

**CERTIFICATE**

To,  
Bajaj Alternate Investment Management Limited  
S. No. 208/1B, Lohagaon , Viman Nagar,  
Pune – 411 014, Maharashtra, India

We have examined the Disclosure Document dated May 2, 2026 for portfolio management produced before us, and prepared by the management of Bajaj Alternate Investment Management Limited - (“the company”) in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations 2020 (updated time to time); having PMS Registration No.(in the process of registration) and its registered office at S. No. 208/1B, Lohagaon , Viman Nagar, Pune – 411 014, Maharashtra, India

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

1. Transactions with related parties are relied upon as provided by the company.
2. The Promoters, director’s & Key Managerial Personnel’s qualification, experience, ownership details are as declared by them and have been accepted without further verification.
3. We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
4. The returns on Portfolio Management performance of the portfolio manager.

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

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



*Harsh Sanghvi*

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

Place: Mumbai  
Date: 4<sup>th</sup> May 2026  
UDIN: 26178498YGQKBO1871



**BAJAJ ALTERNATE INVESTMENT MANAGEMENT LIMITED**

**DISCLOSURE DOCUMENT**

**PORTFOLIO MANAGEMENT SERVICES**

**Updated as on 04 May 2026**

## DISCLOSURE DOCUMENT

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

### DECLARATION

- a) The Disclosure Document (hereinafter referred as “**this Document**”) has been filed with Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- b) This Document serves the purpose of providing essential information about the portfolio management services in a manner to assist and enable the Investors (*as defined hereinbelow*) in making an informed decision for engaging Bajaj Alternate Investment Management Limited (“**Portfolio Manager**”/ “**BAIML**”) as a Portfolio Manager (*as defined hereinbelow*).
- c) This Document contains the necessary information about the Portfolio Manager required by an investor before investing. The Investor is advised to retain this document for future reference.
- d) The name, phone number, e-mail address of the Principal Officer (*as defined hereinbelow*) as designated by the Portfolio Manager along with the address of the Portfolio Manager are as set out below.
- e) This Disclosure Document is dated 04 May 2026.

### PRINCIPAL OFFICER

<b>Name of Principal Officer</b>	Mr. Archit Singhal
<b>Designation</b>	Head – PMS
<b>Phone</b>	+91 022 50900567
<b>Email</b>	archit.singhal@bajajalts.in

### PORTFOLIO MANAGER

#### **Bajaj Alternate Investment Management Limited (BAIML)**

Registered Office:

S. No. 208/1B, Lohagaon, Viman Nagar,  
Pune – 411 014, Maharashtra, India.

Corporate Office and Principal Office:

Floor 16, B Wing, The Capital, G-Block,  
Bandra Kurla Complex,  
Mumbai – 400 051, Maharashtra, India.

SEBI Registration Number: INP000009904

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

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

#### **1) DISCLAIMER CLAUSE**

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

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

## 2) ABBREVIATIONS & DEFINITIONS

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

<p><b>“Accreditation Agency”</b></p>	<p>A subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.</p>
<p><b>“Accredited Investor”</b></p>	<p>Any person who fulfils the following eligibility criteria or such other criteria as may specified by SEBI from time to time and is granted a certificate of accreditation by an accreditation agency. The following persons shall be eligible to be considered as Accredited Investors:</p> <ul style="list-style-type: none"> <li>(a) Individuals, HUFs, family trusts and sole proprietorships, which meet the criteria as under: (i) annual income of at least INR 2,00,00,000 (Indian Rupees Two Crores); OR (ii) net worth of at least INR 7,50,00,000 (Indian Rupees Seven Crores Fifty Lakh), out of which at least INR 3,75,00,000 (Indian Rupees Three Crore Seventy Five Lakh) is in the form of financial assets; OR (iii) annual income of at least INR 1,00,00,000 (Indian Rupees One Crore) and a minimum net worth of INR 5,00,00,000 (Indian Rupees Five Crores), out of which at least INR 2,50,00,000 (Indian Rupees Two Crore Fifty Lakh) is in the form of financial assets;</li> <li>(b) Partnership firms set up under the Indian Partnership Act, 1932 in which each partner independently meets the criteria for accreditation;</li> <li>(c) Trusts (other than family trusts) with net worth greater than or equal to INR 50,00,00,000 (Indian Rupees Fifty Crores); and</li> <li>(d) Body corporates with net worth greater than or equal to INR 50,00,00,000 (Indian Rupees Fifty Crores).</li> </ul> <p>Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Governments or the State Governments, qualified institutional buyers as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2019, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by SEBI from time to time, shall be deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.</p>
<p><b>“Act”</b></p>	<p>Securities and Exchange Board of India Act, 1992.</p>
<p><b>“Advisory Services”</b></p>	<p>Advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.</p>
<p><b>“Agreement”</b> or <b>“Portfolio”</b></p>	<p>Agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules</p>

<b>Management Services Agreement” or “PMS Agreement”</b>	and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
<b>“Applicable Laws”</b>	Any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
<b>“Asset Under Advice” or “AUA”</b>	The aggregate net asset value of Securities and investment products for which the Portfolio Manager has rendered investment advice irrespective of whether the implementation services are provided by the Portfolio Manager or concluded by the client directly or through other service providers.
<b>“Assets Under Management” or “AUM”</b>	Aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
<b>“Associate”</b>	(i) A body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
<b>“Benchmark”</b>	An index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
<b>“Board” or “SEBI”</b>	The Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
<b>“Business Day”</b>	Any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time. Any day other than day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc. is also considered as Business Day.
<b>“Chartered Accountant”</b>	A chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (Act No. 38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
<b>“Client” or “Investor”</b>	Any body corporate, partnership firm, individual, Hindu Undivided Family, association of person, body of individuals, trust, statutory authority or any other person who enters into an agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
<b>“Co-investment”</b>	Shall have the meaning given under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended or superseded from time to time.

<b>“Co-investment Portfolio Manager”</b>	Means a Portfolio Manager who is an investment manager of a Category I or Category II Alternative Investment Fund(s); and: (i) provides services only to the investors of such Category I or Category II Alternative Investment Fund(s); and (ii) makes investment only in unlisted securities of investee companies where such Category I or Category II Alternative Investment Fund(s) make investments. Provided that the Co-investment Portfolio Manager may provide services to investors from any other Category I or Category II Alternative Investment Funds which are managed by them.
<b>“Custodian”</b>	An entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client., which for the time being is ICICI Bank Ltd. for resident and non-resident Clients.
<b>“Depository”</b>	The depository as defined in the Depositories Act, 1996 (22 of 1996).
<b>“Depository Account”</b>	An account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
<b>“Direct on-boarding”</b>	An option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
<b>“Disclosure Document”</b>	This Document filed by the Portfolio Manager with SEBI and issued to the Client as required under the Regulations and as may be amended by the Portfolio Manager from time to time for offering portfolio management services.
<b>“Discretionary Portfolio Manager”</b>	A portfolio manager who under a contract relating to portfolio management, exercises or may exercise, any degree of discretion as to the investment of funds or management of the portfolio of securities of the client, as the case may be.
<b>“Distributor”</b>	A person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
<b>“Eligible Investors”</b>	A person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
<b>“Equity related Instruments”</b>	Equity related instruments would include convertible preference shares, warrants carrying the right to obtain equity shares and any other like instrument. It will also include ETFs as mentioned below.
<b>“Exchange Traded Funds” or “ETFs”</b>	Exchange Traded Funds would include investment funds traded on stock exchanges and include ETFs for Global Markets, Sector Specific ETFs Commodities ETFs, Index ETFs and any other pooled investment vehicle holding a basket of securities, units of which are traded on the Stock Exchange like regular shares.

<b>“Fair Market Value”</b>	The price that the security would ordinarily fetch on sale in the open market on the particular date.
<b>“Foreign Portfolio Investor” or “FPI”</b>	A person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
<b>“Financial Year”</b>	A Financial Year shall be the period of 12 months commencing on 1 <sup>st</sup> of April and ending on the 31 <sup>st</sup> of March of the succeeding year.
<b>“Funds” or “Capital Contribution”</b>	The monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
<b>“Goods”</b>	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.
<b>“Group Company”</b>	An entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
<b>“High Water Mark”</b>	Means value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.
<b>“HUF”</b>	The Hindu Undivided Family as defined in Section 2(31) of the IT Act.
<b>“Hurdle Rate”</b>	Means the rate of return or benchmark return above which the performance fee will be charged as per the terms of the Agreement and each approach.
<b>“Investment Approach”</b>	<p>A broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.</p> <p>Investment approach provided by Portfolio Managers shall, inter-alia, include (i) investment objective (ii) description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc. (iii) basis of selection of such types of securities as part of the investment approach (iv) allocation of portfolio across types of securities (v) appropriate benchmark to compare performance and basis for choice of benchmark (vi) indicative tenure or investment horizon (vii) risks associated with the investment approach (viii) other salient features, if any.</p>
<b>“IT Act”</b>	The Income Tax Act, 2025, as amended and restated from time to time along with the rules prescribed thereunder.

