc.) of the Net Asset Value.

The Investment Manager reserves the right to charge all fees, costs and expenses on Units of the Scheme on a daily basis or such other frequency as the Investment Manager may, at its sole discretion, deem appropriate in compliance with SEBI Regulations.

Exit Load:

Redemptions made shall be subject to a redemption fee (“Exit Load”) as follows or such other rate as may be prescribed by the Trustee on the recommendation of the Investment Manager

<i>Timelines (from the date of allotment)</i>	<i>Applicable Exit Load (of pre-Tax exit proceeds)</i>
<=12 months	2% (two percent)
>12 months and above	<i>Nil</i>

The Exit Load so deducted will be credited to the scheme.

Particulars / Illustration of Fees (Amounts mentioned in lakhs)																					
Sr. No.	Particulars of Fees	Basis of Calculation		A	B1	B2	B3	C1	C2	C3	D1	D2	D3	D4	E1	E2	E3	E4	F	Total	
A	Total capital commitment from the unit holders			1,000.00	100.00	500.00	1,000.00	100.00	500.00	1,000.00	100.00	500.00	1,000.00	2,500.00	100.00	500.00	1,000.00	2,500.00	25.00	12,425.00	
B	Net contribution received from the unit holders (Net of Stamp Duty)			1,000.00	100.00	500.00	1,000.00	100.00	500.00	1,000.00	100.00	500.00	1,000.00	2,500.00	100.00	500.00	1,000.00	2,500.00	25.00	12,425.00	
C	Income earned / MTM Gain or Loss*	(B*10%)	10% annual return*	100.00	10.00	50.00	100.00	10.00	50.00	100.00	10.00	50.00	100.00	250.00	10.00	50.00	100.00	250.00	2.50	1,242.50	
D	Fees and other expenses																				
	a. Management fees	(B+C) * Management Fees Rate applicable for respective shares class plus GST on it		0.295%	2.065%	1.770%	1.180%	2.655%	2.360%	2.065%	0.649%	0.531%	0.413%	0.295%	0.885%	0.767%	0.649%	0.472%	0.295%		
	b. Fees to Advisory Board (if any)	(B+C) * 0.177%	Actuals up to 0.15% plus GST on it																		
	c. Fees to Investment Committee (if any)			1.95	0.19	0.97	1.95	0.19	0.97	1.95	0.19	0.97	1.95	4.87	0.19	0.97	1.95	4.87	0.05	24.19	
	d. Operating Expenses																				
e. Trusteeship Fee																					
E	Net amount invested by the Fund in the Portfolio Companies (Capital Deployed)	(B+C-D)		1,094.81	107.53	539.29	1,085.07	106.88	536.05	1,075.34	109.09	546.11	1,093.51	2,745.13	108.83	544.81	1,090.91	2,745.13	27.37	13,555.87	

*Net of Trading Expenses (Other Expenses) which are charged on actual basis over and above the Operating Expenses; Management Fees & Performance Fees

*Net of Trading Expenses (Other Expenses) which are charged on actual basis over and above the Operating Expenses; Management Fees & Performance Fees

Notes:

1. The format provided above is indicative and provided for reference only. Investors should review and examine the detailed terms mentioned in the Private Placement Memorandum and other Fund documents.
2. Please note that the above table is for illustration purposes only and actuals may differ.
3. Performance Fees will be levied in addition to the expenses mentioned above in share classes wherever applicable.
4. The illustration is for a 1 year period, however the actual tenure of the fund could be different.

SECTION XIII: DISTRIBUTION WATERFALL

Distributions from the Scheme may be made at any time as determined by the Trustee, in consultation with the Investment Manager, by redemption of Units (which shall not be subject to charge of Exit Load) or as otherwise directed by the Trustee, in consultation with the Investment Manager. For the avoidance of doubt, in determining distributions available to be made to Contributors, the Trustee, in consultation with the Investment Manager, may determine to first pay the fees, costs, expenses, obligations or liabilities of the Scheme, including amounts required to be withheld or deducted (including for the purpose of paying applicable taxes) or re-invested. Thereafter, the net distributions for the purpose of distributions to the Unit holders (“Net Distributions”) shall be calculated as below:

(Net Assets of the Scheme attributable to a particular Class (or if, applicable, each series thereof) / Total outstanding Units of that Class (or if, applicable, each series thereof) issued by the Scheme) x Number of outstanding Units of that Class (or if, applicable, each series thereof) held by the Beneficiary.

Subject to approval of the Supermajority in Interest, the Trustee may *in-specie* distribute the Investments of the Fund / Scheme to the Unit holder(s). Provided that the Class B Unit holders shall be entitled to *in-specie* distribution of the Investments of the Scheme only if such Class B Unit holders continue to hold the minimum interest in the Scheme in accordance with the SEBI Regulations.

Distribution Waterfall Class B (includes B1, B2 & B3) and Class D (includes D1, D2, D3 & D4) – Share Class with Performance Fees

Scenario I – The fund is at loss, no profit or no loss, earned profits but less than the hurdle, and earned profits equal to the hurdle

Net Distributable Proceeds (NAV before Tax and Performance fees) do not exceed the Net Capital Contributions or exceed the Net Capital Contributions, but are not sufficient to satisfy the Hurdle Rate / Hurdle NAV.

Class of Units
B (includes B1, B2 & B3) and Class D (includes D1, D2, D3 & D4)
Pro-rata in proportion to Net Assets held, by each Class of Unit Holders

Scenario II - The fund has earned profits more than hurdle

Net Distributable Proceeds (NAV before Tax and Performance fees) exceeds the Net Capital Contributions and in excess of Hurdle Rate, then the Distribution shall be in the following order:

Distribution Waterfall for Class B (includes B1, B2 & B3) and Class D (includes D1, D2, D3 and D4)	
The Net Distributable Proceeds shall be disbursed to the Unit Holders in the following manner:	
Firstly	Net Capital Contribution
Secondly	To meet Fees, Expenses, other Statutory Levies
Thirdly	To satisfy Hurdle Rate
Fourthly	Performance Fees* on surplus available after satisfaction of / above the Hurdle rate
Fifthly	Taxes
Lastly	The proceeds remaining post charging performance fees and taxes would be distributed to the investors / contributors in proportion to their Beneficial Interest

* Such Performance Fee shall be inclusive of GST

Distribution Waterfall Class A, C (includes C1, C2 & C3), E (includes E1, E2, E3 and E4) and Class F - Share Class without Performance Fees

Distribution Waterfall for Class A, Class C, Class E and Class F	
The Net Distributable Proceeds shall be disbursed to the Unit Holders in the following manner:	
Firstly	Net Capital Contribution
Secondly	To meet Fees, Expenses, Taxes and other Statutory Levies
100% of the Beneficial Interest w.r.t. Surplus after Fees, Expenses, Taxes and other Statutory Levies	

NIL Performance Fees in Class A, Class C, Class E and Class F Units

The above Distribution Waterfall shall be calculated and paid in respect of each Class of Units (or if, applicable, each series thereof), at the end of the earlier of: (i) Tenure of the Scheme; or (ii) redemption by Investor or (iii) Distribution/forfeiture by the Trustee/Investment Manager.

For the sake of clarity, the Distribution Waterfall as mentioned above is only for the purpose of laying down the priority and manner of distribution of Net Distributable Proceeds to the Contributors and does not lay down the manner in which such Net Distributable Proceeds will be taxed or accounted in the hands of the Scheme or Contributors. Further, the distribution of Net Distributable Proceeds by the Scheme may be in the form of distribution on Units or through redemption of Units or a combination thereof at the discretion of the Investment Manager. The above distribution will also be subject to the provisions referred to in the clause relating to Defaulting Contributors in this Memorandum.

All taxes, duties and other charges/levies, if any, payable in connection with the income/gains from Investments qua each Contributor's

respective holding of Units shall be paid by the Trustee in consultation with the Investment Manager and shall be taken into account while calculating 'Distribution Waterfall' as set out above. Any such taxes/ duties/ charges/ levies suffered as withholding tax or paid by the Trustee qua each Contributor's respective holding of Units in the Scheme shall be deemed to form part of 'Distribution Waterfall' as provided herein above to such Contributor as on date when such taxes/ duties/ charges/ levies are deducted or paid, as the case may be.

Illustration of the distribution waterfall under various scenarios is provided below for Class B (including B1, B2 & B3) and Class D (including D1, D2 & D3) as performance is applicable in it.

The format provided below is indicative and provided for reference only and investors should review and examine the detailed terms mentioned in the Private Placement Memorandum and other Fund documents.

Illustration 1 - Performance fee life cycle over a period of 5 years applicable to class B (B1, B2 & B3) and D (D1, D2, D3 & D4) where performance fees is applicable.

Year		1	2	3	4	5
Opening NAV (Invested NAV)	A	100.00	113.17	140.15	121.09	142.14
Closing NAV (Gross) *	B	118.00	149.49	121.09	145.00	337.00
Hurdle Rate (%) p.a.	C	10%	10%	10%	10%	10%
HWM NAV	D	100.00	113.17	140.15	140.15	140.15
Reference Price	E = Max (A,D)	100.00	113.17	140.15	140.15	142.14
Hurdle NAV for the year	F = E * (1+C)	110.00	124.49	154.16	154.16	156.35
Gains beyond Hurdle NAV	G = B - F	8.00	25.00	-	-	180.65
Performance fee (%)	H (inclusive of GST @18.00%)	20.00%	20.00%	20.00%	20.00%	20.00%
Performance Fee (Rs.)	I = G * H	1.60	5.00	-	-	36.13
Closing NAV (Before Tax)	J = B - I	116.40	144.49	121.09	145.00	300.87
Tax ^	K	3.23	4.34	-	2.86	23.31
Closing NAV (After Tax)	L = J - K	113.17	140.15	121.09	142.14	277.57

* Before performance fee and tax calculation and after all fixed expenses and statutory levies.

^ At Maximum Marginal Rate applicable to capital gains. The Scheme is likely to adopt a buy and hold strategy, accordingly for the purpose of illustration, It is assumed that, the short term capital Gains tax will be applicable in the first year @ 17.94% (inclusive of surcharge and cess) and Long term capital gains tax in subsequent years at 11.96% (inclusive of surcharge and cess). However, the actual tax rate may

wary depending on the portfolio.

The expense rate applicable to each of the share class would be as per the rate defined in the section on fees and expenses.

Illustration 2 - Performance fee computation in different scenarios mentioned below applicable to class B (B1, B2 & B3) and D (D1, D2, D3 & D4) where performance fees is applicable.

Year		S1	S2	S3	S4	S5
Opening NAV (Invested NAV)	A	100.00	100.00	100.00	100.00	100.00
Closing NAV (Gross) *	B	98.00	100.00	108.00	110.00	118.00
Hurdle Rate (%) p.a.	C	10%	10%	10%	10%	10%
HWM NAV	D	100.00	100.00	100.00	100.00	100.00
Reference Price	E = Max (A,D)	100.00	100.00	100.00	100.00	100.00
Hurdle NAV for the year #	F=E * (1+C)	110.00	110.00	110.00	110.00	110.00
Gains beyond Hurdle NAV	G = B - F	-	-	-	-	8.00
Performance fee (%)	H (inclusive of GST @18.00%)	20.00%	20.00%	20.00%	20.00%	20.00%
Performance Fee (Rs.)	I = G * H	-	-	-	-	1.60
Closing NAV (Before Tax)	J = B - I	98.00	100.00	108.00	110.00	116.40
Tax ^	K	-	-	0.96	1.20	2.15
Closing NAV (After Tax)	L = J - K	98.00	100.00	107.04	108.80	114.25

S1 - Return less than invested amount (Loss)

S2 - No profit no loss

S3 - Return more than invested amount but less than the hurdle rate

S4 - Return equal to the hurdle rate

S5 - Return more than the hurdle rate

* Before performance fee and tax calculation and after all fixed expenses and statutory levies.

^ At Maximum Marginal Rate applicable to capital gains. The Scheme is likely to adopt a buy and hold strategy, accordingly for the purpose of illustration, It is assumed that, the short term capital Gains tax will be applicable in the first year @ 17.94% (inclusive of surcharge and cess) and Long term capital gains tax in subsequent years at 11.96% (inclusive of surcharge and cess). However, the actual tax rate may vary depending on the portfolio.

The expense rate applicable to each of the share class would be as per the rate defined in the section on fees and expenses.

Illustration 3 - Computation of Class A, Class C (C1, C2 & C3), E (E1, E2, E3 & E4) and F, where performance fees is not applicable.

	Year		1	2	3	4	5
A	Opening NAV (Invested NAV)		100.00	105.09	118.77	103.86	133.84
B	Add: Income		10.00	21.02	(11.88)	41.55	107.07
C	Less: Management Fees	(A+B) * Management Fees Rate applicable for respective shares class plus GST on it	2.92	3.35	2.84	3.86	6.40
D	Less: Other Expense Fees	(B+C) * 0.177% Actuals up to 0.15% plus GST on it	0.19	0.22	0.19	0.26	0.43
E	Less: Taxes [^]		1.79	3.77	-	7.45	19.21
F	Closing NAV Net	(A+B-C-D-E)	105.09	118.77	103.86	133.84	214.88

[^]At Maximum Marginal Rate applicable to capital gains. The Scheme is likely to adopt a buy and hold strategy, accordingly for the purpose of illustration, It is assumed that, the short term capital Gains tax will be applicable in the first year @ 17.94% (inclusive of surcharge and cess) and Long term capital gains tax in subsequent years at 11.96% (inclusive of surcharge and cess). However, the actual tax rate may vary depending on the portfolio.

The Management Fees & Other expenses applicable to each of the share class would be as per the rate defined in the section on fees and expenses.

SECTION XIV: DISCIPLINARY HISTORY

i. Following are the details of the disciplinary actions pending / taken against the Investment Manager:

The following is the list of pending/closed litigations in which DSP Asset Managers Private Limited ('DSPAM') is a party/found guilty.

Note: As a result of the Demerger, all the pending litigations against DSPIM stands transferred to the DSP Asset Managers Private Limited ('DSPAM').

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
1	DSP Investment Managers Private Limited ...Plaintiff Versus DSP Realty Defendant	Commercial IP Suit (L) No. 60 of 2020 before the Hon'ble Bombay High Court	Ad-interim relief granted vide order dated 4 th February 2020 by Hon'ble Justice Mr. S. C. Gupte. As per the records the last date of hearing was supposed to be on 17 th March 2020, which was adjourned due to the Covid-19 pandemic and lockdown imposed pursuant thereto. Presently the courts are hearing urgent matters and this matter is unlikely to come up, anytime soon. Considering the on-going pandemic, there are no further changes. Lodging number is assigned: COMIPL/60/2020 Stage has been revised to:	On January 21, 2020, the AMC filed a plaint in the Honorable High Court of Judicature at Bombay, Ordinary Original Civil Jurisdiction in its Commercial Division a suit for infringement of trademark and passing off (Category Code no.1017 Act Code No.87) against DSP Realty, a proprietary concern of Shrikant Bhausahub Pawar ('Defendant'). The mentioned suit was filed inter-alia for the acts of Page 2 of 2 infringement, passing off and damages by the Defendant, whose trademark is deceptively similar to the AMC's registered DSP marks. On February 04, 2020, the Honorable High Court granted ad interim relief restraining the Defendant from using of trademark. The matter is now at hearing stage and the AMC is awaiting an intimation in relation to the hearing date from the High Court.

