MOLECULE VENTURES LLP

DISCLOSURE DOCUMENT

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

Declaration:

a) The Disclosure Document (hereinafter referred as the **"Document"**) has been filed with the Securities and Exchange Board of India (**"SEBI"**) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (**"Regulations"**).

b) The purpose of this Document is to provide essential information about the portfolio services in a manner to assist and enable the Investors in making informed decision for engaging "Molecule Ventures LLP" (hereinafter referred as the **"Portfolio Manager"**) as the portfolio manager.

c) The Document contains the necessary information about the Portfolio Manager required by an Investor before investing and the Investor may also be advised to retain the Document for future reference.

d) The name, phone number, e-mail address of the Principal Officer as designated by the Portfolio Manager along with the address of the Portfolio Manager are as follows:

PRINCIPAL OFFICER	PORTFOLIO MANAGER
Name : Mr. Nirav Parikh **Phone :** +91 7574960783 **E-Mail :** info@moleculeventures.in	**Molecule Ventures LLP** **Registered address**: Office No. B-904, Tower-B, Swastik Universal, Near Valentine Cinema, Dumas Road, Surat - 395007, Gujarat, India **Correspondence address**: 1302, B-Wing, Naman Midtown Building, FP No. 616 Tulsi Pipe Road, Dr. Ambedkar Nagar, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400013, Maharashtra, India

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1. Disclaimer

a) Particulars of this Document have been prepared in accordance with the Regulations as amended till date and filed with SEBI.

b) This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2. Definitions

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

1) **"Act"** means the Securities and Exchange Board of India Act, 1992.

2) **"Accreditation Agency"** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.

3) **"Accredited Investor"** means any person who is granted a certificate of accreditation by an accreditation agency who:

   i. in case of an individual, HUF, family trust or sole proprietorship has:
      a. annual income of at least two crore rupees; or
      b. net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
      c. annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.

   ii. in case of a body corporate, has net worth of at least fifty crore rupees;

   iii. in case of a trust other than family trust, has net worth of at least fifty crore rupees;

   iv. in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

4) **"Advisory Services"** means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.

5) **"Agreement"** or **"Portfolio Management Services Agreement"** or **"PMS Agreement"** means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.

6) **"Applicable Law/s"** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.

7) **"Assets Under Management"** or **"AUM"** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.

8) **"Associate"** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.

9) **"Benchmark"** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.

10) **"Board"** or **"SEBI"** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

11) **"Business Day"** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.

12) **Capital Contribution:** means the sum of money or securities or combination thereof, contributed by the client simultaneously upon execution of the agreement or any time thereafter, subject to a minimum of INR 50,00,000 (Indian Rupees Fifty Lakhs) or such other higher amount as may be specified by the Portfolio Manager in compliance with applicable laws.

13) **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.

14) **"Client(s)" / "Investor(s)"** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.

15) **"Custodian(s)"** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.

16) **"Depository"** means the depository as defined in the Depositories Act, 1996 (22 of 1996).

17) **"Depository Account"** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.

18) **"Direct on-boarding"** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

19) **"Disclosure Document" or "Document"** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.

20) **"Distributor"** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).

21) **"Eligible Investors"** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.

22) **"Fair Market Value"** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.

23) **"Financial Year"** means the year starting from April 1 and ending on March 31 in the following year.

24) **"Funds"** or **"Capital Contribution"** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.

25) **"Group Company"** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.i

26) **"HUF"** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.

27) **"Investment Approach"** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.

28) **"IT Act"** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.

29) **"Large Value Accredited Investor"** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.

30) **Management Fee:** means the management fee payable to the Portfolio Manager in accordance with the terms of the agreement and this document.

31) **"Non-resident Investors"** or **"NRI(s)"** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.

32) **"NAV"** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.

33) **"NISM"** means the National Institute of Securities Markets, established by the Board.

34) **Performance Fee:** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the agreement and this document.

35) **"Person"** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.

36) **PMS:** means 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.

37) **PML Laws:** means the Prevention of Money Laundering Act, 2002, Prevention of Money- laundering (Maintenance of records) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.

38) **"Portfolio"** means the total holdings of all investments, Securities and Funds belonging to the Client.

39) **Portfolio Entity:** means companies, enterprises, bodies corporate, or any other entities in the securities of which the monies from the client portfolio are invested subject to applicable laws.