<b>“Large Value Accredited Investor”</b>	Accredited Investor who has entered into an agreement with the Portfolio Manager for a minimum Capital Contribution of INR 10,00,00,000 (Indian Rupees Ten Crore).
<b>“Management Fee” / “Advisory Fee”</b>	The management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
<b>“Money Market Instruments”</b>	Includes Commercial Paper, Trade Bill, Treasury Bills, Certificate of Deposit and Usance Bills.  The money market instruments mainly comprise: (i) call money, (ii) certificates of deposit, (iii) treasury bills, (iv) other short-term government securities transactions, such as, repos, (v) bankers' acceptances/commercial bills, (vi) commercial paper and (vii) inter- corporate funds.
<b>“Non-Discretionary”</b>	The portfolio manager will be responsible for managing various tasks, including executing securities transactions, accounting for those transactions, recording any benefits, valuation and reporting aspects as agreed upon with the client. Therefore, clients will make their own investment decisions at their own risk.
<b>“NRI”</b>	A Non-Resident Indian as defined in Section 2(30) of the IT Act or a person of Indian origin residing outside India.
<b>“NAV”</b>	Net Asset Value, which is the price; that the investment would be ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
<b>“NISM”</b>	The National Institute of Securities Market, established by SEBI.
<b>“Person”</b>	An individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
<b>“Portfolio”</b>	The total holdings of all investments, Securities and Funds belonging to the Client.
<b>“Portfolio Manager” or “BAIML”</b>	Bajaj Alternate Investment Management Limited, incorporated under the provisions of the Companies Act, 2013, registered with SEBI as a portfolio manager bearing registration number INP000009904, and having its registered office at S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411 014, Maharashtra, India and having its principle place of business at Floor 16, B Wing, The Capital, G-Block, Bandra Kurla Complex, Mumbai – 400 051, Maharashtra, India.
<b>“PMS” or “Portfolio Management Services”</b>	The portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws.

“PML Laws”	The Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records) Rules, 2005, and any other rules, guidelines/circulars issued in consultation with the Reserve Bank of India in furtherance of the Prevention of Money Laundering Act, 2002, or by SEBI thereto, as amended and modified from time to time.
“Principal Officer”	An employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for:  (a) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and  (b) all other operations of the portfolio manager.
“Product”	Product means PMS product launched by the Portfolio Manager from time to time.
“RBI”	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
“Regulations” or “SEBI Regulations”	The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended/ modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
“Related Party”	(a) a director, partner or his relative;  (b) a key managerial personnel or his relative;  (c) a firm, in which a director, partner, manager or his relative is a partner;  (d) a private company in which a director, partner or manager or his relative is a member or director;  (e) a public company in which a director, partner or manager is a director or manager, is a director or holds along with his relatives, more than 2% (Two Percent) of its paid-up share capital;  (f) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;  (g) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:  Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity;  (h) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager

	<p>would result in the Portfolio Manager becoming an associate of the body corporate;</p> <p>(i) a related party as defined under the applicable accounting standards;</p> <p>(j) such other person as may be specified by the Board:</p> <p>Provided that,</p> <p>(i) any person or entity forming a part of the promoter or promoter group of the listed entity; or</p> <p>(ii) any person or any entity, holding equity shares:</p> <p style="padding-left: 40px;">A. of 20% (Twenty Percent) or more; or</p> <p style="padding-left: 40px;">B. of 10% (Ten Percent) or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year;</p> <p>shall be deemed to be a related party.</p>
<p><b>“Securities”</b></p>	<p>Security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.</p>

*Any term used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.*

### 3) DESCRIPTION

#### (a) History, Present Business and Background of Bajaj Alternate Investment Management Limited.

Bajaj Alternate Investment Management Limited, was incorporated on August 29, 2025 as a public limited company under the Companies Act, 2013, bearing Corporate Identity Number (CIN) U66309PN2025PLC245747. BAIML's registered office is located at Bajaj Finserv House, Survey No. 208/1B, Viman Nagar, Lohegaon, Pune – 411 014, Maharashtra, India, and its corporate office and principal place of business is located at Floor 16, B Wing, The Capital, G-Block, Bandra Kurla Complex, Mumbai – 400 051, Maharashtra, India.

BAIML was incorporated for the purpose of undertaking business, inter alia, as an asset and investment manager, advisor and sponsor in relation to various investment and pooled investment vehicles, including managing and/or providing investment advisory services with respect to the assets and investments of Alternative Investment Funds, individuals and companies. To this effect, BAIML has received approval from the Securities and Exchange Board of India (“SEBI”) to render portfolio management services on April 01, 2026, pursuant to registration number INP000009904.

#### **Baja Finserv Limited**

BAIML is a wholly-owned subsidiary of Bajaj Finserv Limited (“BFS”), an unregistered core investment company with a distinguished and long-standing presence in the Indian financial services sector. BFS is part of the Bajaj Group, whose diversified portfolio encompasses lending, insurance, asset management and wealth services, with over decades of experience in financial services and capital markets.

Bajaj Finserv Limited (BFS) is an unregistered Core Investment Company (CIC) under the RBI regulations 2025 and the holding company for the various financial services businesses under the Bajaj group. Its vision is to be a diversified financial services group with a pan-India presence and, thus, offer life-cycle financial solutions for its various customers. These involve: (i) asset acquisition and lifestyle enhancement through financing, (ii) asset protection through general insurance, (iii) family protection through life and health insurance, (iv) providing healthcare needs for the family and employers, (v) offering savings and wealth management solutions through life insurance and mutual funds, and (vi) retirement planning and annuities which are part of the life insurance business. Through these businesses that offer various attractive solutions, BFS serves crores of customers and endeavours to be a Lifecycle partner to every Indian in achieving their financial goals.

#### Finance and insurance businesses

BFS participates in the financing business through its 51.32% holding in Bajaj Finance Limited (BFL) and in the life, general and health insurance businesses through its 77.33% holding in two unlisted subsidiaries, Bajaj General Insurance Limited (Bajaj General) and Bajaj Life Insurance Limited (Bajaj Life). BFL holds 86.70% stake in Bajaj Housing Finance Limited (BHFL), which is a profitable and fast-growing enterprise engaged in various aspects of housing finance and development.

#### Emerging businesses

Bajaj Finserv Health Limited (BFHL), which is a health tech venture, seeks to provide platforms for customers to manage their healthcare needs 360°, covering wellness, outpatient (OPD) and inpatient (IPD) services, is a wholly owned subsidiary of BFS. Vidal Health Insurance TPA Private Limited, which is a registered Third-Party Administrator (TPA), is a wholly owned step-down subsidiary of BFHL.

BFS has 80.10% stake in Bajaj Finserv Direct Limited (BFSD), the balance 19.90% is held by BFL. BFSD is a digital marketplace for financial services products from loans to insurance, mutual funds, investments, lifestyle products, payments and e-commerce. BFSD also operates a Technology Services division, which focuses on building digital-first solutions for BFSI businesses.

Bajaj Finserv Asset Management Limited is a wholly owned subsidiary of BFS and is in the mutual fund business. It seeks to differentiate itself through a strategy built on Information, Quantitative and Behavioural edge as well as smart use of technology for its customers and distributors.

Bajaj Financial Securities Limited (BFinsec) is a stockbroker that provides its clients a full suite of investment products and services in an all-in-one digital platform, is a wholly owned subsidiary of Bajaj Finance Limited. Both BFS and BFL are included in the benchmark BSE Sensex and Nifty 50 indexes of large cap stocks.

BFL is India's largest deposit-taking NBFC, committed to continuous transformation for better customer experience, using technology and analytics. Subsidiaries of BFL include BHFL, which offers a range of housing finance solutions, and Bajaj Financial Securities Limited, an all-in-one digital platform combining demat, broking and margin trade financing for retail and high net-worth clients on a B2C platform.

**(b) Promoters of the Portfolio Manager, Directors and their background.**

**(i) Promoters of the Portfolio Manager**

**Bajaj Finserv Limited**

BAIML is a subsidiary of Bajaj Finserv Limited ("BFS"), headquartered at Bajaj Finserv House, Survey No. 208/1B, Viman Nagar, Lohegaon, Pune, Maharashtra – 411014.