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
			Applications for hearing.	
2	DSPIM, Axis Bank Limited, Sintex BAPL Limited and Sintex Plastics Technology Limited	Suit No. 45 of 2020 before City Civil Court at Ahmedabad	Closed	<p>AMC along with other debenture holders subscribed for non-convertible debentures (NCDs) issued by Sintex BAPL Limited ("Sintex"). As per the Debenture Trust Deed, Sintex was required to obtain NOC from the Debenture holders prior to sale of its stake in any of its subsidiaries. Further, Sintex has to mandatorily prepay the Debenture Holders out of such sale proceeds and the same were mandatorily required to be deposited in the Specified Bank Account (as defined under the Debenture Trust Deed) over which the Debenture Holders have first ranking exclusive charge. Pursuant to the request of Sintex, the Debenture Trustee i.e. Vistra ITCL (India) Limited (upon the instructions of Debenture Holders) gave its consent for the sale of its step-down subsidiary viz Sintex NP SAS. Necessary documents were executed in favour of the Debenture Trustee including making it exclusive signatory over the offshore account where sale proceeds are presently lying. However, Axis Bank filed a declaratory Suit ("Suit") before the City</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>Civil Court, Ahmedabad (“Court”) claiming first charge over the sale proceeds on the basis of an ‘Undertaking’ allegedly executed by Sintex in their favour. In view of the above, DSP Investment Managers Private Limited (“DSPIM”) filed an intervention application before the Court to intervene in the aforesaid matter and oppose grant of any reliefs to Axis Bank. During the pendency of the Suit, AMC assigned its exposure (“Assignor”) on March 31, 2022, pursuant to which there is no debt owed by Sintex to the AMC in respect of the NCDs. The Assignor accordingly, filed an application to substitute itself in place and stead of DSPIM in the Suit. In the interim, Axis Bank also assigned its debt to an asset reconstruction company (“ARC”) and subsequently, the ARC withdrew the Suit which was allowed by the Court vide its order dated 27th February 2023.</p>
3	DSPIM, Sintex Plastics Technology Limited and Zielem Industries Private Limited & Others	CP (IB) No. 759 of 2019 before National Company Law Tribunal Ahmedabad and Company Appeal (AT)(Ins) No. 674 of 2021 before the National Company Law Appellate Tribunal.	Closed	AMC along with other debenture holders subscribed for non-convertible debentures issued by Sintex BAPL Limited (“ Sintex ”). Sintex defaulted on its debt repayments in August 2019. While, the AMC and other lenders were

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>contemplating settlement with Sintex, an operational creditor-Zielem Industries Private Limited ("Zielem") filed a Company Petition before the National Company Law Tribunal (NCLT), at Ahmedabad against Sintex which was admitted vide order dated 18th December 2020 and Corporate Insolvency Resolution Process (CIRP) against the Sintex had commenced.</p> <p>Subsequent to the Admission Order, Sintex Plastics Technology Limited (in its capacity as the shareholder of Sintex) ("SPTL") settled the matter with Zielem. Basis the settlement, SPTL filed an application before NCLT seeking withdrawal of the CIRP against the Sintex ("Withdrawal Application"). DSPIM filed an intervention application in the Withdrawal Application so as to enable the DSPIM to oppose withdrawal of the CIRP against Sintex.</p> <p>The Withdrawal Application was allowed by the NCLT, Ahmedabad vide order dated June 29, 2021 ("Order").</p> <p>DSPIM filed an Appeal being Company Appeal No. 674 of 2021 before the NCLAT ("Appeal") against the Order.</p> <p>During the pendency of the Appeal, AMC</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>assigned its exposure (“Assignor”) on March 31, 2022. Upon assignment, there is no debt owed by Sintex to the AMC in respect of the NCDs.</p> <p>The Assignor, accordingly, filed a substitution application to substitute itself in place and stead of AMC in the Appeal on April 18, 2022. Upon a formal order being passed by the NCLAT allowing the substitution application, DSP ceased to be a party to the Appeal. However, subsequently, the NCLAT allowed the Appeal vide its order dated 3rd January 2023.</p>
4	DSPIM and Resonance Eduventures & Others	O.M.P. (I) COMM. NO. 159 OF 2021 before the Delhi High Court	Closed	<p>AMC was holding non-convertible debentures issued by Accelerating Education and Development Private limited (AEDPL), a Resonance group entity vide Debenture Trust Deed dated November 10, 2016. AEDPL defaulted in repayment of redemption amount. AMC had filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 before the Delhi High Court seeking interim reliefs inter alia in the nature of non-alienation of assets for securing the entire amount of Rs. 144,76,82,011/- due and payable by Resonance Group to AMC. During the course of hearing dated 28th May 2021 AEDPL and other</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>Resonance group entities had undertaken not to alienate their assets. The pleadings were completed and the matter was ripe for arguments. In the meantime, steps were taken for constitution of the arbitral tribunal, failing which, the parties were required to take the steps as contemplated under the Arbitration Act. As the arbitral tribunal was not been constituted and no further interim orders could be passed in accordance with the provisions of Section 9 of the Arbitration and Conciliation Act, 1996, the petition was disposed of and the interim restraint to not alienate assets stands vacated. The AMC has sold off the NCDs in April 2026 and has now withdrawn from all the legal proceedings.</p>
5	Grant Thornton India (Bharat) LLP, Infrastructure Leasing and Financial Services Limited ("IL&FS") and IDBI Trusteeship Limited & DPAM	Case No:CP/3638(MB)2018	Pending	<p>AMC had filed Company Application No. 19 of 2024 ("Company Application") in Company Petition Number 3638 of 2018 before National Company Law Tribunal, at Mumbai ("NCLT") on 28th December, 2023 against Grant Thornton India (Bharat) LLP, Infrastructure Leasing and Financial Services Limited ("IL&FS") and IDBI Trusteeship Limited. The said Company Application sought, inter-alia, admission of AMC's</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>claim amounting to INR 357 Crores (i.e., guarantee claim due and payable from IL&FS under the Debenture Trust Deed and Parent Agreement, both, dated 22nd March, 2016) in the insolvency resolution process of IL&FS. GT and ITSL had filed their respective replies to the Company Application. Rejoinders were filed to replies filed by GT and ITSL to the Company Application. No reply to the Company Application was filed by IL&FS. The Company Application was heard on various dates namely 17th January, 2024, 12th February, 2024, 11th March, 2024, 12th April, 2024 and 29th April, 2024. Pursuant to the direction of the NCLT, Written Submissions on behalf of AMC also filed. Vide an order dated 13th May, 2024, the NCLT declined to grant the relief(s) sought by the AMC in the Company Application. AMC has filed an appeal against the order dated 13th May, 2024 passed by the NCLT before the National Company Law Appellate Tribunal ("NCLAT"), at New Delhi on 25th June, 2024. The appeal was heard by NCLAT on 6th September, 2024. The NCLAT issued notice to the respondents i.e. GT, IL&FS and ITSL and directed them to file their</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>replies with 2 weeks. GT, IL&FS and ITSL have filed their replies. Pleadings are complete in the matter. The hearing of the Appeal was now adjourned to 20th March, 2025 at 2 pm with a noting "High on Board". On 20th March, 2025, the said Appeal was heard at length by NCLAT. NCLAT directed the parties to file written submissions and reserved the Appeal for passing the final order and judgement. AMC and IL&FS has filed their respective written submissions on 27th March, 2025. Thereafter, the NCLAT passed an Order dated 1st May, 2025 dismissing the said Appeal. AMC made an appeal before the Hon'ble Supreme Court challenging the Order dated 1st May, 2025 passed by the NCLAT and the appeal challenging the aforesaid Order dated 1st May, 2025, has been filed before the Supreme Court of India. The said Civil Appeal, has been registered as C.A. No. 009863 / 2025. The Civil Appeal was heard by the Hon'ble Supreme Court on 1st September, 2025. Vide an order dated 1st September, 2025, the Hon'ble Supreme Court dismissed the said Civil Appeal. AMC is in the process of filing a Consumer Complaint</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>against the Debenture Trustee i.e. IDBI Trusteeship, seeking compensation towards the loss incurred by AMC towards delay caused by the Debenture Trustee in filing AMC's Claim. AMC has filed a Consumer Complaint against the Debenture Trustee, before the District Consumer Redressal Commission and the aforementioned Consumer Complaint has been registered as DC/AB1/482/CC/12/2026. The Consumer Complaint will be listed before the District Consumer Redressal on 11th February, 2026, for issuance of notice to Debenture Trustee. The District Consumer Redressal Commission adjourned the hearing of the Complaint to 18th February 2026, for issuance of notice to Debenture Trustee. On 18th February, 2026, the District Consumer Redressal Commission was apprised of the facts of the complaint. The District Consumer Redressal Commission informed it will require time to peruse the Complaint and thereafter adjourned the matter to 4th March, 2026 for further consideration. On 4th March, 2026, the complaint was heard by the District Consumer Redressal Commission and thereafter adjourned</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>to 11th March, 2026 for further consideration. Thereafter the District Consumer Redressal Commission adjourned the complaint to 25th March, 2026 for further consideration. Thereafter the District Consumer Redressal Commission adjourned the complaint to 25th March, 2026 for further consideration. On 25th March, 2026, the Complaint was argued at length before the Commission. However, the Commission passed an Order dismissing DSP's Complaint</p>
6	Coffee Day Natural Resources Private Limited ("CDNRPL")	National Company Law Tribunal, Bengaluru Bench	Pending	<p>Coffee Day Natural Resources Private Limited ("CDNRPL") has defaulted in repaying a sum of INR 97,67,64,888/- towards several unredeemed Non Convertible Debentures issued and allotted to AMC. In light of this outstanding debt and the continuing default, thereof, an application under Section 7 of Insolvency and Bankruptcy Code, 2016 having e-filing number 2903111006402025, has been filed in relation to CDNRPL before the National Company Law Tribunal, Bengaluru Bench on 4th April, 2025. The aforesaid Application was registered as C.P.(IB)/172(BEN)2025 and the same was listed for hearing on 27th June,</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>2025. The aforesaid application was adjourned to 29th July, 2025, for further directions. The said Application was thereafter listed on 29th July, 2025 and was adjourned to 3rd September, 2025 with directions from the Tribunal for DSP to file its Form D i.e. Record of Default and a copy of the Board Resolution duly signed by the authorized representative. The Application was thereafter listed on 3rd September, 2025, when the Advocate representing CDNRPL appeared before the Tribunal and filed her Vakalatnama. The Tribunal passed directions for DSP to comply with the Tribunal's previous Order dated 29th July, 2025 and directed CDNRPL to file its reply once DSP has complied with the aforesaid Order dated 29th July, 2025. Thereafter the Application was adjourned to 3rd November 2025, for compliance.</p> <p>The Application was thereafter listed on 3rd November 2025, when the Advocate representing DSP informed the Tribunal that the record of default has been filed with NeSL and further requested the Tribunal for some time to file the same</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>before the Tribunal. The same was granted by the Tribunal. Further, the Advocate representing CDNRPL requested 3 weeks' time to file a reply to the Application. The same was granted by the Tribunal and thereafter the Application was adjourned to 16th December, 2025. Thereafter, the aforesaid Application was listed on 15th December, 2025, when the Advocate representing DSP informed the Tribunal that a copy of board resolution duly signed by DSP's authorised representative and record of financial information has been filed by DSP. The Tribunal directed DSP to also file its record of default before the Tribunal, by the next date and recorded that the Order dated 29th July, 2025 has been partly complied with by DSP. Advocate representing CDNRPL sought time from the Tribunal to file its reply to the above Application. The Tribunal acceded to the request made by Advocate representing CDNRPL and granted 2 weeks' time to CDNRPL for filing its reply and for DSP to file its rejoinder (if any) within 3 weeks thereafter. Thereafter, the Tribunal adjourned the hearing of the above Application to 19th</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>January, 2026. The above Application was listed on 19th January, 2026, the Tribunal was informed that a copy of CDNRPL's reply to the above Application was served on the same date i.e. 19th January, 2026 at 2:00 a.m. and therefore DSP sought time to file a rejoinder to the same. The Tribunal acceded to this request and directed DSP to file its rejoinder to CDNRPL's reply within four weeks. Thereafter, the Tribunal adjourned the hearing of the Application to 17th March, 2026. On 17th March, 2026, the Advocate representing CDNRPL informed the Tribunal that a copy of the Reply was served upon them on 16th March, 2026 and therefore sought time from the Tribunal to peruse the same. The Tribunal acceded to this request and adjourned the hearing of the Application to 3rd June, 2026.</p>
7	DSP Mutual Fund Vs State of NCT of Delhi & Anr.	Application Filing 13559 of 2025 before the Chief Judicial Magistrate, Patiala House Court, Delhi under Section 503 of the Bharatiya Nagrik Suraksha Sanhita, 2023 ("BNSS")	Closed	<p>DSP Mutual Fund (Fund) through its AMC has filed a criminal application Filing No. 13559 of 2025 ("Application") before the Chief Judicial Magistrate, Patiala House Court, Delhi under Section 503 of the Bharatiya Nagrik Suraksha Sanhita, 2023 ("BNSS"), seeking</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				<p>directions ordering the police station(s) in charge to release the lien marking on the Fund's various bank accounts with Axis Bank and Citibank N.A. The said bank accounts were lien marked in respect of a total amount of INR 4,82,56,471/-, presumably under Section 106 of BNSS pursuant to a complaint lodged on the National Cybercrime Reporting Portal bearing reference no. 20807250047769 ("Complaint"). While the Fund has not yet been furnished a copy of the Complaint or any FIR filed pursuant thereto, it appears that a Complaint was lodged by an individual ("Complainant") against another individual ("Accused") both of whom are unconnected to the Fund. The Fund is informed that the reason why its bank accounts are lien marked is because the Accused allegedly defrauded the Complainant and a part of the proceeds of the fraud were invested by the Accused into an intermediary ("Intermediary") which then invested the amounts with the Fund. In its Application, the Fund has clarified that all of the amounts invested by the Intermediary have been redeemed much before the lodging of the Complaint and the Fund</p>

Sr. No	Parties	Case no. / Pending before Forum or Court	Status	Brief Facts
				does not possess the alleged proceeds of the alleged crime. Thus, the Fund has sought that the lien marking should be immediately lifted as it has no nexus with the alleged crime or the proceeds of the alleged crime. The court by virtue of its order dated August 08, 2025, agreed to the submission made by the Fund and has ordered to lift the lien marking of the accounts from immediate effect.

Investors can contact Investment Manager to get the more information on the pending litigations.