40) **Portfolio Investments:** means investments in securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the client under the PMS from time to time.

41) **"Portfolio Manager"** means Molecule Ventures LLP, a Limited Liability Partnership incorporated under the provisions of Limited Liability Partnership Act, 2008 and having its registered office at **Office No. B-904, Tower-B, Swastik Universal, Near Valentine Cinema, Dumas Road, Surat - 395007, Gujarat, India**, which pursuant to a contract or arrangement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client/Investor, as the case may be.

42) **"Principal Officer"** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:

    i. the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
    ii. all other operations of the Portfolio Manager

43) **"Regulations"** or **"SEBI Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.

44) **"Related Party"** means –

    i. a director, partner or his relative;
    ii. a key managerial personnel or his relative;
    iii. a firm, in which a director, partner, manager or his relative is a partner;
    iv. a private company in which a director, partner or manager or his relative is a member or director;
    v. a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;

vi. any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;

vii. any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

viii. any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;

ix. a related party as defined under the applicable accounting standards;

x. such other person as may be specified by the Board:

Provided that,

a. any person or entity forming a part of the promoter or promoter group of the listed entity; or

b. any person or any entity, holding equity shares:

i. of twenty per cent or more; or

ii. of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;

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

46) **"SEBI"** shall mean the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

47) **Term:** means the term of the agreement as reflected in the respective agreement entered with the client by the Portfolio Manager.

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

(i) History, Present business and Background of the Portfolio Manager

The Portfolio Manager is incorporated (date of incorporation: September 24, 2020) under the provisions of Limited Liability Partnership Act, 2008, having its registered office at **Office No. B-904, Tower-B, Swastik Universal, Near Valentine Cinema, Dumas Road, Surat - 395007, Gujarat, India**. The Portfolio manager is registered with SEBI bearing registration number-INP000007216.

It seeks to provide Discretionary Portfolio Management Services, and if opportunity arises, then, also render Non-Discretionary Portfolio Management Services and Advisory Services to all categories of permissible investors.

(ii) Promoters of the Portfolio Manager, directors and their background

As the Portfolio Manager is incorporated in the form of Limited Liability Partnership, there are no promoters in the Portfolio Manager.

Partners of the Portfolio Manager and their background:

a. Mr. Nirav Parikh

While working with India SME Investments LLP (during January 2019 to November 2020), Mr. Parikh was deeply involved in ideation and proprietary research. His sophisticated sectoral knowledge and rich investing experience in small and mid-size companies has proven to be instrumental to the fund in ideation and proprietary research.

Prior to that, he worked with Ghalla Bhansali Stock Brokers Pvt. Ltd. (June 2012 to January 2019). He was a part of the Portfolio Management Division of Ghalla Bhansali Stock Brokers Pvt. Ltd., where he was instrumental in taking buy and sell decisions for the client portfolios. He was also instrumental in increasing the Asset Under Management of the company from INR 40 crores to INR 130 crores. While working at the Company, his focus was on the small and mid-cap end of the market with a bottom-up stock picking and thematic approach.

At Alchemy Capital Management Private Ltd. (during September 2009 to March 2011), he was a part of the Portfolio Management Division, where he was involved in conducting research and assisting/advising Fund Managers in taking investment decisions pertaining to buying and selling securities. He assisted in carrying out research for the entire Infrastructure Sector, Real Estate Sector, Road Construction Companies, Cement Companies and Capital Goods Companies.

Mr. Parikh was a part of the research team for the Infrastructure Sector at Reliance Equities International Pvt. Ltd. (during May 2008 to September 2009). He used to carry out in-depth research on leading Real Estate Sector Companies including DLF, Capital Goods Companies and Cement Companies.

He was a part of the research team and used to conduct research on various Cement and Real Estate Companies at Alchemy Shares and Stock Brokers (during June 2006 to May 2008).

At Anand Rathi Securities (during June 2005 to May 2006), he was a part of the research team where he assisted in maintaining information and creating databases of various Cement Companies including JK Cement.

b. Mr. Badarinath Ibrampur

Mr. Ibrampur is working with Micro Labs Limited for more than 25 years and manages the finance functions of the company from both a strategic and tactical perspective.

c. Mr. Mitin Jain

Mr. Jain is working with India SME Investments LLP, where he is the Investment Manager of India SME Investments - Fund I, which is a scheme of India SME Investments Trust bearing registration number IN/AIF2/18-19/0664. He overlooks the entire functioning of the investment manager to manage the India SME Investments - Fund I.