**(ii) Directors of the Portfolio Manager and their background:**

<b>Name</b>	<b>Age/ Qualification</b>	<b>Brief Experience</b>
<b>Sreenivasan Sivasubramoniam</b> <i>(Non-Executive Director)</i>	<b>Age:</b> 65 years  <b>Qualifications:</b> 1. BSc in Physics from University of Kerala, 2. Post Graduate Diploma in Management	S. Sreenivasan was the Chief Financial Officer of Bajaj Finserv Limited for over 10 years. As a part of the senior management team, he managed the Group's long-term strategy and yearly operational plans, capital management, investor relations, and corporate governance. Sreeni has been instrumental in the transformational journey and consistent performance of the insurance subsidiaries - Bajaj Life Insurance Company

Name	Age/ Qualification	Brief Experience
	from IIM Calcutta, 3. Chartered Accountant, 4. Cost and Works Accountant and 5. Chartered Financial Analyst	Limited and Bajaj General Insurance Company Limited and serves as a non-Executive Director on their Boards.  He is also the Chairman of Bajaj Financial Securities Limited and Bajaj Finserv Ventures Limited. He has a distinguished career spanning more than 38 years in corporate strategy, portfolio management, life and general insurance, mergers and acquisitions, financial systems, and corporate governance. Over the years, S. Sreenivasan has developed and mentored a talent pool of finance specialists who have emerged as CFOs.
<b>Rishi Suresh Kapil</b> <i>(Non-Executive Director)</i>	<b>Age:</b> 55 years  <b>Qualifications:</b> Chartered Accountant	Rishi is a qualified Chartered Accountant with more than 30 years of experience including 25 years in financial service sectors. Worked with Cadila group, HDFC group, Tata group, IDBI group.  Has been with Bajaj group since 2006 (earlier as Vice President – Finance and Chief Risk Officer with Bajaj Allianz Life Insurance Company Ltd, Financial Controller with Bajaj Finance Ltd). Currently working with Bajaj Finserv Ltd since 2017. Expertise includes Taxation, Regulatory, Risk Management, Business continuity, Banking, Finance, Accounts.
<b>Lakshmi Venugopal Iyer</b> <i>(Executive Director)</i>	<b>Age:</b> 50 years  <b>Qualifications:</b> MBA from NMIMS	Lakshmi Iyer is a distinguished financial services leader with over 27 years of experience in wealth advisory, fixed income, equities, real estate and alternative investments.  She is the Group President - Investments in Bajaj Finserv Limited and a Managing Director and CEO of Bajaj Alternate Investment Management Limited. In her current role at Bajaj Finserv, she oversees investments across the Group to maximise capital deployment. She is also responsible for identifying new investment opportunities across various asset classes within the permissible framework.  With more than 25 years at the Kotak Group, she most recently served as Chief Executive Officer -Investment & Strategy at Kotak Alternate Asset Managers Ltd, where she was

Name	Age/ Qualification	Brief Experience
		<p>responsible for investment advisory and product solutions across fixed income, equities, and alternates.</p> <p>She has been a portfolio specialist and managed product-related initiatives such as product pricing and coordination with the funds management and sales teams. Throughout her career, she has led high-performing teams in fund management and deal execution.</p> <p>Her fund management industry contributions earned her recognition as one of Asia's 25 most influential women in asset management by Asian Investor. She has also been featured in the Forbes W-Power List 2022 and Forbes India Self-Made Women 2024. She was also honoured as one of India's Impactful CEOs 2023 by Times Now and recognised among Most Promising Business Leaders of Asia 2024 by ET Edge.</p>

**(c) Top 10 Group companies / firms of the Portfolio Manager on turnover basis\***

Sr. No.	Name of the Company/ Firm
1.	Bajaj Finserv Limited
2.	Bajaj Finance Limited
3.	Bajaj General Insurance Company Limited
4.	Bajaj Life Insurance Limited
5.	Bajaj Finserv Asset Management Limited
6.	Bajaj Housing Finance Limited
7.	Bajaj Finserv Direct Limited
8.	Bajaj Finserv Health Limited
9.	Bajaj Financial Securities Limited
10.	Bajaj Holdings & Investment Limited

*\*Note: BAIML is a newly incorporated company under the Companies Act, 2013, and does not have audited financial statements.*

**(d) Details of the services being offered**

The Portfolio Manager offers Discretionary, Non-Discretionary and Advisory Services, as follows:

<b>Discretionary</b>	Under the Discretionary Portfolio Management Services, the choice as well as the timing of the investment decisions rests solely with BAIML
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	<p>and BAIML can exercise any degree of discretion in the investments or management of assets of the Client. BAIML may make such changes in the investments and invest some or all of the assets of the Client in such manner and in such markets as it deems fit, subject to the investment objectives and other restrictions laid down in the PMS Agreement and / or in this Disclosure Document. BAIML's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, Guidelines and Notifications in force from time to time.</p> <p>In the course of providing Discretionary Portfolio Management Services, BAIML may, subject to Applicable Laws and its internal policies, cause the Client's Portfolio to invest in Securities or investment opportunities alongside, or concurrently with, other clients, funds, accounts or investment vehicles advised or managed by BAIML or its affiliates, including by way of co-investment opportunities. Any such investments shall be made on an arm's-length basis and in accordance with applicable regulatory requirements..</p> <p>The Securities invested / disinvested by BAIML for Clients may differ from Client to Client. The funds of each Client shall be managed individually and independently in accordance with the needs of each Client. Periodical statements in respect of the Clients' asset under management shall be sent to the respective Clients.</p> <p><b>Minimum Investment Amount:</b></p> <p>Such amount as decided by the Portfolio Manager at its sole discretion, subject to the requirements of the SEBI Regulations. However, the said minimum investment amount shall not be applicable to Accredited Investors.</p>
<p><b>Non-Discretionary</b></p>	<p>Under these services, the investment approach, type of securities and permissible instruments to be invested is decided as per the direction/ instruction or consent by the Client. The portfolio of funds and / or securities of the Client, as the case may be, executed by BAIML are subject to expressed prior instructions/ directions or consent issued by the Client from time to time.</p> <p>BAIML shall provide recommendation to the Client based on the research it has carried out, and the transaction will be executed based on instruction or consent received from the Client. BAIML's role would include but not be limited to providing research, structuring of client's portfolios, investment advice, and guidance and trade execution at the Client's request. BAIML shall execute orders as per the mandate received from Clients. BAIML, and the Client will have an agreed fee structure and an arrangement for a definite described period, entirely at the Client's risk.</p> <p>BAIML's advice (taken in good faith), cannot be called in question or be open to review at any time during the currency of the agreement or</p>

	<p>any time thereafter except on the ground of malafide fraud, conflict of interest or gross negligence. The rights and obligations of BAIML shall be exercised strictly in accordance with the relevant Act, rules and regulations, guidelines and notifications in force from time to time.</p> <p>BAIML may identify investment opportunities and showcase the same to the Client. The Client, on the basis of the information and such other checks which they may wish to carry on, could decide to participate in the opportunity. On obtaining their consent, BAIML may process the instruction and execute the deal in accordance with the instructions of the Client. The Client is fully aware that the risks and rewards belong to the Client and BAIML shall not be held responsible for such decisions of the Client.</p> <p><b>Minimum Investment Amount:</b></p> <p>Such amount as decided by the Portfolio Manager at its sole discretion, subject to the requirements of the SEBI Regulations. However, the said minimum investment amount shall not be applicable to Accredited Investors.</p>
<b>Advisory</b>	<p>Under the Advisory Portfolio Management Services, BAIML provides only investment advice, whether general or specific or pertaining to a particular portfolio, on the basis agreed upon in the PMS Agreement. Entry/exit timing, execution and settlement are solely the Client's responsibility.</p> <p>The abovementioned services are offered in terms of the Portfolio Management Services Agreement entered into between the Client and BAIML. Fees for such services will be as is provided under the PMS Agreement.</p>

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

Penalties imposed or directions have been issued by SEBI under the SEBI Act or rules or regulations made thereunder:

**(a) All cases of penalties/fines imposed by SEBI, or the directions issued by SEBI, against BAIML for any economic offence and/ or for violation of any securities laws:**

None

**(b) Any pending material litigations/legal proceedings against the Portfolio Manager:**

None

**(c) Any deficiency in the systems and operations of the Portfolio Manager has been observed by the SEBI or any regulatory agency:**

None

**(d) Any enquiry/adjudication proceedings have ever been initiated by the SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder:**

The Adjudication Officer at the Securities and Exchange Board of India, *vide* adjudication order No. Order/SM/AE/2022-23/17536-17542 dated June 30, 2022, imposed a penalty of INR 25,00,000 (Indian Rupees Twenty-Five Lakh) on Ms. Lakshmi Venugopal Iyer under Section 15HB of the Securities and Exchange Board of India Act, 1992, in her capacity as the Chief Investment Officer (Debt) & Head Products of the Kotak AMC.

This order was appealed and on March 6, 2026, the Securities Appellate Tribunal (SAT) dismissed the appeal against the order dated June 30, 2022.

**(e) Any cases pertaining to PMS activities of BAIML, pending before the Consumer Redressal Forums, Civil Courts and High Courts:**

None.

## 5) SERVICES OFFERED

### (a) Investment objective:

The investment objective of the Portfolio Manager under its Portfolio Management Services is to generate alpha, capital appreciation or preservation, regular returns or risk adjusted returns for client.

### (b) Type of securities in which the Portfolio Manager will invest:

The Portfolio Manager may invest Capital Contributions or provide advisory to its Clients in any or all in any combination in Equity and/or related Securities, other debt products, fixed income products/instruments, mutual fund units, exchange traded fund(s), derivatives, and any other permissible securities/instruments/products in which the Portfolio Manager and/or Client can invest as per Applicable Laws. The Portfolio Manager may, from time to time, hold any un-invested amount of Capital Contribution in cash or deploy the amount in liquid fund schemes, exchange traded liquid or index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits or other short-term avenues for investments.

### (c) Investment Approach of the Portfolio Manager

The detailed investment approach, strategy characteristics, portfolio construction methodology, asset allocation, benchmark, risk factors and other relevant disclosures are set out in **Annexure I – “Bajaj Alts Flexicap Strategy”**, which forms an integral part of this Disclosure Document.