- ii. From the records, the following are the pending disputed tax liabilities and Contingent Liabilities against DSPAM not acknowledged as Debt:

Sr. No.	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved*
1	Service Tax (Finance Act, 1994)	During EA Audit 2000 audit for FY: 2004-05 to 2008-09 towards payment of additional amount of interest on differential amount of service tax paid by DSPIM. Notice Dt 23.Oct-2008	Superintendent (Audit) Office of the Commissioner of the Central Excise	Service Tax-FY: 2004-05 to 2008-09	24,12,000
2	Service Tax (Finance Act, 1994)	During EA Audit 2000 audit for FY: 2014-15 to 2016-17 towards Service Tax on transaction charges collected from Investor and paid to distributor. Notice Dt 30.Sep-2020	In Process of Filing Appeal before CESTAT	Service Tax-FY: 2014-15 to 2016-17	17,89,967
3	Service Tax (Finance Act, 1994)	Service Tax Refund due to DSP, base on Service Tax Return (Revised) as per Trans provision of Goods & Service Tax Act.	Customs, Excise and Service tax Appellate Tribunal West Zonal Bench has redirected to Refund Sanctioning Authority.	Service Tax-FY: 2017-18	1,11,77,416
4	The Income Tax Act, 1961	Contingent liability only for 14A. (i) Disallowance of expenses under section 14A of the Income-tax Act, 1961 (Act) (ii) Short credit of Tax Deducted at Source (TDS) granted (iii) Levy of interest under section 234B and 234C of the Act	Commissioner of Income-tax (Appeals) (Case referred back by ITAT)	A.Y. 2006-2007	89,252
5	The Income Tax Act, 1961	Contingent liability only for 14A. (i) Disallowance of expenses under section 14A of the Act (ii) Levy of interest under section 234B of the Act	Commissioner of Income-tax (Appeals)	A.Y. 2012-2013	28,21,279

6	The Income Tax Act, 1961	Contingent liability only for 14A. (i) Disallowance of expenses under section 14A of the Act (ii) Levy of interest under section 234B of the Act	Commissioner of Income-tax (Appeals)	A.Y. 2013-2014	32,65,239
7	The Income Tax Act, 1961	Contingent liability only for 14A. (i) Disallowance of expenses under section 14A of the Act (ii) Short credit of TDS granted	Commissioner of Income-tax (Appeals)	A.Y. 2014-2015	38,35,526
8	The Income Tax Act, 1961	(i) Disallowance of expenses under section 14A of the Income-tax Act, 1961 (Act) (ii) Disallowance of deduction claimed u/s 80G	Commissioner of Income-tax (Appeals)	A.Y. 2018-2019	32,57,729
9	The Income Tax Act, 1961	(i) Disallowance of expenses under section 14A of the Income-tax Act, 1961 (Act) (ii) Disallowance of deduction claimed u/s 80G (iii) Disallowance of Gratuity paid during the year (iv) Disallowance of ICDS Adjustment for Depreciation as per books and as per IT Act (v) Penalty order received on 31st Dec 2024 for Rs 37,73,900/- wherein Penalty was leveled on 80G & 14(A) disallowance.	Commissioner of Income-tax (Appeals) & Income Tax Appellate Tribunal	A.Y. 2020-2021	1,62,67,305

10	Goods & Service Tax Act, 2017	(i) Excess Claim of ITC on reverse charge supplies (ii) ITC claimed on Ineligible supplies mentioned in Sec. 17(5)	GST Appellate Authority	F.Y. 2018-19	5,00,042
11	Goods & Service Tax Act, 2017	Disallowance of ITC on distributor's commission paid directly to Distributors as well as reimbursed to Mutual Fund	In Process of Filing Appeal before GSTAT	FY 2017-18 and FY 2018-19 (July 17 to Oct 18)	37,06,33,376
12	Goods & Service Tax Act, 2017	ITC Mismatch GSTR3B vs 2A	GST Appellate Authority	FY 2020-21	9,65,471

**Amount involved represents tax amount. Interest & penalties may be applicable as per relevant provisions.*

Further, below are details pertaining to contingent liabilities and Disputes tax liabilities of Sponsors, its associates and Directors:

Sr. No.	Entity/Directors	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (AY)	Amount involved
1	Aditi Kothari Desai	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2024-25	1,41,818
2	DSP Adiko Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2023-24	10,45,800
3	DSP Adiko Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CIT(A), NFAC	2020 - 21	1,50,00,561
4	DSP Adiko Holdings Pvt Ltd	Income Tax Act, 1961	TDS	Traces	Traces	1,42,115

5	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2008-09	62,24,353
6	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2015-16	1,92,39,310
7	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CIT(A), NFAC	2018-19	4,78,67,418
8	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CIT(A), NFAC	2018-19	3,11,914
9	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CIT(A), NFAC	2018-19	4,03,112
10	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CIT(A), NFAC	2020-21	56,369
11	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2023-24	160
12	DSP HMK Holdings Pvt Ltd	Income Tax Act, 1961	TDS	Traces	Traces	9,701

13	DSP Investment Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CIT(A), NFAC	2022-23	2,69,68,650
14	DSP Investment Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	FAO, DELHI	2024-25	24,17,080
15	DSP Investment Pvt Ltd	Income Tax Act, 1961	TDS	Traces	Traces	90,013
16	DSP Core Services Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2003-04	79,37,440
17	DSP Core Services Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	ITO, Circle - 3(3)(1)	2017-18	64,51,686
18	DSP Core Services Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2002-03	88,22,712
19	Reclamation Realty (India) Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2005-06	2,09,60,202
20	Reclamation Realty (India) Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	ITO, Circle - 3(3)(1)	2017-18	50,29,664

21	Reclamation Realty (India) Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	AO, Mumbai	2019-20	12,372
22	Reclamation Realty (India) Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2021-22	14,66,923
23	Reclamation Realty (India) Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	CPC, Bengaluru	2003-04	69,37,287
24	Reclamation Realty (India) Pvt Ltd	Income Tax Act, 1961	Disputed Income Tax Liability including interest	ITO, Circle - 3(3)(1)	2017-18	2,706

Amount involved represents tax amount. Interest & penalties may be applicable as per relevant provisions.

iii. From the records, appended is the summary of past administrative warnings/deficiencies letters:

- a. SEBI had in the past, over two independent occasions, had found that certain sales literature issued by AMC were not in line with advertisements guidelines. SEBI had observed that AMC had processed instalments of Systematic Investment Plan /Systematic Transfer Plan in the Direct Plan with a lag of one month after introduction of Direct Plan which was not in line with the relevant SEBI circular.
- b. SEBI had observed that one of the schemes of DSP Mutual Fund ('MF') was not in compliance of the prescribed rule of having minimum of 20 investors with no investor holding more than 25 % of the scheme net assets.
- c. SEBI had advised AMC to comply with the guidelines of parking funds in short term deposits of scheduled commercial banks at all points of times.
- d. Pursuant to disclosures in periodical Compliance Test Report for the MF, SEBI had advised AMC to take due care in future for avoidance of recurrence of exceptions related to disclosures in half yearly financials, monitoring gross exposure limits for scheme and transactions by access person and incorrect disclosure of repurchase price of one of the schemes of MF on AMFI's website.
- e. SEBI had advised AMC that post allotment of units in closed ended debt schemes, there should not be reversal before maturity.
- f. Pursuant to disclosures in the periodical Compliance Test Report for the MF, SEBI had observed the non-compliance of the sectoral limit specified in the SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017. SEBI has advised AMC to take due care in future and improve compliance standards to avoid recurrences of such instances.

- g. SEBI has post completion of routine regulatory inspection for DSP Mutual Fund and Computer Age Management Services Limited (Registrar and Transfer Agent to DSP Mutual Fund) has warned and advice AMC on cases exceeding TER Limit for close ended scheme, extension of NFO period by 1 day in case of close ended scheme, IAF Facility to other than resident individual investor and for failure to time stamp switch/redemption request. Apart from above there was certain deficiency were observed by SEBI and has advised AMC to avoid recurrence of such expenses.
- h. DSP Mutual Fund initiated a transaction on RFQ platform in which it had inadvertently captured incorrect price on the RFQ platform. After the error was identified, DSP Mutual Fund immediately agreed to cancel the transaction. SEBI vide its letter dated November 23, 2020 has advised DSP Mutual Fund to exercise caution and be careful while executing transactions on RFQ platform in future, failing to which appropriate penal action shall be taken.
- i. Pursuant to disclosures in periodical Compliance Test Report and Half yearly Trustee Report for the MF, SEBI had advised AMC to take corrective actions related to correctly capturing of Physical application data in the system, transactions are not accepted through suspended distributors, ensuring compliance with Code of conduct for Fund Managers and Dealers.
- j. SEBI had warned and advised AMC, to take due care in submission of Offsite inspection cum surveillance data.
- k. Pursuant to disclosure in periodical Compliance Test Report and Half yearly Trustee Report for the MF, SEBI had advised to take due care in future where due to restriction on overseas investment certain scheme expenses were charged to the books of AMC.
- l. Pursuant to disclosures in periodical Compliance Test Report and Half yearly Trustee Report for the MF, an Adjudication Order dated December 29, 2022 was issued in the matter of practice of charging total expense ratio to AMC books by DSP Mutual Fund in case of DSP Nifty 50 ETF. Pursuant to said order, a monetary penalty of Rs. One lakh each has been imposed on DSP Investment Managers Private Limited and DSP Trustee Private Limited which was paid on January 30, 2023 and January 27, 2023, respectively.
- m. SEBI has warned and advised AMC to take due care and improve compliance standards to ensure that the Investor Education and Awareness funds are not utilized for brand building and advertising schemes of Mutual Fund.
- n. SEBI has issued a letter on February 27, 2023 wherein they have noticed certain irregularities/deficiencies in B-30 incentive mechanism by Mutual fund which is not in compliance with the spirit of SEBI regulations.
- o. SEBI vide its letter dated October 20, 2023 has warned and advised DSPAM to take due care and improve compliance standards to ensure that the investments made by DSP Focus Fund in Index derivatives are in line with the regulatory requirements.
- p. SEBI vide its letter dated February 07, 2024 has advised AMC to strengthen its internal control system to comply with the guidelines with alignment of interest of AMC with unitholders of MF schemes.
- q. SEBI vide its letter dated July 07, 2025 has warned and advised DSPAM to put in place necessary system level controls in place for KYC related matters handled by their RTA.
- r. SEBI issued a letter on July 09, 2025 wherein on examination of the Cyber Security Incident Investigation report, lapses were identified in monitoring clauses of the Cyber Security Circular and Monitoring vendor compliances in existing agreements. SEBI has warned and advised putting in place necessary system level controls in place for monitoring vendor compliances in existing agreements in line with SEBI Circular on Cyber Security and Cyber Resilience framework for Mutual Funds/AMCs.
- s. SEBI vide its letter dated September 10, 2025 has advised to ensure adequate controls are in place to avoid erroneous casting of votes, to ensure adequate controls are in place so that the investments made are consistent with the stated investment objectives of the scheme; to ensure that the cumulative gross exposure are as specified under the SEBI Master Circular dated March 20, 2026.
- t. SEBI on January 07, 2026 has issued administrative warning/Advisory letter on SEBI Inspection cum surveillance of Mutual Funds for the period October 01, 2024 to March 31, 2025.

- u. SEBI vide its letter dated March 13, 2026 has issued a warning for non-adherence to its earlier communication dated October 29, 2019, regarding investor education and advisory on other operational matters as a part of routine regulatory inspection of the DSP Mutual Fund and its Registrar and Transfer Agent for the period April 01, 2024 to March 31, 2025.

Over and above the aforesaid instances, SEBI had issued warning/deficiencies letters to DSPAM/AMC post the routine regulatory inspection of the DSP Mutual Fund and its Registrar and Transfer Agent. In all the aforesaid matters, DSPAM has taken requisite action and had submitted responses to SEBI explaining the position of DSPAM and confirming actions taken as per instructions of SEBI. Investors may approach the Investment Manager to obtain further information on these matters.

There are no cases of non-payment of statutory dues, overdue to/defaults against banks or financial institutions, contingent liabilities not provided for, or disputed tax liabilities* or tax penalties* for an amount higher of INR 500,000 in last 5 years for Fund and DSP Mutual Fund.

*Tax disputes / penalty levied in arbitration at the Tribunal or higher authorities. For the sake of brevity, DSPAM has summarized list of all the past tax communications / tax compliance documents and in case an investor wants to seek further details thereof they may contact DSPAM for the matters.

Further, DSP HMK Holdings Private Limited (HMK) and DSP Adiko Holdings Private Limited (Adiko) had received regulatory observation letters pursuant to routine regulatory inspection. HMK and Adiko have submitted requisite responses to the concerned regulator explaining their position and confirming actions taken.

Note: For the sake of brevity, DSPAM has summarised past administrative warnings/deficiencies letters, however, in case an investor wants to seek further details thereof they may contact DSPAM.

Apart from the details disclosed above there are no other outstanding/pending and past cases (where the person has been found guilty) of litigations, criminal or civil prosecution, disputes, non-payment of statutory dues, overdues to/defaults against banks or financial institutions, contingent liabilities not provided for, proceedings initiated for economic offences or civil offences, adverse findings with respect to compliance with securities laws, penalties levied, disputed tax liabilities, etc pertaining to AIF, sponsor, manager and their Directors and associates available on records.

SECTION XV: GLOSSARY

Accredited Investor	has the meaning as given to the term under the Regulations.
Additional Commitment / Additional Capital Commitment	has the meaning assigned to such term in paragraph 47 titled ' <i>Movement from one Class of Units to another Class of Units of the Fund</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
AIF	means an alternative investment fund registered under the Regulations under an appropriate category.
Applicable Laws	means any applicable Indian statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law, as is in force from time to time, including the Regulations.
Associate	has the meaning given to the term under the Regulations.
Auditors	means any reputed independent qualified firm of chartered accountants appointed by the Investment Manager from time to time to be the auditors of the Fund.
Beneficial Interest	means the interest held by each of the Contributors in the Fund.
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 Investment Manager may specify from time to time.
Capital Commitment	means the amount agreed by a Contributor to be contributed for investment in terms of the Contribution Agreement.
Capital Contribution	means the amount of capital contributed by a Contributor to the Fund (in accordance with the Regulations), at the time of execution of the Contribution Agreement or anytime thereafter, in accordance with the Provisions of the Fund Documents.
Category III AIF	means a Category III Alternative Investment Fund registered with SEBI under the Regulations.
Cause	has the meaning assigned to such term in paragraph 37 titled ' <i>Removal of Investment Manager</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class	means a class/Subclass created by the Investment Manager in accordance with the Contribution Agreement for the purpose of segregating class assets and class liabilities.
Class A Units	means Units that will be allotted to the Sponsors and/or the Investment Manager, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled ' <i>Classes of Units</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.

Class B Units	means units of Class B1, Class B2 and Class B3 collectively.
Class B1 Units	means Units that will be allotted to Contributors investing equal to INR 1,00,00,000 (Indian Rupees One Crores) or above but less than INR 5,00,00,000 (Indian Rupees Five Crores) in the Fund and who will be charged Total Fees and Performance Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class B2 Units	means Units that will be allotted to Contributors investing equal to INR 5,00,00,000 (Indian Rupees Five Crores) or above but less than INR 10,00,00,000 (Indian Rupees Ten Crores) in the Fund and who will be charged Total Fees and Performance Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class B3 Units	means Units that will be allotted to Contributors investing equal to INR 10,00,00,000 (Indian Rupees Ten Crores) or above in the Fund and who will be charged Total Fees and Performance Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class C Units	means units of Class C1, Class C2 and Class C3 collectively.
Class C1 Units	means Units that will be allotted to Contributors investing equal to INR 1,00,00,000 (Indian Rupees One Crores) or above but less than INR 5,00,00,000 (Indian Rupees Five Crores) in the Fund and who will be charged Total Fees, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class C2 Units	means Units that will be allotted to Contributors investing equal to INR 5,00,00,000 (Indian Rupees Five Crores) or above but less than INR 10,00,00,000 (Indian Rupees Ten Crores) in the Fund and who will be charged Total Fees, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class C3 Units	means Units that will be allotted to Contributors investing equal to INR 10,00,00,000 (Indian Rupees Ten Crores) or above in the Fund and who will be charged Total Fees, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this

	Memorandum.
Class D Units	means units of Class D1, Class D2, Class D3 and Class D4 collectively.
Class D1 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 1,00,00,000 (Indian Rupees One Crores) or above but less than INR 5,00,00,000 (Indian Rupees Five Crores) in the Fund and who will be charged Total Fees and Performance Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class D2 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 5,00,00,000 (Indian Rupees Five Crores) or above but less than INR 10,00,00,000 (Indian Rupees Ten Crores) in the Fund and who will be charged Total Fees and Performance Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class D3 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 10,00,00,000 (Indian Rupees Ten Crores) or above but less than INR 25,00,00,000 (Indian Rupees Twenty Five Crores) in the Fund and who will be charged Total Fees and Performance Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class D4 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 25,00,00,000 (Indian Rupees Twenty Five Crores) or above in the Fund and who will be charged Total Fees and Performance Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.

Class E Units	means units of Class E1, Class E2, Class E3 and Class E4 collectively.
Class E1 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 1,00,00,000 (Indian Rupees One Crores) or above but less than INR 5,00,00,000 (Indian Rupees Five Crores) in the Fund and who will be charged Total Fees, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class E2 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 5,00,00,000 (Indian Rupees Five Crores) or above but less than INR 10,00,00,000 (Indian Rupees Ten Crores) in the Fund and who will be charged Total Fees, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class E3 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 10,00,00,000 (Indian Rupees Ten Crores) or above but less than INR 25,00,00,000 (Indian Rupees Twenty Five Crores) in the Fund and who will be charged Total Fees, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class E4 Units	means Units that will be allotted to Contributors investing directly and/or through a SEBI registered intermediary which is separately charging fee (such as advisory fee or portfolio management fee), investing equal to INR 25,00,00,000 (Indian Rupees Twenty Five Crores) or above in the Fund and who will be charged Total Fees, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Class F Units	means Units that will be allotted to employees and/or directors of the Investment Manager, investing equal to INR 25,00,000 (Indian Rupees Twenty-Five Lakh) or above in the Fund and who will be charged only Management Fee, in accordance with terms of their respective Contribution Agreements, having a face value of INR 100 (Rupees Hundred only) per unit in accordance with the paragraph 3 titled 'Classes

	of Units' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Contributor/ Investor / Unit Holder	means the Eligible Persons each of whom have made or agreed to make Capital Commitment to the Fund in accordance with the Contribution Agreements and this Memorandum and shall include without limitation any Eligible Persons becoming transferees of Units in accordance with the provisions of the Fund Documents.
Contribution Agreement	means an agreement executed amongst the Trustee, the Investment Manager and each Contributor primarily to regulate acceptance, management, administration and disbursement of Capital Contributions and the distribution of income, gains and proceeds thereon and other terms described therein and as amended, modified, supplemented or reinstated from time to time, together with all annexure, schedules and exhibits, if any.
Corpus / Scheme Size	means the aggregate Capital Commitments made by the Contributors to the Fund by way of Contribution Agreements as on a particular date.
Custodian	means such SEBI registered custodian appointed by the Investment Manager for safekeeping of securities of the Fund.
Cure Period	has the meaning assigned to such term in paragraph 37 titled 'Removal of the Investment Manager' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Dealing Day	means the Valuation Day, on which Unit Holders shall be allowed redemption of Units held by them, and / or when subscription /Subsequent Subscription for Units may be accepted by the Trustee and / or the Investment Manager at its sole discretion.
Distribution Proceeds	has the meaning assigned to such term in paragraph 20 titled ' <i>Distributions to Investors</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Eligible Person	means a Person who (i) complies with know-your-customer (KYC) norms stipulated by the Investment Manager and SEBI, (ii) is willing to execute necessary documentation as stipulated by the Investment Manager and (iii) does not intend to use the investment in the Fund for circumvention of SEBI prescribed laws.
Excused Contributor	has the meaning assigned to such term in paragraph 3 titled " <i>Excuse and Exclusion</i> " in the supplementary section of " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Existing Capital Commitment	has the meaning assigned to such term in paragraph 47 titled ' <i>Movement from one Class of Units to another Class of Units of the Fund</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Exit Load	has the meaning assigned to such term in paragraph 10 titled 'Redemption' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.

Financial Year	means the complete year of twelve months commencing from 1 st April of a calendar year and ending on 31 st March of the following calendar year.
Fund or Scheme	means 'DSP Bharat Nirman Fund'.
Fund Documents	The Fund Documents shall constitute: (a) the Indenture, (b) the Memorandum, (c) the Investment Management Agreement, (d) the Contribution Agreement of the respective Contributor; (e) the Policies adopted by the IM as required under the Regulations; and (f) any other document declared by the IM.
Fund Expenses	means the fees and expenses under paragraph 24 titled ' <i>Expenses (including Operating Expenses and Set-up Expenses) charged to the Fund</i> ', in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Fund Investments / Portfolio Investments	means investments made by the Investment Manager (pursuant to the terms of the Investment Management Agreement) from the Investible Funds on behalf of the Fund in any of the permissible securities including investments in Portfolio Entities.
Government	means any Indian central, state or local government authority, agency, branch or body or any instrumentality thereof.
GST	means Goods and Services Tax.
Hurdle Rate of Return	has the meaning assigned to such term in paragraph 14 titled ' <i>Hurdle Rate of Return</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Indemnified Party	has the meaning assigned to such term in paragraph 29 titled ' <i>Indemnification</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Indenture	means the indenture of trust dated May 28, 2013, executed by and between the Settlor and the Trustee for the creation of the Trust and registered under the provisions of the Registration Act, 1908.
Indian Rupees or Rupees or Rs. or INR	means the currency of the Republic of India.
Initial Offer Period	has the meaning assigned to such term in paragraph 4 titled ' <i>Initial Offer Period</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Insolvency Code	means Insolvency and Bankruptcy Code, 2016
Institutional Investor	means any applicable company, bank, pension or other fund, financial institution or other institutional body or entity or any other permissible body/entity/Investor, but not including an individual.
Interested Parties	has the meaning assigned to such term in " SECTION IX: CONFLICTS OF INTEREST " of the Memorandum.

Investable Funds	means the Corpus as reduced by the estimated expenditure towards permissible costs/expenses/fees/such other adjustments as provided in the Fund Documents. Such Investable Funds shall be invested in terms of the Fund Documents.
Investment Manager	means DSP Asset Managers Private Limited , or such other Person that may be appointed as the investment manager of the Trust and the Fund (including other Schemes, if any) in accordance with the Investment Management Agreement.
Investment Management Agreement	means the investment management agreement entered into by and between the Trustee and the Investment Manager for advising, managing and administering the Trust and the Schemes of the Trust, and as may be amended, modified or superseded from time to time.
IPO	means an initial public offering.
ITA	means the Income Tax Act, 2025, as amended and restated from time to time and rules prescribed thereunder.
Losses	has the meaning assigned to such term in paragraph 29 titled ' <i>Indemnification</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Malfeasance	means, with respect to any Person, any act or omission which constitutes fraud or willful misconduct as decided by a final non-appealable order of the highest court of competent jurisdiction.
Management Fees	has the meaning assigned to such term in paragraph 21 titled 'Fees in relation to the Fund' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
MAT	means Minimum Alternate Tax.
Memorandum Private Placement Memorandum PPM	means this document and all supplements thereto inviting offers for Capital Commitments from prospective Investors on a private placement basis in accordance with the Regulations and containing the requisite details as required under the Regulations.
Net Asset Value / NAV	means the amount determined pursuant to this Memorandum and as listed out in paragraph 43 titled ' <i>Valuation</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " and " SECTION VIII: DETERMINATION OF NET ASSET VALUE OF THE UNITS " of this Memorandum.
Net Asset Value per Unit or NAV per Unit	The NAV per Unit at any date shall be the total NAV of the relevant Class/Subclass/series of Units divided by the number of Units of the relevant Class/Subclass/series of Units then outstanding.
Net Distributable Proceeds	has the meaning assigned to such term in paragraph 20 titled ' <i>Distribution Waterfall</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Operating Expenses	has the meaning assigned to such term in paragraph 24 titled ' <i>Expenses (including Operating Expenses and Set-up Expenses) charged to the Fund</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.

Other Expenses	has the meaning assigned to such term in paragraph 24 titled ' <i>Expenses (including Operating Expenses and Set-up Expenses) charged to the Fund</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
p.a.	means per annum.
PAN	means permanent account number.
Performance Fee	has the meaning assigned to such term in paragraph 18 titled ' <i>Performance Fee</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Person	means and includes an individual, high net worth individuals, banks, insurance companies, bodies corporate, estates, family offices, non-banking finance companies, societies, hindu undivided family, corporation, partnership (whether limited or unlimited), limited liability company, body of individuals, association, trust, proprietorship, foreign portfolio investor, Institutional Investor or any other institution, entity or organization, whether Indian or foreign, whether incorporated or not, including a Government or an agency or instrumentality thereof and, where the context so requires, includes a reference to such Person's, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns.
Placement Fee	has the meaning assigned to such term in paragraph 21 titled " <i>Fee in relation to the Fund</i> " under " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Placement Agent/s	has the meaning assigned to such term in paragraph 21 titled " <i>Fee in relation to the Fund</i> " under " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Pre-Tax NAV per Unit	has the meaning assigned to such term in paragraph 43 titled ' <i>Valuation</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Post-Tax NAV per Unit	has the meaning assigned to such term in paragraph 43 titled ' <i>Valuation</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Portfolio Entity/ies	means such company, special purpose vehicle, limited liability partnership, body corporate or other permissible entity/enterprise in whose securities/products monies of the Contribution Fund are invested.
QIP	means qualified institutional placement.
QIB	means qualified institutional buyer.
Regulations	means the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
RBI	means the Reserve Bank of India.
RTA	means Registrar and Transfer Agents.
SEBI	means the Securities and Exchange Board of India.

Settlor	means 'DSP HMK Holdings Private Limited', who has settled the Trust.
Set-up Expenses	has the meaning assigned to such term in paragraph 24 titled ' <i>Expenses (including Operating Expenses and Set-up Expenses) charged to the Fund</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Sponsors	means 'DSP HMK Holdings Private Limited' and 'DSP Adiko Holdings Private Limited'.
Statement of Account	means statements that may be issued by the Investment Manager to the Contributors, specifying the Units held by the Contributors in the Fund.
STT	means Securities Transaction Tax.
Subclass	with respect to a Class of the Fund means a subclass thereof, as distinct from another subclass of that Class or any other Class of the Fund.
Super-Majority of the Contributors	In respect of the Fund means such number of Contributors whose Capital Contributions in aggregate amount to at least 75% (Seventy-Five Percent) of the aggregate of all Capital Contributions of the Fund, as per the Regulations.
Switch	means the instruction that a Contributor may give to the Investment Manager as contemplated in this Memorandum and the respective Contribution Agreement.
Tax or Taxes	means all taxes, duties, surcharge, cess and other levies of whatever nature (including but not limited to imposed by way of a withholding or deduction for or on account of tax or otherwise), payable to, levied by, imposed upon by, claimed to be owed to any national, state, municipal, local, foreign or other authority having the power to tax, including any interest, penalties, charges, late fees, fines or other additions thereto.
Temporary Investments	means investments by the Fund in liquid mutual funds, bank deposits or other liquid assets of higher quality such as treasury bills, triparty repo dealing and settlement, commercial papers, certificate of deposits as may be prescribed under the Regulations and/or SEBI.
Term / Tenure	has the meaning assigned to such term in paragraph 9 titled ' <i>Term of the Fund and termination</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
Trading Expenses	has the meaning assigned to such term in paragraph 24 titled ' <i>Expenses (including Operating Expenses and Set-up Expenses) charged to the Fund</i> ' in " SECTION VII: PRINCIPAL TERMS OF THE FUND " of this Memorandum.
TCS	means Tax Collected at Source.
Total Fees	means the Management Fees, Operating Expenses, Set-up Expenses and Other Expenses of the Fund.

Trust	means DSP Alternative Investment Fund - Category III , organized as a discretionary trust, settled in India by the Settlor (with Initial Settlement being irrevocable) under the provisions of the Indian Trusts Act, 1882, pursuant to the Indenture.
Trust Fund	means the Initial Settlement, the Contribution Fund and any accretions thereto.
Trustee	means “ DSP Trustee Private Limited ”, or such other Person that may be appointed under the terms of the Indenture.
Trusteeship Fees	has the meaning assigned to such term in paragraph 22 titled ‘ <i>Trusteeship Fees</i> ’ under “ SECTION VII: PRINCIPAL TERMS OF THE FUND ” of this Memorandum
Two-Third Majority of the Contributors	In respect of the Fund means such number of Contributors whose Capital Contributions in aggregate amount to at least two-third of the aggregate of all Capital Contributions of the Fund, as per the Regulations.
Units	means a unit of any Class, as evidenced by the Statement of Account specifying the unit(s) allotted to or held by the Contributor, and evidencing Beneficial Interest in the Fund, issued to a Contributor on the making of a Capital Contribution.
Validity Period	Has the meaning assigned to such term in paragraph (I) titled ‘ <i>Overseas investments by an AIF</i> ’ in “ SECTION XI: LEGAL, REGULATORY AND TAX CONSIDERATIONS ” of this Memorandum.
Valuation Day	means the 15th day and the last day of each month on which the valuation of the Scheme shall be undertaken, or such other day, as the Investment Manager may determine to be the day on which the NAV is to be calculated and the subscriptions can take place in accordance with the Fund Documents. However, if the 15th day and last day of the month is not a Business Day then the preceding Business Day shall be the Valuation Day. Provided however that, the Valuation Day for the last month of a Financial Year will be last calendar day of that month, which may or may not be a Business Day.
Year End	means the last month of the Financial Year i.e., the month of March.

SECTION XVI: SUPPLEMENTARY INFORMATION

There is no additional information in relation to the Fund, Investment Manager, Sponsors, key investment team that does not form part of the above sections.

NOTICE TO CERTAIN NON-US INVESTORS

NOTICE TO RESIDENTS OF MAURITIUS

No offering document, prospectus or other disclosure document has been lodged with the Mauritius Financial Services Commission in relation to this offering. This Memorandum does not constitute an offer to sell the Units in the Scheme to the public in Mauritius nor a prospectus for the purpose of the Mauritius Securities Act 2005. Accordingly, statutory liability under the Mauritius Securities Act 2005 in relation to the content of prospectuses would not apply.

The Units in the Scheme may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Memorandum nor any other offering material or information contained herein relating to the offer of the Units in the Scheme, may be released or issued to the public in Mauritius or used in connection with any such offer.

This Memorandum is exempt from the general requirements of a prospectus under section 70 of the Mauritius Securities Act 2005 on the grounds that this Memorandum is being issued in relation to an offer or issue of securities that is a private placement. "Private placement" means an offer of securities where the total cost of subscription or purchase for each person to whom the offer is made is at least equal to the amount as determined by the rules made by the Mauritius Financial Services Commission and where each person subscribes or purchases for his own account and no publicity is made by the person making the offer.

NOTICE TO RESIDENTS OF THE UNITED ARAB EMIRATES

The offering of the Units has not been approved or licensed by the United Arab Emirates Central Bank, the UAE Securities and Commodities Authority ("**SCA**"), the Dubai Financial Services Authority ("**DFSA**") or any other relevant licensing authorities in the United Arab Emirates ("**UAE**"), and accordingly does not constitute a public offer of securities in the UAE in accordance with the commercial companies law, Federal Law No. 2 of 2015 (as amended), SCA Resolution No.(37) of 2012 (as amended) or otherwise. Accordingly, the Units may not be offered to the public in the UAE (including the Dubai International Financial Centre). This Memorandum is strictly private and confidential and is being issued to a limited number of institutional and individual investors:

- (a) who fall within the exceptions to SCA Resolution No. (37) of 2012 (as amended) or who otherwise qualify as sophisticated investors;
- (b) upon their request and confirmation that they understand that the Units and the interests have not been approved or licensed by or registered with the UAE Central Bank, the SCA, DFSA or any other relevant licensing authorities or governmental agencies in the UAE; and
- (c) must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose.