Clients are advised to read **Annexure I** carefully before availing the services of the Portfolio Manager.

### (d) Services

For services, please refer to 3(d) of this Document.

### (e) Policy for Investments in group/ associate companies of the Portfolio Manager

The Portfolio Manager will, before investing in the securities of associate/group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Portfolio. The portfolio manager may invest in listed securities of the associate/group companies. These investments will be carried out to achieve the investment objectives and strategies and in the normal course of investment activity subject to the Applicable Law/ Regulations.

The Portfolio Manager shall ensure compliance with the following limits:

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

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

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

In the event of passive breach of the specified investment limits, (i.e., occurrence of instances not arising out of omission and/or commission of portfolio manager), a rebalancing of the portfolio shall be completed by Portfolio Manager within a period of 90 (ninety) days from the date of such breach. The Client may give an informed, prior positive consent to the Portfolio Manager for waiver from the rebalancing of the portfolio to rectify any passive breach of the investment limits. Further, the Portfolio Manager shall not make any investment in below investment grade securities.

**(f) Conflicts of Interest**

BAIML manages multiple portfolios as a Portfolio Manager, thereby presenting possibility of conflict of interest arising in several situations, including in allocating investment opportunities amongst the various portfolios, or its actions *vis-à-vis* third parties. The Portfolio Manager will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each portfolio, The Portfolio Manager shall ensure fit treatment in an arms-length transaction towards all its clients and shall also specifically ensure that the interests of the Client are not prejudiced.

The Portfolio Manager, its associated companies, group companies are engaged in a broad spectrum of activities in the financial services sector *viz.*, lending, insurance, broking etc. (hereinafter referred to as collectively 'Relevant Parties'). BAIML as a Portfolio Manager may utilize the services of its group companies, associates etc., as and when required with proper disclosure to its Clients.

Conflict of interest may arise between the activities of the Portfolio Manager and the Relevant Parties. It is intended for such conflicts to be managed primarily by complying with the Applicable Law, acting in good faith to develop equitable resolutions of known conflicts and developing policies to reduce the possibilities of such conflict and proper and adequate disclosure to Clients. The Portfolio Manager shall endeavor to ensure that these conflicts do not work to the detriment of the interests of the Client; however, there can be no assurance that they will be able to do so in all instances. Further, the Portfolio Manager shall adopt internal policies and procedures, including investment allocation guidelines, ethical walls, and employee dealing codes, to ensure arm's length treatment and fair allocation among clients. Further, the Portfolio Manager ensures appropriate segregation of roles and systems between the portfolio management business and other business carried out/ proposed to be carried out, to prevent the misuse of information and manage conflicts effectively. Investment decisions are made independently for each product line in the best interest of the respective investors, and no client is given preferential treatment. The Portfolio Manager continues to enhance internal controls and compliance measures to manage such risks.

**(g) Overall Equity Investment Process**

This begins with the investment philosophy.

The Portfolio Manager believes that viewing markets through a political lens helps identify stocks and themes benefiting from macro and political shifts. These themes are then refined through

bottom-up fundamental research to select high-quality companies with sustainable, above-average earnings growth.

**(i) Fundamental Research**

The portfolio construction process begins with fundamental analysis performed by equity analyst(s), which provides the portfolio management team with company and industry research. Investment ideas are also developed by analyzing company and industry information from meetings with the company managements, suppliers, users, competitors, industry consultants and broker research community.

**(ii) Research Process**

The equity research process typically begins with an industry/sector overview to identify industry trends and provide a framework for individual security selection. Fundamental analysis at this level usually involves analysis of unit growth prospects, pricing power, international growth opportunities, the regulatory environment, and economic sensitivity. Analyst(s) develop a robust knowledge of the economic, political and international situations that affect the industries under study.

At the company level, the research analyst(s) assess the quality of products and services, the growth rate of a company *vis-à-vis* its industry, the quality of management, and the company's financial strength. Interactions with company managements through visits and meetings in conferences arranged by brokerage houses are some of the ways in which we evaluate management capabilities.

The analyst(s) research culminates in an assessment of the relative attractiveness of a stock, which is based on valuation, expected earnings growth rates and the analyst's level of confidence in growth rate assumption.

**(iii) Security Coverage**

The Portfolio Manager and the analyst(s) track the stocks that are consistent with investment strategy of the product. In addition to that, research reports provided by our empaneled brokers are also used in the investment process. At meetings, which are typically weekly, analyst(s) highlight industry news and attractive opportunities and present their rationale for the chosen securities. Regular meetings ensure that action-oriented ideas are implemented in a timely manner.

**(iv) Stock Selection**

Stock selection focuses on bottom-up company analysis. At the company level, Portfolio Manager seeks to identify attractively valued companies with strong or improving fundamentals. Portfolio Manager adds value by doing in-house valuation research.

Apart from closely tracking the stocks' unit growth rates, operating margins, price/revenue, earnings revision trends, and price changes, the portfolio management team looks for following characteristics in portfolio:

- Industry operating dynamics;

- High levels of free cash flow;
- High operating margins and return on equity;
- Sustainable earnings growth;
- Attractive valuation;
- Superior management team; and
- High quality franchise, product, or service.

**(v) Sell Decision**

A stock will be reviewed for potential sale if portfolio management team anticipates events and/or trends that may negatively affect valuation or earnings growth; or if an alternative investment with stronger fundamentals and more favorable valuation offers an opportunity for a better return.

Once a sell decision is made, positions are sold either with an option to reinvest in the same stock as a measure of partial and active profit booking or invest into another attractive opportunity.

**(vi) Research Reports**

Equity research reports are prepared by analyst(s) for each fresh buy and complete exit in the PMS portfolios. These reports capture Portfolio Manager's view/ rationale for the decision to buy or sell and also the current valuations of that particular company. Once these reports are prepared, the same is reviewed by Portfolio Manager.

**(h) Overall Debt Investment Process**

**(i) Research Process**

The debt personnel of Portfolio Manager carry out research with respect to the issuer companies. They take the decision to buy/ sell securities based on various factors e.g. the ratings of the securities issued, the returns being offered by the issuer *vis-a-vis* other comparable investment options, the repayment and interest servicing capacity of the issuer company, the purpose for which the debt is being raised by the issuer etc. The broad investment universe is prepared based on the portfolio's objective. The corporate bonds will be carefully screened by the analysts and included in the universe. Any introduction into the investment universe and change to exposure & tenure limits follow a two-tier system, wherein based on certain criteria like rating category, financial ratios etc., limits may be set up at business unit level after approval of the designated authorities/ CEO.

Economic research is carried out both on domestic as well as global indicators, to develop insight into various variables affecting the markets like GDP growth, inflation, Industrial production, public finances, balance of payments, money supply, liquidity position etc. These are monitored on a regular basis through various lenses like time series analysis, de-seasonalizing which help in forecasting each variable and positioning the portfolio in line with the expectation etc.

Fundamental as well as technical analysis of factors mentioned above help in forming a view on rate movements across the yield curve. Research team presents their analysis to the PM on expectations of

movements in yields (short term & long term), spreads etc. helping them plan their portfolio positions accordingly.

Based upon the view formed by the Portfolio Manager, the investment / redemption decisions are taken and relevant trades are passed on to the dealing team which ensures timely execution of Portfolio Manager's orders at best possible levels.

**(i) Investment Process for Advisory Portfolio Management Services**

On a periodic basis, the client is expected to provide holding statement to the Portfolio Manager as agreed. Once the same is reviewed, the Portfolio Manager may recommend changes. Based on the changes recommended, the client may re-align his Portfolio and share the same with the Portfolio Manager at the earliest as per the process set out in the client agreement. Taking an investment/ redemption decision and executing trades, if any for purchase/ sale is at the discretion of the respective client.

**(j) Option to Invest in Derivatives**

The introduction of derivative products in the Indian market has paved the way for more efficient ways of managing and controlling risks and at the same time optimizing gains from a specific position. The portfolio manager shall, wherever deemed appropriate and expedient, deploy client money in derivative products in the client portfolios. However, such positions shall not be leveraged.

**(k) Option to Invest in Debt for Interim Period**

The Portfolio Manager will have the liberty to invest client's funds, pending investment in equities, in short term debt opportunities, such as, income/liquid mutual funds, bank deposits, government securities, etc. There will not be any cap on such investments. However, it will be the endeavor of the Portfolio Manager to remain invested in equity related instruments in accordance with the client profile.

**(l) Option to Invest in Mutual Fund Schemes, REITs and ETFs**

The Portfolio Manager may, in accordance with the client risk profile and asset allocation that he may draw up for a client, invest a part of the client funds in Equity/Debt schemes of mutual funds floated by various fund houses as well as various REITs and ETFs. Such Investments will carry the risk associated with the underlying as well.

As per Regulation 24(5) of the Regulations, the Portfolio Manager may invest in units of Mutual Funds only through direct plans.