NOTICE TO RESIDENTS OF THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Memorandum relates to a Fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Fund. Accordingly, the DFSA has not approved this Memorandum or any other associated documents nor taken any steps to verify the information set out in this Memorandum, and has no responsibility for it. The Units to which this Memorandum relates may be illiquid and/or subject to restrictions on their resale.

Prospective purchasers should conduct their own due diligence on the Units. If you do not understand the contents of this document you should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF TANZANIA

This Memorandum and the information contained herein are private and confidential and are for the use only by the individual to whom the material is addressed.

The Memorandum may not be distributed or made publicly available to any person other than the addressee. Any person (other than the addressee) who receives a copy of this Memorandum may not treat it as constituting an invitation to them to subscribe for an interest or a solicitation to subscribe for an interest.

The Fund has not been and will not be registered with the Tanzanian Capital Markets and Securities Authority as a collective investment institution fund under the Capital Markets and Securities Act 1994. This Memorandum may not be advertised in the United Republic of Tanzania and no memorandum, information circular, brochure or similar document relating to the contents of the Memorandum may be publicly distributed to, directly or indirectly, any individual or legal entity in the United Republic of Tanzania.

NOTICE TO RESIDENTS OF NIGERIA

It is unlawful to solicit investments in a foreign investment scheme that has not been approved by the Nigerian Securities and Exchange commission. Accordingly, the information contained herein and on the pages in this Memorandum do not constitute an offer of securities for sale or a solicitation of an offer to purchase securities in Nigeria or to persons located in Nigeria. This document and the securities referred to herein have not been and are not intended to be registered with the Nigerian Securities and Exchange Commission or any other relevant regulatory body within Nigeria.

NOTICE TO RESIDENTS OF SINGAPORE

The offer or invitation of the units (the “**Units**”) of the Scheme launched by the Fund (listed in the attached Appendix) which is the subject of the Memorandum, does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act 2001 of Singapore, as amended or modified (the “**SFA**”) or recognised under Section 287 of the SFA. The Scheme is not authorised or recognised by the Monetary Authority of Singapore (the “**MAS**”) and the Units are not allowed to be offered to the retail public. The Memorandum and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you.

The Memorandum has not been registered as a prospectus with the MAS. Accordingly, the Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Units may not be circulated or distributed, nor may Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- (i) to an institutional investor (as defined in the SFA) under Section 304 of the SFA;
- (ii) to an accredited investor (as defined in the SFA) under Section 305 of the SFA, and in accordance with the conditions specified in Section 305 of the SFA and the conditions specified in Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or
- (iii) to an institutional investor or accredited investor, otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Units are subscribed or purchased under Section 305 of the SFA by a relevant person (as defined in Section 305(5) of the SFA) which is:

- (a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Units pursuant to an offer made under Section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

NOTICE TO RESIDENTS OF HONG KONG

The contents of this Memorandum have not been reviewed nor endorsed by any regulatory authority in Hong Kong. Hong Kong residents are advised to exercise caution in relation to this offer. An investment in the Scheme may not be suitable for everyone. If you are in any doubt about the contents of this Memorandum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent professional advice. The Scheme is not authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) ("**SFO**"). This Memorandum has not been approved by the SFC in Hong Kong, and, must not, therefore, be issued, or possessed for the purpose of issue, to persons in Hong Kong other than (1) professional investors within the meaning of the SFO (including professional investors as defined by the Securities and Futures (Professional Investors) Rules); or (2) in circumstances which do not constitute an offer to the public for the purposes of the SFO. This Memorandum is distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed. No Units in the Scheme will be issued to any person other than the person to whom this Memorandum has been addressed and no person other than such addressee may treat the same as constituting an invitation for him to invest.

NOTICE TO RESIDENTS OF UNITED KINGDOM

This document is for your information only and does not constitute an offer, solicitation of an offer, public advertisement or recommendation to buy or sell any investment or other specific product.

This document is addressed only to persons falling within one or more of the following exemptions from section 21 of the United Kingdom Financial Services and Markets Act 2000 ("**FSMA**"):

- (a) authorised firms under FSMA and certain other investment professionals falling within article 19 of the FSMA (Financial Promotion) Order, (the "**FPO**") and their directors, officers and employees acting for such entities in relation to investment;
- (b) high net worth entities falling within article 49 FPO and their directors, officers and employees

acting for such entities in relation to investment; and

(c) persons who receive this document outside the United Kingdom.

The distribution of this document in the United Kingdom to anyone not falling within the above categories is not permitted by the Trustee/Investment Manager/Fund/Scheme and may contravene FSMA. No person falling outside those categories should treat this document as constituting a promotion to him, or act on it for any purposes whatever.

This document does not constitute, and may not be used for the purposes of, an offer of commitments or an invitation to apply to participate in the fund by any person in any jurisdiction in which such offer or invitation is not authorised or in which the person endeavouring to make such offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or invitation.

Neither the Trustee nor the Investment Manager nor the Fund nor the Scheme has made a notification to the UK's Financial Conduct Authority under the UK's National Private Placement Regime. The Trustee/Investment Manager/Fund/Scheme is not permitted to market interests in the Fund/Scheme. This document is not subject to and has not received approval from the Financial Conduct Authority and no statement to the contrary, explicit or implicit, is authorised to be made in this regard.

NOTICE TO RESIDENTS OF AUSTRALIA

Prospective Australian investors should be aware that the Private Placement Memorandum (the **Memorandum**) for the DSP BHARAT NIRMAN FUND (the **Fund**) was not prepared from the point of view of an Australian investor and accordingly, the Memorandum should be read subject to the following:

- (1) This Memorandum is provided to prospective investors and, by receiving it, each prospective investor is deemed to represent and warrant that it is a wholesale client (as that term is defined in Australian Corporations Act 2001 (Cth)).
- (2) Any advice contained in this Memorandum is provided by DSP Trustee Pvt. Ltd in its capacity as trustee of the Fund (the **Trustee**). The Trustee does not hold an Australian financial services licence which authorises it to provide advice in relation to the interests in the Fund. You should read this Memorandum before making a decision to acquire an interest in the Fund. No cooling-off regime applies to an acquisition of the interests in the Fund.
- (3) The information contained in this Memorandum has been prepared solely for information purposes and sets out information relating to the Fund. Australian investors interested in gaining exposure to the Fund may do so by investing pursuant to this Memorandum. This Memorandum does not take into account your personal needs and circumstances. You should consider obtaining your own financial product advice in relation to information contained in this Memorandum from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.
- (4) The Memorandum is not a prospectus, product disclosure statement or any other form of disclosure document for the purposes of Chapter 6D or Chapter 7 (as the case may be) of the Australian Corporations Act 2001 (Cth).
- (5) All amounts referred to in the Memorandum are references to Indian rupee.
- (6) All information contained in the Memorandum is as on the date of PPM and will not be updated or otherwise reviewed to reflect information that subsequently becomes available or changes occurring after that date.

- (7) The risks of investing in the Fund are outlined in the Section titled “Risk Considerations and Other Disclosures” of this Memorandum. You should note however, as an Australian investor, you may be exposed to additional risks other than those outlined in this Memorandum (such as foreign exchange risks). You should consider these risks before investing in the Fund.
- (8) Subject to transfer restrictions contained in the Memorandum, the Indenture and the Contribution Agreement, you are only allowed to transfer the interest to another Australian investor who is a wholesale client (as those terms are defined in Australian Corporations Act 2001 (Cth)).”

NOTICE TO RESIDENTS OF QATAR AND QATAR FINANCIAL CENTRE

This memorandum is provided on an exclusive basis to the specifically intended recipient thereof, upon that person’s request and initiative, and for the recipient’s personal use only.

Nothing in this memorandum constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities.

This memorandum and the underlying instruments have not been approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other regulator in the State of Qatar.

Recourse against the dealer, and those involved with it, may be limited or difficult and may have to be pursued in a jurisdiction outside Qatar and the Qatar Financial Centre.

This memorandum and any related documents have not been reviewed or approved by the Qatar Financial Centre’s Regulatory Authority or the Qatar Central Bank.

Any distribution of this memorandum by the recipient to third parties in Qatar or the Qatar Financial Centre beyond the terms hereof is not authorised and shall be at the liability of such recipient.

NOTICE TO RESIDENTS OF KUWAIT

This Memorandum is not for general circulation to the public in the State of Kuwait. Units of the Scheme have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority, the Kuwait Central Bank or any other relevant Kuwaiti governmental agency. The offering, promotion, marketing, advertisement or sale of Units of the Scheme in the State of Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait (“**Kuwait Securities Laws**”). Hence, in accordance with the Kuwait Securities Laws, no private or public offering of Units of the Scheme is being made in the State of Kuwait, and no agreement relating to the sale of Units of the Scheme will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market interests in the Units of the Scheme in the State of Kuwait.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Fund Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF OMAN

This Memorandum, and the Units of the Scheme to which it relates, may not be advertised, marketed, distributed or otherwise made available to the general public in Oman. In connection with the offering of the Units of the Scheme, no prospectus has been registered with or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other regulatory body in the Sultanate of Oman. The offering and sale of Units of the Scheme described in this Memorandum will not take place inside Oman. Units of the Scheme are being offered on a limited private basis, and do not constitute marketing, offering or sales to the general public in Oman. Therefore, this Memorandum is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof

NOTICE TO RESIDENTS OF THE PEOPLE'S REPUBLIC OF CHINA

The offer of the interests has not been and will not be filed with the securities regulatory commission of the People's Republic of China or Asset Management Association of China pursuant to relevant securities laws and regulations and may not be offered or sold within the Mainland of the People's Republic of China through a public offering or under circumstances that require an examination or approval of China Securities Regulatory Commission in accordance with the relevant securities laws and regulations. Interests of a private equity investment fund may be offered through private placement in China to no more than 200 qualified investors, each of whom (i) shall make a minimum capital commitment of RMB 1 million to the fund, and (ii) is either an entity with net assets of no less than RMB 10 million or a natural person with individual financial assets of no less than RMB 3 million or average individual income of no less than RMB 500,000 for the most recent three years.

SECTION XVII: INVESTOR CHARTER AND COMPLAINTS DATA

Investor Charter for Alternative Investment Funds

A. Vision and Mission Statement:

Vision

To develop the Alternative Investment Fund (“AIF”) industry on professional and ethical lines and maintain high standards of governance and transparency.

Mission

- Maintain high professional and ethical standards within the AIF industry.
- Comply with all applicable regulations and co-operate with the regulators in all aspects of the AIF activity.
- Act in a fiduciary capacity towards the investors.

B. Details of business transacted by the organization with respect to the investors:

- To raise capital from domestic and global investors.
- To invest in portfolio companies in accordance with investment strategy stated in Fund documents, with an objective to generate positive returns for the stakeholders including investors.
- To distribute returns to the investors as per the fund documents.

C. Details of services provided to investors:

1. On-boarding of investors.

- 1.1. Sharing of Private Placement Memorandum (PPM).
- 1.2. Account opening with the AIF:
 - Completing KYC of investors and registration of KYC with KRAs.
 - Sharing of copies of fund documents with investors.
 - Entering into contribution agreement with investor.

2. Obtaining investor consent for material changes to fund structure

- 2.1. Change in the sponsor or the manager of the AIF.
- 2.2. Change in control of the sponsor or the manager of the AIF.
- 2.3. Material changes to terms of PPM
 - Term of Fund.
 - Investment Strategy.
 - Increase in fees and charges.
- 2.4. Winding up of Fund/ Scheme prior to expiry of tenure.

3. Dissemination of financial information of Fund.

- 3.1. Net Asset Value of Fund/ Scheme.

3.2. Financial information of investee companies.

3.3. Information on performance of scheme/fund.

4. Disclosures with respect to material risks associated with the fund and its portfolio investments.

4.1. Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction.

4.2. Any material liability arising during the tenure of the fund.

4.3. Any breach of a provision of the PPM or any other agreement made with the investor or any other fund documents.

4.4. Intimation regarding any conflict of interest.

4.5. Risks associated with the portfolio, such as concentration risk, foreign exchange risk, leverage risk, realization risk, strategy risk, reputation risk, extra-financial risks such as social and corporate governance risks etc. at fund and investee company level.

5. Intimation of any non-material changes in the operations of the fund.

5.1. Non-material changes such as

- Bank account details

- Address of AIF or its Manager or Sponsor

- Contact details such as email-id, contact number, etc. of AIF or its Manager or Sponsor

6. Grievance redressal

6.1. Redressal of investor complaints received directly from investors and/ or from SEBI / SCORES.

7. Digital Accessibility for Persons with Disabilities

Investors who are persons with disabilities within the meaning of the Rights of Persons with Disabilities Act, 2016, have the right to full and equitable access to all investor facing digital platforms of the AIF or the investment manager, in accordance with SEBI circular titled "Compliance Guidelines for Digital Accessibility under the Rights of Persons with Disabilities Act, 2016 and rules made thereunder – mandatory compliance by all Regulated Entities" dated July 31, 2025, read with the SEBI circular bearing reference HO/13/19/13(2)2025-ITD-1_VIAP/1/187/2025 dated December 08, 2025 and any further amendments.

D. Timelines of the activity/services provided to investors:

Sr. No.	Description of activity/services provided by Alternative Investment Funds (AIFs) to its investors	Timeline for completion of activity
1.	Valuation related disclosures:	

a.	Valuation of investment by Category III Alternative Investment Fund	To be disclosed at least monthly to the Investors.
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2.	Transparency related disclosures:	
a.	Disclosure of financial information of investee companies	Category III within 60 days from the end of the quarter end or earlier as per the fund documents.
b.	Disclosure of Material risks: concentration risk, foreign exchange risk at fund level and leverage risk, realization risk, strategy risk, reputation risk at investee company level, extra-financial risks such as social and corporate governance risks etc. at fund and investee company level	
c.	Financial, risk management, operational, portfolio, and transactional information regarding fund investments	To be disclosed periodically to the investors
d.	Any fees ascribed to the Manager or Sponsor; and any fees charged to the Alternative Investment Fund or any investee company	
e.	Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction	As and when occurred
f.	Any material liability arising during the Alternative Investment Fund's tenure	
g.	Any breach of a provision of the placement memorandum or agreement made with the investor or any other fund documents	
h.	Intimation regarding conflict of interest in any transaction	As and when they arise or seem likely to arise
i.	Any change in terms of Private Placement Memorandum /fund documents	On consolidated basis within one month of end of each financial year
3.	Complaint handling related services:	
a.	Response to complaint received from investors	Within 21 days from the date of receipt of complaint
b.	Redressal of investor complaint received from SEBI/ SCORES	Within 21 days from the date of receipt of complaint

E. Details of grievance redressal mechanism and how to access it.

- Alternative Investment Funds are required to redress all investor complaints in timely manner.
- An Alternative Investment Fund, by itself or through the Manager or Sponsor, are required to lay down procedure for resolution of disputes between the investors and AIF or Manager or Sponsor through arbitration or any such mechanism as mutually decided between the investors and the Alternative Investment Fund.
- Investors can also approach SEBI for redressal of their complaints through SEBI SCORES platform. On receipt of complaints, SEBI takes up the matter with the concerned AIF.
- Investors may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

F. Responsibilities of investors

- **Responsibility to inform and educate yourself**
 - Read thoroughly all fund documents including Private Placement Memorandum, Contribution Agreement, sales literature, newsletters and understand the product.
 - Carefully consider all investment risks, fees, and/or other factors detailed in these documents.
 - Ensure and make certain that the proposed investment in the Fund meets your investment objective and is in alignment with your risk appetite.
 - Review your portfolio holdings, account statements and transaction confirmation on regular basis to ensure that you are aware of all transactions and securities where you are invested.
- **Responsibility to timely update your KYC and information with the Intermediary**
 - 2.1 Provide complete and accurate information in your KYC documents, including financial/ income status.
 - 2.2 Timely updation of KYC information.
- **Responsibility to abide by the contribution agreement.**
 - The investor needs to read carefully and understand the agreement that he/she is entering into with the Alternative Investment Fund and abide by the terms thereof.
 - The investor should be aware that investment terms are not guarantee of future performance or returns of the Fund/ Scheme.