**(m) Onboarding Clients:**

The Portfolio Manager may:

- Empanel Distributors/Registered Investment Advisors to on-board the Client.
- On-board the Client directly without intermediation of any Distributors. For more details about the same, the Client is requested to email at [contacts@bajajalts.in](mailto:contacts@bajajalts.in)

## **6) RISK FACTORS**

### **(a) General risk factors**

- (i) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk, etc.
- (ii) The name of any of the Products does not, in any manner, indicate either the quality of the Product or its future prospects or returns. The present products are not guaranteed or assured return products.
- (iii) At times, due to the forces and factors affecting the capital market, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc. or as per the view of the fund manager, the Product may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities amounting to substantial reduction in the earning capability of the Product.
- (iv) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors. The Portfolio Manager would not be liable for any loss caused to the investor by reason of an investment advice made by or on behalf of the investor, whether on the advance of the Portfolio Manager or otherwise. They will however ensure that reasonable care and skill are employed while tendering such advice or making investments on behalf of the client.
- (v) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
- (vi) Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the product will be achieved. The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other employees of the Portfolio Manager have rich individual experience.
- (vii) Risk arising from the investment objective, investment strategy, asset allocation and quant model risk: Market risk, political and geopolitical risk and risk arising from changing business dynamics, which may affect portfolio returns. At times, portfolios of individual clients may be concentrated in certain companies/industries. The performance of the portfolios would depend on the performance of such companies / industries / sectors of the economy.
- (viii) Investors may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

- (ix) The returns of investments in securities would depend on the happening / non-happening of specified events and the returns may or may not accrue to an investor accordingly.
- (x) The Portfolio Manager has included statements / opinions / recommendations in this document, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and similar expressions or variations of such expressions that are “forward looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc.
- (xi) While utmost care has been exercised, BAIML, or any of its officers, employees, personnel, and directors make no representation as to the accuracy, completeness or reliability of the content and hereby disclaim any liability with regard to the same. Recipients of this material should exercise due care and read the disclosure document (including if necessary, obtaining the advice of tax / legal / accounting / financial / other professionals) prior to taking of any decision, acting or omitting to act. The document is solely for the information and understanding of intended recipients only. Further, the recipient shall not copy / circulate contents of this document, in part or in whole, or in any other manner whatsoever without prior and explicit approval of BAIML.
- (xii) The tax implications provided in this document are for general purposes only and is based on advice that the Portfolio Manager has received regarding the law and the practice that is currently in force in India and the client should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each client is advised to consult his/her own professional tax advisor.
- (xiii) The Portfolio Manager is not responsible for risk profiling of prospective and existing investors. The investor should read the disclosure document and terms and conditions of the product properly before making any investment decision.
- (xiv) The Portfolio Manager would be acting on the advice of experts in the relative fields but would not be responsible for any loss occasioned by any act or omission on the part of such persons.
- (xv) To implement a decision of the client regarding investments, the Portfolio Manager would have to employ the services of persons and bodies who are not the Portfolio Manager’s employees and rely on them. While the Portfolio Manager, would exercise all care and take all precautions while employing such persons, it should be understood that the Portfolio Manager would not be liable for any act or omission on the part of such persons engaged by the Portfolio Manager for the purpose of making an investment or disposing off an investment and that the Portfolio Manager would not be liable for any loss caused by any act or omission on the part of such person.

- (xvi) The Portfolio Manager will not be liable for any financial loss arising from the Portfolio Manager not being able to sell the shares on behalf of the client before they are replaced, in case the original shares are lost or stolen whilst shares were in transit.
- (xvii) The Portfolio Manager will also not be liable for any bona fide act of omission or commission or delay in carrying out the instructions of the client.
- (xviii) The Portfolio Manager may not be able to lend out securities which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
- (xix) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavor to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.
- (xx) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
- (xxi) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
- (xxii) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.

Conflict of interest would be inherent between the activities of the Portfolio Manager, portfolio entity/ies and the Related Parties of the Portfolio Manager. BAIML has adopted, inter alia, certain policies and procedures intended to protect the interest of all the investors. It is intended for such conflicts to be managed primarily by complying with the Applicable Laws, acting in good faith to develop equitable resolutions of known conflicts and developing policies to reduce the possibilities of such conflict. The Portfolio Manager shall ensure fair treatment to all its clients in case of conflicts of interest. The attorneys, accountants, and other professionals, who perform services for the BAIML may, and in some cases do, also perform services for the Related Parties of the Portfolio Manager.

**(b) Risks associated with investments in equity and equity related instruments**

Some of the common risks associated with investments in equity and equity linked securities are mentioned below. These risks include but are not restricted to:

- (i) Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- (ii) The value of the portfolio will fluctuate as the daily prices of the individual securities in which they invest fluctuate and may be worth more or less than its original cost, at a given point in time.
- (iii) In respect of investments in equity and equity-related instruments, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities. In the event of an inordinately large number of redemptions or of a restructuring of the schemes' investment portfolio, there may be delays in the redemption.
- (iv) The value of the portfolio may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the portfolio valuation may fluctuate and can go up or down.
- (v) The Portfolio manager may invest in stocks, which may or may not be undervalued with the anticipation of increase in price. However, the stocks may languish and may not attain the anticipated price.
- (vi) The portfolio is subject to investment style risk; the product may have a contrarian style of investment, the portfolio performance may not be in line with the general market in scenarios of strong upward or downward cycles. Further, the prices of securities invested by the product may not behave as expected by Portfolio Manager, this may affect the returns adversely.
- (vii) In Domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in Equity and Equity related securities.
- (viii) In the event of inordinately low volumes, there may be delays with respect to unwinding the portfolio and transferring the redemption proceeds.
- (ix) The portfolio may have higher concentration towards a particular stock or sector, at a given point in time. Any change in government policy or any other adverse development with respect to such a stock or the sector, may adversely affect the value of the portfolio.
- (x) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio,

should there be a subsequent decline in the value of Securities held in the Client's Portfolio.

- (xi) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

**(c) Risks associated with debt and money market securities**

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

- (i) **Interest Rate Risk:** As with all debt securities, changes in interest rates will affect the valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of Portfolios. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.
- (ii) **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Product and may lead to the Product incurring losses till the security is finally sold. This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). Any investment in fixed income carries high degree of risk due to their illiquidity. Additionally, there may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client's portfolio. Such investments may be of a medium-to-long term nature. However, there can be no guarantee that such realizations shall be achieved and the Portfolio's investments may remain illiquid. The Portfolio may have Securities that have limited liquidity and consequently, the Portfolio Manager may not be able to liquidate the investment in such Security. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of 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 un-invested and no return is earned thereon.
- (iii) **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk.

Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk. The fund manager will endeavor to manage credit risk through in-house credit analysis. The Products may also use various hedging products from time to time, as are available and permitted by SEBI, to attempt to reduce the impact of undue market volatility on the Product's portfolios.

- (iv) **Credit Rating Risk:** Different types of securities in which the products would invest as given in the product note carry different levels and types of risk. Accordingly, the product's risk may increase or decrease depending upon their investment patterns. E.g. corporate bonds carry a higher amount of risk than Government securities. Further, even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.
- (v) **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk refers to the fall in the rate for reinvestment of interim cash flows. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.
- (vi) **Pre-payment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the product to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.
- (vii) The above are some of the common risks associated with investments in fixed and money market securities including derivatives. There can be no assurance that a Portfolio's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

**(d) Risks factors associated with derivatives instruments**

- (i) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.
- (ii) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require

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

**(e) Risks factors associated with investments in mutual fund/ ETFs**

- (i) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
- (ii) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- (iii) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- (iv) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.
- (v) The Portfolio Manager shall not be responsible if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- (vi) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- (vii) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- (viii) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend

to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

- (ix) Mutual funds invest across equity, money market & debt instruments. The risk factors affecting such instruments are mainly as follows- Market risk, Inflation risk, Interest rate risk, Currency risk, Credit risk, Regulatory/legal risk.
- (x) The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds or in money market instruments. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible.
- (xi) Liquid fund returns are not guaranteed and it entirely depends on market movements.
- (xii) If portfolio proposes to invest in ETFs / Mutual Fund schemes, there will be a double layer of charges, one from the underlying ETFs / Mutual Fund schemes and the other at the portfolio level and all the risks related to the underlying ETFs and mutual fund schemes are by default the risk associated with the Portfolio.
- (xiii) The Portfolio Manager may, in accordance with the investment strategy agreed with the client, invest all or part of the client's portfolio in units of mutual fund schemes that are managed by the Portfolio Manager itself (in its capacity as an Asset Management Company registered under the SEBI (Mutual Funds) Regulations, 1996). While such investments may offer access to professionally managed, diversified portfolios, they also involve an inherent conflict of interest, as the Portfolio Manager may derive management fees or other benefits from the mutual fund schemes in addition to the portfolio management fee.

**(f) Risk of quantitative investing**

- (i) Asset allocation based on quantitative analysis may perform differently from the market as a whole due to the factors used in the analysis and the weight placed on each factor and markets behaves differently from the factor's historical trends.
- (ii) If the strategy of the portfolio is to always remain diversified across all asset class, it may tend to underperform the best performing asset class at any given point of time.
- (iii) If portfolio seeks to allocate assets dynamically, based on certain market factors, there could be times when the allocation calls may go wrong. In other words, portfolio may go overweight on an asset class, which subsequently may underperform or vice versa. However, the severity of impact will be lower due to its built-in feature of asset allocation.
- (iv) If portfolio proposes to invest in ETFs / Mutual Fund schemes, there will be a double layer of charges, one from the underlying ETFs / Mutual Fund schemes and the other at the portfolio level and all the risks related to the underlying ETFs and mutual fund schemes are by default the risk associated with the Portfolio.