• **Responsibility to use right financial intermediaries, consultants and advisors.**

- Carefully consider validity and reliability of investment information obtained from all sources, especially unsolicited information obtained over the Internet.

• **Responsibility to maintain confidentiality of information.**

- Investors shall not disclose any material non-public information that is received by virtue of being investors of the fund, except as may be guided by the terms of the fund documents.

Complaints Data to be displayed by AIFs for the Fund

1. Investor complaints data for the quarter ending March, 2026

S.No.	Investor Complaints received from	Pending as at the end of the last quarter	Received	Resolved	Total Pending at the end of the quarter	Pending complaints > 3months	Average Resolution time ^ (in days)
1	Directly from Investors	0	0	0	0	0	0
2	SEBI (SCORES)	0	0	0	0	0	0
3	Other Sources (if any)	0	0	0	0	0	0
	Total	0	0	0	0	0	0

^ Average Resolution time is the sum total of time taken to resolve each complaint in days in the current quarter divided by total number of complaints resolved in the current quarter.

2. Investor complaints data for the quarter ending December 2025

S.No.	Investor Complaints received from	Pending as at the end of the last quarter	Received	Resolved	Total Pending at the end of the quarter	Pending complaints > 3months	Average Resolution time ^ (in days)
1	Directly from Investors	0	0	0	0	0	0
2	SEBI (SCORES)	0	1	1	0	0	11
3	Other Sources (if any)	0	0	0	0	0	0
	Total	0	1	1	0	0	11

^ Average Resolution time is the sum total of time taken to resolve each complaint in days in the current quarter divided by total number of complaints resolved in the current quarter.

3. Investor complaints data for the quarter ending September 2025

S.No.	Investor Complaints received from	Pending as at the end of the last quarter	Received	Resolved	Total Pending at the end of the quarter	Pending complaints > 3months	Average Resolution time ^ (in days)
1	Directly from Investors	0	0	0	0	0	0
2	SEBI (SCORES)	0	0	0	0	0	0
3	Other Sources (if any)	0	0	0	0	0	0
	Total	0	0	0	0	0	0

^ Average Resolution time is the sum total of time taken to resolve each complaint in days in the current quarter divided by total number of complaints resolved in the current quarter.

4. Investor complaints data for the quarter ending June 2025

S.No.	Investor Complaints received from	Pending as at the end of the last quarter	Received	Resolved	Total Pending at the end of the quarter	Pending complaints > 3months	Average Resolution time ^ (in days)
1	Directly from Investors	0	0	0	0	0	0
2	SEBI (SCORES)	0	0	0	0	0	0
3	Other Sources (if any)	0	0	0	0	0	0
	Total	0	0	0	0	0	0

^ Average Resolution time is the sum total of time taken to resolve each complaint in days in the current quarter divided by total number of complaints resolved in the current quarter.

5. Investor complaints data for last three Financial Years (FY)

S.No	FY	Carried forward from previous FY	Received	Resolved	Pending at the end of FY
1	2023-2024	0	0	0	0
2	2024-2025	0	0	0	0
3	2025-2026	0	1	1	0
	Total	0	1	1	0

Annexure A

Please find below the performance benchmarking report for DSP India Enhanced Equity Fund, DSP India Enhanced Equity SatCore Fund and DSP High Conviction Fund Series 2 for the period ending March 31, 2025:



Benchmark



Benchmark



Benchmark

Report_DSP High CcReport_DSP INDIA EReport_DSP INDIA E

Benchmark Report

March 31, 2025

This Benchmark Report has been provided for the sole purpose of comparing the fund/scheme's performance with Crisil AIF Benchmarks for the launch of new fund and reporting to the existing investors.

Benchmark Report

Category-III

1. DSP INDIA ENHANCED EQUITY FUND

Trailing returns

Index	1-year (%)	2-year (%)	3-year (%)	5-year (%)	7-year (%)	10-year (%)
Scheme (INR)	15.83	19.64	14.09	12.49	11.56	12.08
Crisil AIF Index – Cat III (INR)	9.86	20.00	12.25	22.17	12.09	11.70
Scheme (USD)	12.84	17.27	9.58	9.68	7.27	8.63
Crisil AIF Index – Cat III (USD)	7.03	17.62	7.81	19.11	7.79	8.27

Values as on March 31, 2025

Schemes that have completed at least one year since their first close as on March 31, 2025, have been considered for the benchmark. In all, 362 schemes have been considered for the above analysis

Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised

Category III includes funds under sub-categories Long-only Equity, Long-short Equity, Hybrid Funds and any other strategies registered under Category III of SEBI (AIF) Regulations, 2012

Rolling returns

Date	3-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Jun 30, 2017	17.54	14.63	14.66	11.82
Sep 30, 2017	17.52	13.50	15.23	11.29
Dec 31, 2017	16.02	13.58	15.66	13.23
Mar 31, 2018	13.31	10.80	11.87	9.39
Jun 30, 2018	13.15	10.82	10.44	8.16
Sep 30, 2018	11.56	9.32	7.96	5.80
Dec 31, 2018	11.64	8.69	9.77	6.86
Mar 31, 2019	12.08	10.74	10.53	9.20
Jun 30, 2019	11.77	7.82	11.06	7.13
Sep 30, 2019	12.02	5.94	9.85	3.89
Dec 31, 2019	11.79	7.94	10.03	6.23
Mar 31, 2020	9.49	-2.97	4.13	-7.72
Jun 30, 2020	9.22	0.34	3.76	-4.68
Sep 30, 2020	8.04	2.36	3.76	-1.70

Date	3-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Dec 31, 2020	9.94	5.90	5.17	1.29
Mar 31, 2021	10.10	8.99	5.70	4.64
Jun 30, 2021	10.77	12.89	7.83	9.90
Sep 30, 2021	12.14	18.07	11.27	17.16
Dec 31, 2021	11.27	18.10	8.97	15.66
Mar 31, 2022	9.98	15.90	6.67	12.42
Jun 30, 2022	8.57	13.27	3.77	8.27
Sep 30, 2022	6.79	16.01	1.82	10.62
Dec 31, 2022	7.59	15.23	2.36	9.63
Mar 31, 2023	7.96	23.64	4.89	20.12
Jun 30, 2023	9.91	22.99	6.92	19.64
Sep 30, 2023	11.17	20.71	6.88	16.05
Dec 31, 2023	10.17	16.83	5.53	11.91
Mar 31, 2024	11.63	16.05	7.05	11.28
Jun 30, 2024	12.35	14.45	8.11	10.13
Sep 30, 2024	13.64	14.75	9.16	10.22
Dec 31, 2024	13.76	14.77	8.51	9.48
Mar 31, 2025	14.09	12.25	9.58	7.81
Average	11.47	12.32	8.09	8.91

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Category-III funds

Rolling returns

Date	5-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Jun 30, 2019	14.63	10.32	11.53	7.34
Sep 30, 2019	15.56	8.84	12.43	5.89
Dec 31, 2019	13.73	8.07	11.08	5.55
Mar 31, 2020	11.67	2.14	7.60	-1.59
Jun 30, 2020	11.25	4.90	7.55	1.41
Sep 30, 2020	10.22	6.98	7.70	4.54
Dec 31, 2020	11.73	10.06	9.60	7.96

Date	5-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Mar 31, 2021	11.53	11.73	9.27	9.46
Jun 30, 2021	11.52	12.47	9.42	10.36
Sep 30, 2021	10.94	13.38	8.58	10.96
Dec 31, 2021	10.90	14.22	8.94	12.20
Mar 31, 2022	9.75	11.94	6.37	8.50
Jun 30, 2022	9.30	9.53	5.05	5.28
Sep 30, 2022	9.11	10.28	4.38	5.51
Dec 31, 2022	8.70	9.01	3.22	3.52
Mar 31, 2023	8.48	9.07	3.51	4.08
Jun 30, 2023	9.33	11.66	5.48	7.72
Sep 30, 2023	9.99	13.53	7.05	10.50
Dec 31, 2023	10.85	14.93	7.04	10.99
Mar 31, 2024	11.27	14.92	7.19	10.71
Jun 30, 2024	11.87	16.57	7.67	12.20
Sep 30, 2024	11.90	18.94	8.16	14.96
Dec 31, 2024	12.07	18.50	8.04	14.24
Mar 31, 2025	12.49	22.17	9.68	19.11
Average	11.20	11.84	7.77	8.39

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Category-III funds

Rolling Returns

Date	7-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Jun 30, 2021	13.62	12.96	10.22	9.58
Sep 30, 2021	13.75	13.36	10.36	10.38
Dec 31, 2021	12.53	12.49	9.17	9.95
Mar 31, 2022	11.23	11.47	7.60	8.46
Jun 30, 2022	10.72	10.27	6.49	6.95
Sep 30, 2022	10.36	11.42	5.65	8.04
Dec 31, 2022	10.32	11.13	5.38	7.67
Mar 31, 2023	9.95	11.00	5.14	7.65

Date	7-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Jun 30, 2023	10.27	11.71	5.47	8.67
Sep 30, 2023	9.75	11.53	4.80	8.08
Dec 31, 2023	10.71	13.10	5.70	9.89
Mar 31, 2024	10.73	12.37	5.68	8.41
Jun 30, 2024	11.44	12.88	6.34	8.86
Sep 30, 2024	12.12	13.90	6.93	9.93
Dec 31, 2024	11.58	12.99	6.08	8.38
Mar 31, 2025	11.56	12.09	6.07	7.79
Average	11.29	12.17	6.69	8.67

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Category-III funds

Rolling Returns

Date	10-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Jun 30, 2024	13.24	13.40	9.58	9.74
Sep 30, 2024	13.72	13.78	10.28	10.34
Dec 31, 2024	12.90	13.17	9.54	9.81
Mar 31, 2025	12.08	11.70	8.63	8.27
Average	12.98	13.01	9.51	9.54

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Category-III funds

Calendar Year returns

Index	CYTD [^]	CY24	CY23	CY22	CY21	CY20	CY19	CY18	CY17	CY16	CY15
Scheme (INR)	0.77	21.23	17.13	3.71	10.08	9.11	14.72	6.20	14.68	14.30	19.19
Crisil AIF Index – Cat III (INR)	-8.76	24.24	23.00	-1.03	31.00	18.07	6.54	-5.58	25.01	8.82	7.76
Scheme (USD)	0.82	17.68	16.67	-6.92	8.23	6.45	12.33	-2.72	21.90	11.56	13.81
Crisil AIF Index – Cat III (USD)	-8.72	20.60	22.52	-11.17	28.79	15.19	4.33	-13.52	32.89	6.21	2.89

[^]till March 2025. Returns for more than one year are annualised

Quartile analysis (INR)

Period	No. of schemes	Scheme returns (%)	Scheme quartile	Trailing returns (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
1-year (%)	231	15.83	Top Quartile	13.64	7.55	3.04
2-year (%)	173	19.64	Third Quartile	28.62	21.91	14.89
3-year (%)	113	14.09	Second Quartile	17.66	13.13	7.50
5-year (%)	57	12.49	Bottom Quartile	32.65	22.57	17.10
7-year (%)	19	11.56	Second Quartile	15.68	10.84	7.19

Quartile analysis (USD)

Period	No. of schemes	Scheme returns (%)	Scheme quartile	Trailing returns (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
1-year (%)	231	12.84	Top Quartile	10.70	4.78	0.38
2-year (%)	173	17.27	Third Quartile	26.07	19.49	12.61
3-year (%)	113	9.58	Second Quartile	13.01	8.65	3.25
5-year (%)	57	9.68	Bottom Quartile	29.33	19.50	14.17
7-year (%)	19	7.27	Second Quartile	11.24	6.58	3.07

First and third quartiles are the return thresholds for the top 25% and 75% schemes, respectively based on the individual scheme's trailing returns for the respective time-frames. Please refer to the annexure for details

For quartile analysis, only those time-frames have been considered that have at least 8 schemes available

Returns above one year are annualised

Sub-category: Long-short Equity Funds
Trailing returns

Index	1-year (%)	2-year (%)	3-year (%)	5-year (%)	7-year (%)	10-year (%)
Scheme (INR)	15.83	19.64	14.09	12.49	11.56	12.08
Crisil AIF Index – Long-short Equity Funds (INR)	8.59	14.47	10.90	13.58	10.00	10.75
Scheme (USD)	12.84	17.27	9.58	9.68	7.27	8.63
Crisil AIF Index – Long-short Equity Funds (USD)	5.79	12.20	6.51	10.74	5.77	7.34

Values as on March 31, 2025

Schemes that have completed at least one year since their first close as on March 31, 2025, have been considered for the benchmark. In all, 42 schemes have been considered for the above analysis

Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised

Rolling Returns^

Date	3-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Sep 30, 2017	17.52	15.82	15.23	13.56
Dec 31, 2017	16.02	14.15	15.66	13.80
Mar 31, 2018	13.31	12.52	11.87	11.09
Jun 30, 2018	13.15	12.82	10.44	10.11
Sep 30, 2018	11.56	11.55	7.96	7.95
Dec 31, 2018	11.64	11.33	9.77	9.45
Mar 31, 2019	12.08	12.65	10.53	11.09
Jun 30, 2019	11.77	10.77	11.06	10.07
Sep 30, 2019	12.02	10.20	9.85	8.06
Dec 31, 2019	11.79	11.19	10.03	9.43
Mar 31, 2020	9.49	4.91	4.13	-0.22
Jun 30, 2020	9.22	5.85	3.76	0.55
Sep 30, 2020	8.04	6.22	3.76	2.01
Dec 31, 2020	9.94	8.54	5.17	3.82
Mar 31, 2021	10.10	8.88	5.70	4.54
Jun 30, 2021	10.77	9.17	7.83	6.27
Sep 30, 2021	12.14	11.74	11.27	10.88
Dec 31, 2021	11.27	11.22	8.97	8.92
Mar 31, 2022	9.98	9.91	6.67	6.61
Jun 30, 2022	8.57	8.72	3.77	3.91
Sep 30, 2022	6.79	8.65	1.82	3.60
Dec 31, 2022	7.59	8.45	2.36	3.18
Mar 31, 2023	7.96	13.00	4.89	9.78
Jun 30, 2023	9.91	13.11	6.92	10.03
Sep 30, 2023	11.17	12.90	6.88	8.54
Dec 31, 2023	10.17	11.28	5.53	6.59
Mar 31, 2024	11.63	11.61	7.05	7.02
Jun 30, 2024	12.35	12.89	8.11	8.63
Sep 30, 2024	13.64	12.18	9.16	7.75
Dec 31, 2024	13.76	11.45	8.51	6.30

Mar 31, 2025	14.09	10.90	9.58	6.51
Average	11.27	10.79	7.88	7.42

[^]Since inception of Crisil AIF Index – Long-short Equity Funds in September 2014

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Long-short Equity Funds

Rolling Returns[^]

Date	5-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Sep 30, 2019	15.56	13.19	12.43	10.13
Dec 31, 2019	13.73	11.90	11.08	9.28
Mar 31, 2020	11.67	7.99	7.60	4.05
Jun 30, 2020	11.25	8.68	7.55	5.06
Sep 30, 2020	10.22	8.93	7.70	6.45
Dec 31, 2020	11.73	10.70	9.60	8.59
Mar 31, 2021	11.53	11.40	9.27	9.13
Jun 30, 2021	11.52	10.71	9.42	8.63
Sep 30, 2021	10.94	11.11	8.58	8.74
Dec 31, 2021	10.90	11.22	8.94	9.25
Mar 31, 2022	9.75	9.86	6.37	6.48
Jun 30, 2022	9.30	8.95	5.05	4.72
Sep 30, 2022	9.11	8.94	4.38	4.22
Dec 31, 2022	8.70	8.51	3.22	3.04
Mar 31, 2023	8.48	8.26	3.51	3.30
Jun 30, 2023	9.33	8.84	5.48	5.01
Sep 30, 2023	9.99	9.72	7.05	6.79
Dec 31, 2023	10.85	10.67	7.04	6.88
Mar 31, 2024	11.27	10.77	7.19	6.72
Jun 30, 2024	11.87	11.97	7.67	7.77
Sep 30, 2024	11.90	12.30	8.16	8.55
Dec 31, 2024	12.07	11.37	8.04	7.37
Mar 31, 2025	12.49	13.58	9.68	10.74
Average	11.05	10.42	7.61	7.00

[^]Since inception of Crisil AIF Index – Long-short Equity Funds in September 2014

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Long-short Equity Funds

Rolling Returns[^]

Date	7-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Sep 30, 2021	13.75	12.99	10.76	10.02
Dec 31, 2021	12.53	11.71	9.99	9.20
Mar 31, 2022	11.23	10.68	8.23	7.70
Jun 30, 2022	10.72	10.11	7.39	6.80
Sep 30, 2022	10.36	10.12	7.02	6.78
Dec 31, 2022	10.32	10.06	6.88	6.63
Mar 31, 2023	9.95	10.22	6.63	6.89
Jun 30, 2023	10.27	10.03	7.27	7.03
Sep 30, 2023	9.75	9.85	6.36	6.45
Dec 31, 2023	10.71	10.83	7.57	7.69
Mar 31, 2024	10.73	10.49	6.83	6.60
Jun 30, 2024	11.44	11.20	7.48	7.25
Sep 30, 2024	12.12	11.45	8.22	7.57
Dec 31, 2024	11.58	10.57	7.02	6.05
Mar 31, 2025	11.56	10.00	7.27	5.77
Average	11.14	10.69	7.66	7.23

[^]Since inception of Crisil AIF Index – Long-short Equity Funds in September 2014

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Long-short Equity Funds

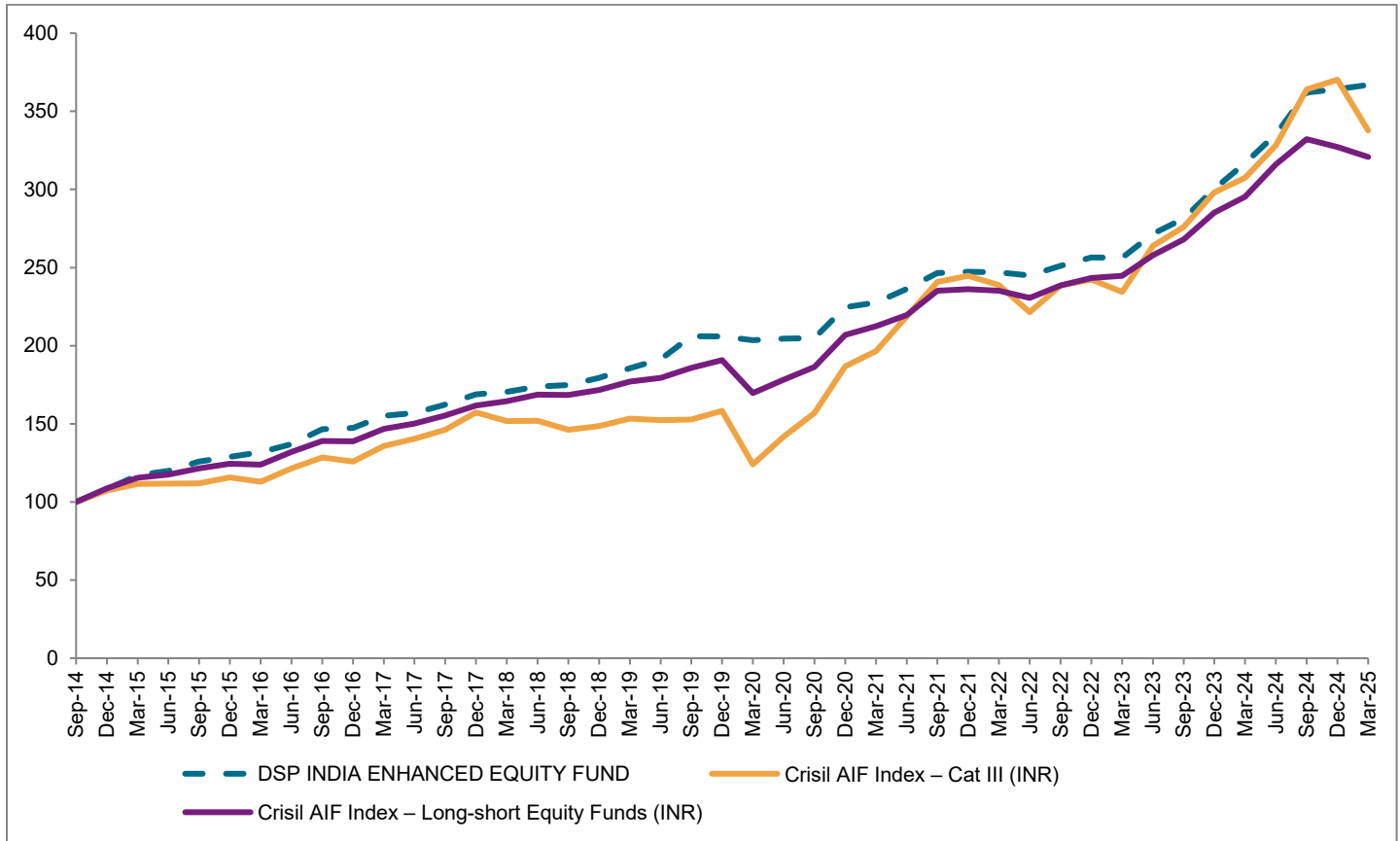
Rolling Returns[^]

Date	10-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Sep 30, 2024	13.75	12.99	10.76	10.02
Dec 31, 2024	12.53	11.71	9.99	9.20
Mar 31, 2025	11.23	10.68	8.23	7.70
Average	12.50	11.80	9.66	8.97

[^]Since inception of Crisil AIF Index – Long-short Equity Funds in September 2014

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Long-short Equity Funds

Growth of 100[^]



[^]Since inception of Crisil AIF Index – Long-short Equity Funds in September 2014

2. DSP INDIA ENHANCED EQUITY SATCORE FUND

Trailing returns

Index	1-year (%)	2-year (%)	3-year (%)	5-year (%)	7-year (%)
Scheme (INR)	14.48	18.54	13.13	11.82	10.84
Crisil AIF Index – Cat III (INR)	9.86	20.00	12.25	22.17	12.09
Scheme (USD)	11.52	16.19	8.65	9.02	6.58
Crisil AIF Index – Cat III (USD)	7.03	17.62	7.81	19.11	7.79

Values as on March 31, 2025

Schemes that have completed at least one year since their first close as on March 31, 2025, have been considered for the benchmark. In all, 362 schemes have been considered for the above analysis

Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised

Category III includes funds under sub-categories Long-only Equity, Long-short Equity, Hybrid Funds and any other strategies registered under Category III of SEBI (AIF) Regulations, 2012

Rolling returns

Date	3-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Mar 31, 2020	8.59	-2.97	3.28	-7.72
Jun 30, 2020	8.49	0.34	3.06	-4.68
Sep 30, 2020	7.53	2.36	3.27	-1.70
Dec 31, 2020	9.52	5.90	4.76	1.29
Mar 31, 2021	9.57	8.99	5.20	4.64
Jun 30, 2021	10.26	12.89	7.33	9.90
Sep 30, 2021	11.65	18.07	10.79	17.16
Dec 31, 2021	10.77	18.10	8.48	15.66
Mar 31, 2022	9.55	15.90	6.26	12.42
Jun 30, 2022	8.13	13.27	3.35	8.27
Sep 30, 2022	6.35	16.01	1.40	10.62
Dec 31, 2022	7.13	15.23	1.92	9.63
Mar 31, 2023	7.55	23.64	4.49	20.12
Jun 30, 2023	9.33	22.99	6.36	19.64
Sep 30, 2023	10.47	20.71	6.20	16.05
Dec 31, 2023	9.40	16.83	4.80	11.91
Mar 31, 2024	10.92	16.05	6.36	11.28

Date	3-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Jun 30, 2024	11.56	14.45	7.35	10.13
Sep 30, 2024	12.83	14.75	8.38	10.22
Dec 31, 2024	12.92	14.77	7.71	9.48
Mar 31, 2025	13.13	12.25	8.65	7.81
Average	9.79	13.36	5.68	9.15

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Category-III funds

Rolling returns

Date	5-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Mar 31, 2022	9.11	11.94	5.75	8.50
Jun 30, 2022	8.66	9.53	4.44	5.28
Sep 30, 2022	8.53	10.28	3.83	5.51
Dec 31, 2022	8.16	9.01	2.71	3.52
Mar 31, 2023	7.89	9.07	2.96	4.08
Jun 30, 2023	8.73	11.66	4.90	7.72
Sep 30, 2023	9.40	13.53	6.48	10.50
Dec 31, 2023	10.26	14.93	6.48	10.99
Mar 31, 2024	10.71	14.92	6.65	10.71
Jun 30, 2024	11.27	16.57	7.09	12.20
Sep 30, 2024	11.30	18.94	7.58	14.96
Dec 31, 2024	11.40	18.50	7.39	14.24
Mar 31, 2025	11.82	22.17	9.02	19.11
Average	9.79	13.93	5.79	9.79

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Category-III funds

Rolling returns

Date	7-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Cat III (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Cat III (USD) (%)
Mar 31, 2024	10.06	12.37	6.18	8.41
Jun 30, 2024	10.75	12.88	6.83	8.86
Sep 30, 2024	11.47	13.90	7.46	9.93
Dec 31, 2024	10.92	12.99	6.60	8.38
Mar 31, 2025	10.84	12.09	6.53	7.79
Average	10.81	12.85	6.72	8.67

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Category-III funds

Calendar Year returns

Index	CYTD [^]	CY24	CY23	CY22	CY21	CY20	CY19	CY18
Scheme (INR)	0.39	20.13	16.22	3.17	9.21	9.14	14.06	5.54
Crisil AIF Index – Cat III (INR)	-8.76	24.24	23.00	-1.03	31.00	18.07	6.54	-5.58
Scheme (USD)	0.43	16.61	15.75	-7.40	7.38	6.48	11.69	-3.32
Crisil AIF Index – Cat III (USD)	-8.72	20.60	22.52	-11.17	28.79	15.19	4.33	-13.52

[^]till March 2025. Returns for more than one year are annualised

Quartile analysis (INR)

Period	No. of schemes	Scheme returns (%)	Scheme quartile	Trailing returns (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
1-year (%)	231	14.48	Top Quartile	13.64	7.55	3.04
2-year (%)	173	18.54	Third Quartile	28.62	21.91	14.89
3-year (%)	113	13.13	Second Quartile	17.66	13.13	7.50
5-year (%)	57	11.82	Bottom Quartile	32.65	22.57	17.10
7-year (%)	19	10.84	Second Quartile	15.68	10.84	7.19

Quartile analysis (USD)

Period	No. of schemes	Scheme returns (%)	Scheme quartile	Trailing returns (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
1-year (%)	231	11.52	Top Quartile	10.70	4.78	0.38
2-year (%)	173	16.19	Third Quartile	26.07	19.49	12.61
3-year (%)	113	8.65	Second Quartile	13.01	8.65	3.25
5-year (%)	57	9.02	Bottom Quartile	29.33	19.50	14.17
7-year (%)	19	6.58	Second Quartile	11.24	6.58	3.07

First and third quartiles are the return thresholds for the top 25% and 75% schemes, respectively based on the individual scheme's trailing returns for the respective time-frames. Please refer to the annexure for details

For quartile analysis, only those time-frames have been considered that have at least 8 schemes available

Returns above one year are annualised

Sub-category: Long-short Equity Funds
Trailing returns

Index	1-year (%)	2-year (%)	3-year (%)	5-year (%)	7-year (%)
Scheme (INR)	14.48	18.54	13.13	11.82	10.84
Crisil AIF Index – Long-short Equity Funds (INR)	8.59	14.47	10.90	13.58	10.00
Scheme (USD)	11.52	16.19	8.65	9.02	6.58
Crisil AIF Index – Long-short Equity Funds (USD)	5.79	12.20	6.51	10.74	5.77

Values as on March 31, 2025

Schemes that have completed at least one year since their first close as on March 31, 2025, have been considered for the benchmark. In all, 42 schemes have been considered for the above analysis

Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised

Rolling Returns

Date	3-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Mar 31, 2020	8.59	4.91	3.28	-0.22
Jun 30, 2020	8.49	5.85	3.06	0.55
Sep 30, 2020	7.53	6.22	3.27	2.01
Dec 31, 2020	9.52	8.54	4.76	3.82
Mar 31, 2021	9.57	8.88	5.20	4.54
Jun 30, 2021	10.26	9.17	7.33	6.27
Sep 30, 2021	11.65	11.74	10.79	10.88

Date	3-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Dec 31, 2021	10.77	11.22	8.48	8.92
Mar 31, 2022	9.55	9.91	6.26	6.61
Jun 30, 2022	8.13	8.72	3.35	3.91
Sep 30, 2022	6.35	8.65	1.40	3.60
Dec 31, 2022	7.13	8.45	1.92	3.18
Mar 31, 2023	7.55	13.00	4.49	9.78
Jun 30, 2023	9.33	13.11	6.36	10.03
Sep 30, 2023	10.47	12.90	6.20	8.54
Dec 31, 2023	9.40	11.28	4.80	6.59
Mar 31, 2024	10.92	11.61	6.36	7.02
Jun 30, 2024	11.56	12.89	7.35	8.63
Sep 30, 2024	12.83	12.18	8.38	7.75
Dec 31, 2024	12.92	11.45	7.71	6.30
Mar 31, 2025	13.13	10.90	8.65	6.51
Average	9.79	10.08	5.68	5.96

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Long-short Equity Funds

Rolling Returns

Date	5-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Mar 31, 2022	9.11	9.86	5.75	6.48
Jun 30, 2022	8.66	8.95	4.44	4.72
Sep 30, 2022	8.53	8.94	3.83	4.22
Dec 31, 2022	8.16	8.51	2.71	3.04
Mar 31, 2023	7.89	8.26	2.96	3.30
Jun 30, 2023	8.73	8.84	4.90	5.01
Sep 30, 2023	9.40	9.72	6.48	6.79
Dec 31, 2023	10.26	10.67	6.48	6.88
Mar 31, 2024	10.71	10.77	6.65	6.72
Jun 30, 2024	11.27	11.97	7.09	7.77