**(g) Risk arising out of concentration and non-diversification**

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

**(h) Risk arising out of investment in associate and related party transactions**

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

**(i) Risk associated with Advisory Services**

The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the investment / divestment of securities and / or an administrative activity on the client's portfolio.

**(j) Management and operational risks**

- (i) Reliance on the Portfolio Manager: The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of portfolio entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time. The Portfolio Manager may appoint and rely

on one or more key personnel and any change/removal of such key personnel may have material adverse effect on the returns of the Client.

Further, the investment decisions made by the Portfolio Manager may not always be profitable. Moreover, investments made by the Portfolio Manager are subject to risks arising from the investment objectives, Investment Approach, investment strategy and asset allocation.

- (ii) Termination Fee: Client may have to pay a high termination fee to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client). Please see the 'Other Charges' stated in 'Nature of Expenses' at section 7 of the Disclosure Document. In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regards to the Portfolio except as may be provided in the Agreement and in the Regulations.
- (iii) Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. However, the Portfolio Manager will attempt to maintain a diversified portfolio in order to minimize this risk.
- (iv) No Guarantee: Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

**(k) Legal and Tax risk**

- (i) Tax Risks: Clients are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Portfolio are subject to change, and tax liabilities could be incurred by the Clients as a result of such change. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the portfolio companies. The tax consequences of an investment in the portfolio companies are complex, and the full tax impact of an investment in the portfolio companies will depend on circumstances particular to each Client. Furthermore, the tax laws in relation to the Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes. Alternative tax positions adopted by the income tax authorities could also give rise to incremental tax liabilities in addition to the tax amounts already paid by the Client. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Portfolio's profitability.
- (ii) Bankruptcy of Portfolio Entity: Various laws enacted for the protection of creditors may operate to the detriment of the Portfolio Manager, if it is a creditor of a portfolio company that experiences financial difficulty. For example, if a portfolio company becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the portfolio company to other creditors. If the Portfolio Manager holds equity securities in any portfolio company that becomes insolvent or bankrupt, the risk of subordination of the Portfolio Manager's claim increases.

- (iii) Change in Regulation: Any change in the Regulation and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the Portfolio Manager Services.

## **7) NATURE OF EXPENSES**

The following are indicative types of costs and expenses for Clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Agreement.

### **(a) Management Fees/Advisory Fee**

Subject to regulatory limits, the management fees relates to the portfolio management services offered to Clients. The fee may be a fixed charge or upto 2.5% (Two and Half Percent) plus applicable taxes per annum of the AUM or as agreed with the Client in the PMS Agreement.

Advisory fees relates to the advisory services offered to the Client. The fee may be a fixed charge or up to 2.5% (Two and Half Percent) plus applicable taxes of the AUA, as agreed in the Agreement.

Subject to regulatory limits, the Portfolio Manager may charge a performance fee in the range of 10% (Ten Percent) to 50% (Fifty Percent) (plus applicable taxes) of the profits generated, calculated over a hurdle rate of 6% (Six Percent) to 15% (Fifteen Percent) per annum or such other benchmark or hurdle as agreed with the Client, and subject to the high-water mark principle, as detailed in the PMS Agreement.

Provided the Portfolio Manager shall not charge any up-front fees to the Client whether directly or indirectly.

### **(b) Other charges**

The other charges include the following expenses, and shall be charged at actuals:

#### **(i) Custodian & fund accounting charges**

Charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.

Custody of all securities of the Client shall be with a custodian appointed by the Portfolio Manager from time to time, at its discretion. Currently, the Portfolio Manager avails custodial, depository and fund administration services from ICICI Bank Ltd and may appoint additional custodians in the future, if required.

The Custodian shall act on the instructions of the Portfolio Manager.

All custodian, depository and fund accounting fees and charges shall be borne and paid by the Client.

The Portfolio Manager shall not be liable for any act or omission of the Custodian, whether or not such act or omission is pursuant to the instructions of the Portfolio Manager, that results in or may result in any loss or damage to the Client.

Such charges may include fees relating to the opening and operation of dematerialised accounts, fund accounting, NAV computation, custody and transfer of securities (including

shares, bonds and units), dematerialisation, and any other charges connected with the operation and management of the depository accounts.

**(ii) Brokerage and transaction expenses**

Brokerage charges and other transaction related charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.

**(iii) Registrar and transfer agent fee**

Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.

**(iv) Exit Load**

Subject to Applicable Law and the terms of the PMS Agreement, the Portfolio Manager may choose to charge exit load to the Client in the following manner:

- Within 1 year from the date of each investment allocation: maximum 3% (Three Percent) of the amount redeemed;
- Within 2 years from the date of each investment allocation: maximum 2 % (Two Percent) of the amount redeemed;
- Within 3 years from the date of each investment allocation: maximum 1% (One Percent) of the amount redeemed.

The exit load shall be in addition to any applicable taxes, statutory levies or other charges, and shall be levied strictly in accordance with the terms agreed with the Client and Applicable Law and subject to taxes on such exit load, if any.

**(v) Taxes**

All applicable taxes incurred on the transactions entered into for and on behalf of the Client, including but not limited to Goods and service tax and securities transaction tax.

- (vi) Others:** Any other charges (such as audit fee etc), if applicable, shall be at actuals. However, operating expenses (excluding brokerage), over and above the fees charged for PMS shall not exceed 0.50% (Zero point Five Zero Percent) per annum of the Client's average daily AUM.

## 8) TAXATION

The information set out below outlines the tax implications based on the relevant provisions of the Indian Income-tax Act, 2025 (the "IT Act").

### (a) General

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

### (b) Tax Deducted at Source

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

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

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

### (c) Long Term Capital Gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under Section 67 of the IT Act.

#### (i) Period of Holding

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

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

#### **A. Definition of Specified Mutual Funds**

Before April 1, 2025 – “Specified Mutual Fund” means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.”

After April 1, 2025 – “(a) a Mutual Fund by whatever name called, which invests more than sixty five per cent. of its total proceeds in debt and money market instruments; or (b) a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).”

#### **B. Definition of Debt and Money Market Instruments**

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

### **C. Definition of Market Linked Debenture**

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

### **D. For Listed Equity Shares in a Domestic Company or Units of Equity-oriented Fund or Business Trust**

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

As per section 198 of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from July 23, 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

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

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

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto January 31, 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the January 31, 2018, or which became the property of the assesses in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 70 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

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

No deduction under Chapter VIII or rebate under Section 156 will be allowed from the above long term capital gains.

**E. For Other Capital Assets (Securities and Units) in the hands of Resident of India**

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

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

**F. For Capital Assets in the Hands of Foreign Portfolio Investors (FPIs)**

Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 208) are taxable at the rate of 10% under Section 210 of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from July 23, 2024. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

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

**G. For Other Capital Asset in the Hands of Non-Resident Indians**

Under section 214 of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 212 (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from July 23, 2024.

**(d) Short Term Capital Gains**

Section 196 of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such

transactions are entered on recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from July 23, 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 72 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

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

The Specified Mutual Funds or Market Linked Debentures acquired on or after April 1, 2023 will be treated as short term capital asset irrespective of period of holding as per Section 76 of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 76 of the IT Act with effect from July 23, 2024.

**(e) Profits and Gains of Business or Profession**

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head "Profits and Gains of Business or Profession" under section 26 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

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

**(f) Losses Under the Head Capital Gains/ Business Income**

In terms of section 108 read with section 111 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

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

**(g) General Anti-Avoidance Rules (GAAR)**

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

- i. The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;

- ii. It results in directly / indirectly misuse or abuse of the IT Act;
- iii. It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- iv. It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

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

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

The GAAR provisions would override the provisions of a treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 128 to 130 of the Income-tax Rules, 2026. The Income-tax Rules, 2026 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

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

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

#### **(h) FATCA Guidelines**

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 166 for every calendar year by 31 May. The reporting financial institution is expected to maintain and report the following information with respect to each reportable account:

- (i) the name, address, taxpayer identification number and date and place of birth;
- (ii) where an entity has one or more controlling persons that are reportable persons:
  - A. the name and address of the entity, TIN assigned to the entity by the country of its residence; and

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

**(i) Goods and Services Tax on Services Provided by the Portfolio Manager**

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

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

## 9) ACCOUNTING POLICIES

Following key policies shall be followed:

### (a) Client Accounting

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

### (b) Recognition of Portfolio Investments and Accrual of Income

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

- (vi) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- (vii) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

**(c) Valuation of Portfolio Investments**

- (i) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than 30 (Thirty) days prior to the valuation date.
- (ii) Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.
- (iii) Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.
- (iv) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.
- (v) In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

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

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

## 10) INVESTOR SERVICES

BAIML seeks to provide PMS clients a high standard of service and is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. At BAIML, we believe it is imperative that an investor invests in a product that suits his risk-return profile; and to achieve this objective, we extend the scope of “client service” to ensure client – product suitability as a first step in this direction.

SEBI vide its circular SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 dated June 07, 2024, on ‘Publishing of Investor Charter and disclosure of Investor Complaints by Portfolio Managers on their websites’ ("Circular") has directed all the Portfolio Managers to provide relevant information to the investors about the various activities pertaining to PMS by way of an Investor Charter. In view of the same, please find Investor Charter on our website at [www.bajajalts.in](http://www.bajajalts.in).

The Client servicing essentially involves:

- (a) Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- (b) Attending to and addressing any client query with least lead time; and
- (c) Ensuring portfolio reviews at predefined frequency.

**Name, address and telephone number of the Investor Relation Officer who shall attend to the investor queries and complaints:**

Mr. Shivam Pandey  
Compliance Officer

Correspondence Address: Floor 16, B Wing, The Capital, G-Block,  
Bandra Kurla Complex, Mumbai – 400 051, Maharashtra, India .  
Tel: +91 022 50900697  
Email: [compliance@bajajalts.in](mailto:compliance@bajajalts.in)

**Grievance redressal and dispute settlement mechanism:**

### **Grievance Redressal:**

The aforesaid personnel of BAIML shall attend to and address any client query or concern as soon as practicably possible.

Investors may also register/lodge complaints online on SCORES (SEBI Complaints Redressal System) Portal i.e. <https://scores.sebi.gov.in/> by clicking on “Complaint Registration” under “Investor Corner”.

With reference to SEBI Circular RefNo SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 (updated as on December 20, 2023) w.r.t Online Resolution of Disputes in the Indian Securities Market, the smart ODR details is provided on our website. The Smart ODR link is <https://smartodr.in/login>

### **Dispute Settlement Mechanism:**

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms: -

It is Mandatory for the Client having grievance to take up the matter directly with the Portfolio Manager. The Portfolio Manager shall redress the grievance within 21 (Twenty-one) calendar days from the date of receipt of the complaint. The soft copies / hard copies of the complaints received from the customers are preserved by the Portfolio Manager for future reference, if required.

If Clients are still not satisfied with the response from BAIML, they can lodge their grievances with SEBI at <https://scores.sebi.gov.in/> or may also write to any of the offices of SEBI or contact SEBI Office on Toll Free Helpline at 1800 266 7575 / 1800 22 7575. The complaint shall be lodged on SCORES within one year from the date of cause of action, where,

- The complainant has approached BAIML, for redressal of the complaint and, BAIML has rejected the complaint or,
- The complainant has not received any communication from BAIML or,
- The complainant is not satisfied with the reply received or the redressal action taken by BAIML.

SCORES may be accessed through SCORES mobile application as well. If the investor is not satisfied with the extent of redressal of grievance by BAIML, there is a one-time option for 'review' of the extent of the redressal, which can be exercised within 15 (Fifteen) days from the date of closure of the complaint on SCORES. Thereafter, the complaint shall be escalated to the supervising official of the dealing officer of SEBI.

After exhausting all aforementioned options for resolution, if the client is not satisfied, they can initiate dispute resolution through the Online Dispute Resolution Portal (ODR) at <https://smartodr.in/login>.

Alternatively, the client can directly initiate dispute resolution through the ODR Portal if the grievance lodged with the Portfolio Manager is not satisfactorily resolved or at any stage of the subsequent escalations mentioned above.

The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in SCORES guidelines or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law.

The process on Online Dispute Resolution Mechanism is available at [www.bajajalts.in](http://www.bajajalts.in).

## **11) DETAILS OF DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER**

The Portfolio Manager offers Portfolio Management Services based on defined investment approaches, each of which is described in this Document. These investment approaches are structured to reflect specific investment philosophies, risk-return profiles, and asset allocation strategies. Diversification across asset classes, sectors, instruments, or issuers is undertaken to the extent it aligns with the underlying investment approach.

The Portfolio Manager is not under any obligation to ensure diversification of the Portfolio and may at its discretion hold a concentrated portfolio of investments in a few securities or single security. Accordingly, Portfolios may, depending on the chosen investment approach, be relatively concentrated in specific securities or sectors, where such concentration is inherent to the strategy. This may increase exposure to company- or sector-specific risks and may result in higher volatility or sharper drawdowns in adverse market conditions.

While diversification may be considered during portfolio construction and review, the extent of diversification is not uniform across investment approaches and is not assured. The Portfolio Manager retains the discretion to construct concentrated or focused portfolios where appropriate, in line with the client's selected investment approach. Clients are advised to carefully evaluate the features and risk factors of the chosen investment approach prior to investment.

## 12) GENERAL

### (a) Prevention of Money Laundering

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). Director, FIU-IND and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that all registered intermediaries to formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' (KYC) norms.

Further, SEBI vide Master Circular No. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78 dated June 06, 2024 (which supersedes all the earlier circular) issued a 'Master Circular for Guidelines on Anti Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules frame thereunder' consolidating all the requirements/instructions/obligations of Securities Market Intermediaries.

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

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 2025, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and the investor is duly entitled to invest the said funds.

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

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

The Portfolio Manager may not seek fresh KYC from the Clients who are already KYC Registration Agency ("KRA") compliant except the information required under any new

KYC requirement. The Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

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

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

**PART-II**

**Dynamic section**

**1) CLIENT REPRESENTATION FOR ALL PRODUCTS**

Category of Clients		No. of Clients				Funds Managed (INR Crores)				Discretionary/ Advisory/ Non-Discretionary
		As on 31/03/26	As on 31/03/25	As on 31/03/24	As on 31/03/23	As on 30/11/25	As on 31/03/25	As on 31/03/24	As on 31/03/23	
1	Associates/ Group Companies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Advisory
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Discretionary
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Non-Discretionary
2	Others	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Advisory
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Discretionary
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Non-Discretionary
<b>Total</b>		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

**2) COMPLETE DISCLOSURE IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES AS PER THE STANDARDS SPECIFIED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

Disclosure in respect of related parties of BAIML pursuant to Ind AS 24 in Audited Accounts for the period ended March 31, 2026.

- (a) List of Related Parties with whom transactions entered during the period ended March 31, 2026

Sr. No.	Particulars
1.	Bajaj Finserv Limited
2.	Bajaj Financials Securities Limited
3.	Bajaj General Insurance Limited ((formerly Bajaj Allianz General Insurance Company Limited))
4.	Bajaj Holdings & Investment Limited

- (b) Transactions with Related Parties (Standalone Figures) (in INR Lakh) (as at March 31, 2026)

Name of related party	Nature of transaction	Transaction value	Outstanding balance
Bajaj Finserv Ltd.	Contribution to equity 2,00,00,000 shares of ₹ 10 each	2,000.00	2,000.00
	Revenue expenses reimbursement paid	3.98	-
	Assets purchased	12.28	-
Bajaj Financials Securities Limited	Assets purchased	32.11	
	Other services	9.94	
Bajaj General Insurance Limited	Insurance premium paid	2.29	
Bajaj Holdings & Investment Limited	Security deposit paid	394.01	394.01
	Revenue expenses reimbursement paid	5.69	

**3) THE FINANCIAL PERFORMANCE OF BAIML (BASED ON STANDALONE AUDITED FINANCIAL STATEMENTS)**

The Portfolio Manager was incorporated on August 29, 2025 and is a newly incorporated company under the Companies Act, 2013. Accordingly, the Portfolio Manager only has audited financial statements for the period ended March 31, 2026.

*Statement of Profit and Loss account*

[Rs in Lakh]

Particulars	Period ended March 31, 2026
Total Income	36.93
Total Expenses	1,088.51
Loss before tax	(1,051.58)
Tax Expenses	(7.59)
Loss for the period	(1,043.99)

*Balance Sheet as at March 31, 2026*

[Rs in Lakh]

Particulars	As at March 31, 2026
Financial Assets	1,219.59
Non-Financial Assets	300.06
<b>Total Assets</b>	<b>1,519.65</b>
Financial Liabilities	470.95
Non-Financial Liabilities	92.69
Equity	956.01
<b>Total Liabilities and Equity</b>	<b>1,519.65</b>

*Statement of cashflow for the period ended March 31, 2026*

[Rs in Lakh]

Particulars	Period ended March 31, 2026
Net cash used in operating activities	(959.06)
Net cash used in investing activities	(1,040.19)
Net cash generated from financing activities	2000.00
Net change in cash and cash equivalents	0.75
Cash and cash equivalents as at August 29, 2025	-
Cash and cash equivalents as at the end of the period March 31, 2026	0.75

The net worth of the Portfolio Manager as on March 31, 2026 is INR 9,56,01,917 (Indian Rupees Nine Crore Fifty Six Lakh One Thousand Nine Hundred and Seventeen).

**4) PERFORMANCE OF PORTFOLIO MANAGER**

Portfolio Management performance of the portfolio manager for the last three years in case of discretionary Portfolio - disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the Regulations:

The Portfolio Manager was incorporated on August 29, 2025, and is a newly incorporated company under the Companies Act, 2013. Accordingly, the Portfolio Manager has no previous experience or track record in portfolio management activities.