Sep 30, 2024	11.30	12.30	7.58	8.55
Dec 31, 2024	11.40	11.37	7.39	7.37
Mar 31, 2025	11.82	13.58	9.02	10.74
Average	9.79	10.29	5.79	6.28

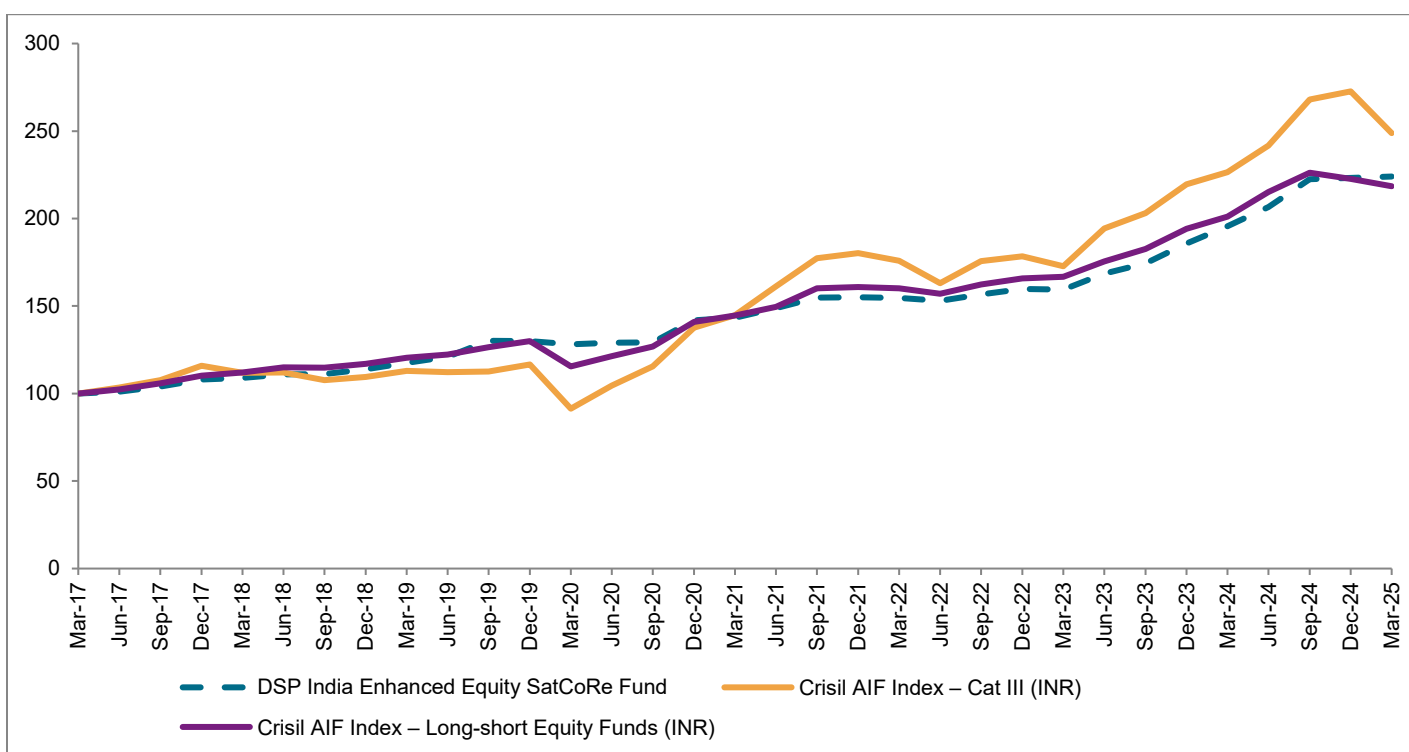
The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Long-short Equity Funds

Rolling Returns

Date	7-year annualised rolling returns (quarterly shift)			
	Scheme (INR) (%)	Crisil AIF Index – Long-short Equity Funds (INR) (%)	Scheme (USD) (%)	Crisil AIF Index – Long-short Equity Funds (USD) (%)
Mar 31, 2024	10.06	10.49	6.18	6.60
Jun 30, 2024	10.75	11.20	6.81	7.25
Sep 30, 2024	11.47	11.45	7.58	7.57
Dec 31, 2024	10.92	10.57	6.39	6.05
Mar 31, 2025	10.84	10.00	6.58	5.77
Average	10.81	10.74	6.71	6.65

The above values of rolling returns for the benchmark have been updated historically due to increased/revised coverage of Long-short Equity Funds

Growth of 100



3. DSP High Conviction Fund Series 2

Trailing returns

Index	1-year (%)	2-year (%)	3-year (%)
Scheme (INR)	10.29	19.97	13.54
Crisil AIF Index – Cat III (INR)	9.86	20.00	12.25
Scheme (USD)	7.44	17.59	9.05
Crisil AIF Index – Cat III (USD)	7.03	17.62	7.81

Values as on March 31, 2025

Schemes that have completed at least one year since their first close as on March 31, 2025, have been considered for the benchmark. In all, 362 schemes have been considered for the above analysis

Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised

Category III includes funds under sub-categories Long-only Equity, Long-short Equity, Hybrid Funds and any other strategies registered under Category III of SEBI (AIF) Regulations, 2012

Calendar Year returns

Index	CYTD [^]	CY24	CY23
Scheme (INR)	-4.44	17.30	26.11
Crisil AIF Index – Cat III (INR)	-8.76	24.24	23.00
Scheme (USD)	-4.39	13.86	25.61
Crisil AIF Index – Cat III (USD)	-8.72	20.60	22.52

[^]till March 2025. Returns for more than one year are annualised

Quartile analysis (INR)

Period	No. of schemes	Scheme returns (%)	Scheme quartile	Trailing returns (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
1-year (%)	231	10.29	Second Quartile	13.64	7.55	3.04
2-year (%)	173	19.97	Third Quartile	28.62	21.91	14.89
3-year (%)	113	13.54	Second Quartile	17.66	13.13	7.50

Quartile analysis (USD)

Period	No. of schemes	Scheme returns (%)	Scheme quartile	Trailing returns (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
1-year (%)	231	7.44	Second Quartile	10.70	4.78	0.38
2-year (%)	173	17.59	Third Quartile	26.07	19.49	12.61
3-year (%)	113	9.05	Second Quartile	13.01	8.65	3.25

First and third quartiles are the return thresholds for the top 25% and 75% schemes, respectively based on the individual scheme's trailing returns for the respective time-frames. Please refer to the annexure for details

For quartile analysis, only those time-frames have been considered that have at least 8 schemes available

Returns above one year are annualised

Sub-category:
1. Long-only Equity Funds
Trailing returns

Index	1-year (%)	2-year (%)	3-year (%)
Scheme (INR)	10.29	19.97	13.54
Crisil AIF Index – Long-only Equity Funds (INR)	9.83	22.34	12.84
Scheme (USD)	7.44	17.59	9.05
Crisil AIF Index – Long-only Equity Funds (USD)	7.00	19.92	8.38

Values as on March 31, 2025

Schemes that have completed at least one year since their first close as on March 31, 2025, have been considered for the benchmark. In all, 266 schemes have been considered for the above analysis

Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised

2. Long-only Equity Funds (Closed-ended)
Trailing returns

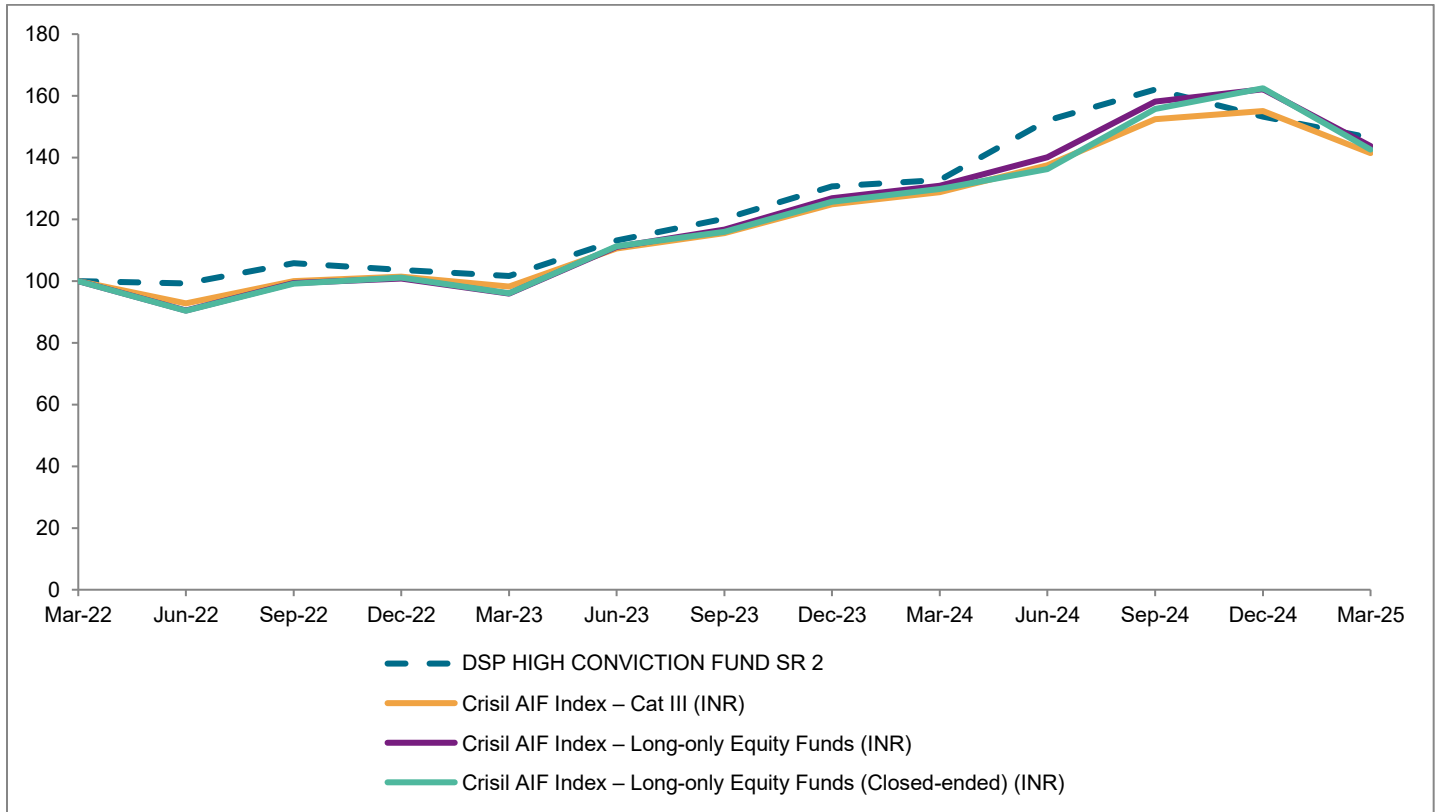
Index	1-year (%)	2-year (%)	3-year (%)
Scheme (INR)	10.29	19.97	13.54
Crisil AIF Index – Long-only Equity Funds (close-ended) (INR)	9.86	21.85	12.55
Scheme (USD)	7.44	17.59	9.05
Crisil AIF Index – Long-only Equity Funds (close-ended) (USD)	7.03	19.43	8.09

Values as on March 31, 2025

Schemes that have completed at least one year since their first close as on March 31, 2025, have been considered for the benchmark. In all, 180 schemes have been considered for the above analysis.

Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised

Growth of 100



Annexure

Methodology, definitions, and eligibility criteria

Vintage year

Benchmarks for Category I and II are calculated based on their vintage years. Vintage year is defined as the financial year in which the scheme had its first close, i.e., the vintage year of a fund will be FY14 if it had its first close between April 1, 2013, and March 31, 2014.

Only those vintage years are considered that have at least three schemes available; those with less than three schemes have been excluded.

Calculation metrics

The benchmarks for Category I and II are based on the following metrics:

Pooled internal rate of return (IRR)

Pooled IRR denotes the IRR calculated at an aggregate level by pooling all the cash flows that have occurred within all the schemes belonging to the category and the vintage year. Here the cash flows are considered according to the date on which they have occurred and the valuation as on the last day is considered as the terminal value for the calculation.

Investment multiples and ratios

Three types of ratios are considered for calculation of benchmarks – distributions to paid-in capital (DPI), residual value to paid-in capital (RVPI) and total value to paid-in capital (TVPI). All the three are calculated for each applicable vintage year.

DPI: It is the ratio of the total distributions made to the paid-in capital. DPI is also called 'realisation multiple'.

RVPI: It is the ratio of the residual value of all investments remaining in the fund after distributions to paid-in capital. The residual value refers to the valuation of the scheme as on the date for which the benchmarks have been calculated.

TVPI: It is the ratio of the sum of total distributions and residual value, to the total paid-in capital. It is also called 'investment multiple'.

Quartile analysis

For understanding the distribution of IRR across the peer set, the returns for all the individual funds are calculated. First quartile, median and third quartile thresholds are reported. First and third quartiles are the return thresholds for the top 25% and 75% schemes, respectively, based on the individual scheme IRRs and TVPIs in each vintage year. Thus, any fund with an IRR value above first quartile threshold belongs to the top quartile, similarly a fund with IRR value between first quartile and median belongs to the second quartile, and so on. Funds with returns below the third quartile belongs to the bottom quartile.

For Category III funds, quartile analysis is based on the individual fund's trailing returns for various timeframes. Those funds have been considered that have been in existence as of March 31, 2025, and present for the whole time period.

For quartile analysis, only those vintage years have been considered where at least eight schemes are available.

Public market equivalent

Public market equivalent (PME+) as a metric helps in comparing the performance of an AIF against any public index. The PME+ method tries to replicate the cash flows of the AIF to a public index. The cash flows, depending on whether it is an inflow or outflow, are invested and distributed to and from the public index on the same dates as that of the AIF. The

distributions are adjusted using a scaling factor to avoid a situation where the public index is oversold and results in the negative terminal value.

Outlier adjustment

Outlier adjustment has been carried out for sub-category benchmarks under category I and II whereby, those schemes that have IRR beyond a defined threshold on the higher side have been excluded from the respective benchmarks. In all 7 schemes were excluded from all sub-category benchmarks because of this outlier adjustment.

The benchmark for Category III is based on the following metric:

Asset-weighted index

For Category III schemes, an asset-weighted index at the category level is created based on the quarterly returns of each scheme and the respective assets under management for those schemes.

The index is created from the quarter in which at least three schemes were available, i.e. June 2013.

Eligibility criteria

- All AIFs registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012, are considered for the calculation of benchmarks provided they fulfil the following criteria:
 - The scheme has completed one year from its first close as on the date for which the benchmarks are calculated. For example, AIF benchmark calculated for the period ending March 31, 2025, will have funds that had their first close on or before March 31, 2024
 - Data is provided by the AIF in the required format within the specified deadline
- The following are excluded from calculation of benchmarks:
 - Angel funds registered under sub-category VCF under Category I-AIF
 - Fund of funds
 - Any scheme that has not had any transactions or investments anytime in the past
 - Any scheme that has not completed one year since its first close as on the date for which the benchmarks are calculated, i.e., March 31, 2025
 - Any scheme that has not provided complete data or that has not provided data in the required format
- Schemes are divided based on their vintage years as described in the previous section. Only those vintage years are considered that have at least three funds available. Thus, schemes that belong to vintage years in which less than three schemes were available are excluded
- For quartile analysis, only those vintage years have been considered where at least eight schemes are available

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