**5) AUDIT OBSERVATIONS**

The Portfolio Manager was incorporated on August 29, 2025, and is a newly incorporated company under the Companies Act, 2013; and hence, only has audited financial statements for the period ended March 31, 2026, which had no audit observations.

**6) DETAILS OF INVESTMENTS IN SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER**

Disclosure as per SEBI Circular dated August 26, 2022:




Investments in the securities of associates / related parties of Portfolio Manager as on March 31, 2026:

Sr. No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on November 30, 2025 (INR Crores)	Value of investment as on November 30, 2025 (INR Crores)	Percentage of total AUM as on November 30, 2025
NIL					

Place: Mumbai

Dated: 04 May 2026

For an on behalf of Bajaj Alternate Investment Management Limited

Mr. Archit Singhal Principal Officer Head - PMS	:		
Mr. Jitendra Gohil Chief Investment Officer – Listed Equity	:		

## ANNEXURE I

### Investment Approach of the Portfolio Manager:

#### 1) Bajaj Alts Flexicap Strategy – Discretionary PMS:

- (a) **Investment Objective:** To generate sustainable long-term returns by investing in Equity & Equity related instruments (including ETFs/REITs/InvITs/Mutual Funds) across market capitalizations. There can be no assurance that the portfolio will achieve its investment objective.
- (b) **Description of Securities:** Equity and Equity-related instruments (including units of Mutual Funds/ETFs/REITs/InvITs) or other permissible securities/products in accordance with the Applicable Laws.
- (c) **Investment Philosophy:** The Portfolio Manager believes that viewing markets through a political lens helps identify stocks and themes benefiting from macro and political shifts. These themes are then refined through bottom-up fundamental research to select high-quality companies with sustainable, above-average earnings growth.
- (d) **Portfolio Construction:** Based on the risk profile of the Client and the Portfolio Manager's assessment of the market conditions, the Portfolio shall be constructed via buy, sale or rebalance of securities carried out by the Portfolio Manager as per the allocation provided herein below.
- (e) **Allocation:** Category allocation may vary depending on market conditions. The portfolio manager reserves the right to move allocation 100% to any one category. In addition, the Portfolio Manager may, at his discretion, allocate to ETFs (including commodity / global markets) or cash / liquid investments based on market conditions or geopolitical uncertainty. Such allocation may not have any restrictions or limits.

Category	Allocation
Large cap	50%
Mid & Small cap	50%
Permissible deviation	±100%

*Note: The above allocation does not pertain to the client portfolio received via security – in.*

- (f) **Benchmark:** The Portfolio Manager endeavours to invest in a portfolio of companies across market capitalisation. Effective April 1, 2023 SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, BSE 500 TRI was considered to be most appropriate
- (g) **Rationale of selection of Benchmark:** Since the portfolio companies shall be combination of small cap, mid cap and large cap companies, in order to reflect the flexicap nature of the strategy, BSE 500 TRI has been selected.
- (h) **Indicative tenure or investment horizon:** Typically, investments will have a medium to long term time horizon of 3-5 years.
- (i) **Minimum Investment:** As prescribed under the PMS Regulations (currently INR 50,00,000 (Indian Rupees Fifty Lakh)).

(j) **Lock-in Period:** There is no lock period under Discretionary- Portfolio Management Service.

(k) **Exit Load:**

Subject to Applicable Law and the terms of the PMS Agreement, the Portfolio Manager may choose to charge exit load to the Client in the following manner:

- Within 1 year from the date of each investment allocation: maximum 3% (Three Percent) of the amount redeemed;
- Within 2 years from the date of each investment allocation: maximum 2% (Two Percent) of the amount redeemed; and
- Within 3 years from the date of each investment allocation: maximum 1% (One Percent) of the amount redeemed.

The exit load shall be in addition to any applicable taxes, statutory levies or other charges, and shall be levied strictly in accordance with the terms agreed with the Client and Applicable Law and subject to taxes on such exit load, if any.

(l) **Risk Associated with the strategy:**

The Portfolio shall be subject to risk factors as stated in section 6 of the Disclosure Document. In addition to the aforesaid risk factors, following are the additional risk factors associated with varied investments:

- Company risk: The performance of the investment approach will depend upon the business performance of the portfolio entities and its future prospects. The Portfolio Manager's focus on studying the business with focus on studying the balance sheet will help the Portfolio Manager in mitigating these sector or company risks.
- Valuation risk: The Portfolio Manager will assess the portfolio entities from varied valuation parameters in order to establish whether the valuations are reasonable while investing and reassess the same from time to time.
- Market risk: The Portfolio Manager endeavours to invest in companies using bottom up fundamental research rather than trying to time the markets. However, the Portfolio Manager will monitor the market and economic circumstances from time to time that may affect the performance of the portfolio entities.
- Liquidity risk: While investing in equities and portfolio entities, liquidity constraints are potential near-term risk while investing and disinvesting the portfolio entities. The Portfolio Manager endeavours to mitigate the risks by investing with a medium to long term time horizon.
- Concentration Risk: Endeavor to have adequately diversified portfolio across sectors and stocks.

**2) Bajaj Alts Flexicap Strategy – Non-Discretionary PMS:**

(a) **Investment Objective:** To generate sustainable long-term returns by investing in Equity & Equity related instruments (including ETFs/REITs/InvITs/Mutual Funds) across market

capitalizations. There can be no assurance that the portfolio will achieve its investment objective.

- (b) **Description of Securities:** Equity and Equity-related instruments (including units of Mutual Funds/ETFs/REITs/InvITs) or other permissible securities/products in accordance with the Applicable Laws.
- (c) **Investment Philosophy:** The Portfolio Manager believes that viewing markets through a political lens helps identify stocks and themes benefiting from macro and political shifts. These themes are then refined through bottom-up fundamental research to select high-quality companies with sustainable, above-average earnings growth.
- (d) **Portfolio Construction:** Based on the risk profile of the Client and the Portfolio Manager's assessment of the market conditions, the Portfolio shall be constructed via buy, sale or rebalance of securities carried out by the Portfolio Manager, after obtaining approval from clients in Non-Discretionary PMS, as per the allocation provided herein below.
- (e) **Allocation:** Category allocation may vary depending on market conditions. The portfolio manager reserves the right to move allocation 100% to any one category. In addition, the Portfolio Manager may, after taking approval from clients in Non-Discretionary PMS, allocate to ETFs (including commodity / global markets) or cash / liquid investments based on market conditions or geopolitical uncertainty. Such allocation may not have any restrictions or limits and may be taken in the portfolio in accordance with the risk mandate of the client.

Category	Allocation
Large cap	50%
Mid & Small cap	50%
Permissible deviation	±100%

*Note: The above allocation does not pertain to the client portfolio received via security – in.*

- (f) **Benchmark:** The Portfolio Manager endeavours to invest in a portfolio of companies across market capitalisation. Effective April 1, 2023 SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, BSE 500 TRI was considered to be most appropriate.
- (g) **Rationale of selection of Benchmark:** Since the portfolio companies shall be combination of small cap, mid cap and large cap companies, in order to reflect the flexicap nature of the strategy, BSE 500 TRI has been selected.
- (h) **Indicative tenure or investment horizon:** Typically, investments will have a medium to long term time horizon of 3-5 years.
- (i) **Minimum Investment:** As prescribed under the PMS Regulations (currently INR 50,00,000 (Indian Rupees Fifty Lakh)).
- (j) **Lock-in Period:** There is no lock period under Non-Discretionary Portfolio Management Service.
- (k) **Exit Load:**

Subject to Applicable Law and the terms of the PMS Agreement, the Portfolio Manager may choose to charge exit load to the Client in the following manner:

- Within 1 year from the date of each investment allocation: maximum 3% (Three Percent) of the amount redeemed
- Within 2 years from the date of each investment allocation: maximum 2 % (Two Percent) of the amount redeemed
- Within 3 years from the date of each investment allocation: maximum 1% (One Percent) of the amount redeemed.

The exit load shall be in addition to any applicable taxes, statutory levies or other charges, and shall be levied strictly in accordance with the terms agreed with the Client and Applicable Law and subject to taxes on such exit load, if any.

**(l) Risk Associated with the strategy:**

The Portfolio shall be subject to risk factors as stated in section 6 of the Disclosure Document. In addition to the aforesaid risk factors, following are the additional risk factors associated with varied investments:

- Company risk: The performance of the investment approach will depend upon the business performance of the portfolio entities and its future prospects. The Portfolio Manager's focus on studying the business with focus on studying the balance sheet will help the Portfolio Manager in mitigating these sector or company risks.
- Valuation risk: The Portfolio Manager will assess the portfolio entities from varied valuation parameters in order to establish whether the valuations are reasonable while investing and reassess the same from time to time.
- Market risk: The Portfolio Manager endeavours to invest in companies using bottom up fundamental research rather than trying to time the markets. However, the Portfolio Manager will monitor the market and economic circumstances from time to time that may affect the performance of the portfolio entities.
- Liquidity risk: While investing in equities and portfolio entities, liquidity constraints are potential near-term risk while investing and disinvesting the portfolio entities. The Portfolio Manager endeavours to mitigate the risks by investing with a medium to long term time horizon.
- Concentration Risk: Endeavor to have adequately diversified portfolio across sectors and stocks.