Prior to that, during 2008-2018, Mr. Jain was Director & Founding Team Member of BanyanTree Finance Private Limited, where his work involved *fund raising, deal origination, execution and* portfolio management.

During 2007-2008, he was working with Lehman Brothers Advisors India Private Limited as an Analyst, where he was responsible for preparation of pitch books, business valuation, financial modelling, and participating in the investment due-diligence process.

He was working with Atherstone Capital (Asia) Limited as an Analyst during 2005-2007, where he was involved in work related to due diligence of client's business, business valuation, financial modelling, preparation of investment memorandum, project report, valuation report, industry study and pitching the investment opportunities to various investors.

Key personnel of Portfolio Manager and their background:

(a) Mr. Nirav Parikh

<Kindly refer to the profile above>

(b) Ms. Saloni Hemnani

During (September 2018 to November 2020) her tenure with India SME Investments LLP as an Analyst, her work profile was to support research and evaluation activities.

Prior to that, she worked with Maverick Institute Private Limited (during September 2017 to August 2018) as an Analyst. Her area of work was forensic accounting and company analysis content.

At Ashika Group (internship in 2017), she assisted in preparing financial models, applying various valuation methods and prepared pitch decks for various companies.

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

1. India SME Investments LLP
2. Mathesis Investment Advisors LLP
3. Micro Labs Limited

(iv) Details of the services being offered: Discretionary, Non-Discretionary and Advisory

The Portfolio Manager proposes primarily carry-on Discretionary Portfolio Management Services and if opportunity arises thereafter, then it also proposes to render Non-Discretionary Portfolio Management Services and Advisory Services.

The key features of the services are provided as follows:

(a) Discretionary Services:

Under the Discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the client. The securities invested/divested by the Portfolio Manager for clients may differ from client to client. The Portfolio Manager's decision (taken in good faith) in deployment of the client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time except on the ground of fraud, malafide intent, conflict of interest (other than those already disclosed in the agreement) or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the applicable laws. Periodical statements in respect of the client's assets under management shall be sent to the respective clients in accordance with the agreement and the regulations.

(b) Non - Discretionary Services:

Under the non-discretionary PMS, the assets of the client are managed in consultation with the client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the client. The client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager, *inter alia*, manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the client.

(c) Advisory services:

The Portfolio Manager may provide investment Advisory services, in terms of the regulations, which shall include the responsibility of advising on the portfolio investments and investment/ divestment of individual securities on the client portfolio, for an agreed fee structure and for a defined period, entirely at the client's risk. The Portfolio Manager shall be solely acting as an advisor to the client's portfolio and shall not be responsible for the investment/divestment of securities and/or any administrative activities on the client's portfolio. The Portfolio Manager shall provide Advisory services in accordance with such guidelines and/or directives issued by the regulatory authorities and/or the client, from time to time, in this regard.

4. Penalties, pensding litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any Regulatory Authority:

i. All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder. - None.

ii. The nature of the penalty/direction. – N/A.

iii. Penalties/fines imposed for any economic offence and/or for violation of any securities laws. - None.

iv. Any pending material litigation/legal proceedings against the Portfolio Manager/Key Personnel with separate disclosure regarding pending criminal cases, if any. None.

v. Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency. - None.

vi. Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder. - None.

5. Services offered

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

The investment objective of the Portfolio Manager is to endeavor to deliver superior risk adjusted returns for the Client.

While the core investment strategy is to invest in listed equities, the Portfolio Manager may, from time to time, also invest in listed debt securities, fixed income products/instruments, mutual fund units, exchange traded fund/s, structured product/s and any other permissible securities/instruments/products in which the Portfolio Manager can invest as per applicable laws. The Portfolio Manager would seek to generate capital appreciation as well as returns on client's capital by such investments.

(ii) Investment Approach of the Portfolio Manager: Please refer to **Annexure I** *for more details.*

(iii) The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines: The Portfolio Manager will **NOT** be making investments on behalf of the client in its associates/group companies.

(iv) Distributors: The Portfolio Manager may (i) appoint channel Partners/Distributors to onboard the clients; or (ii) onboard the clients directly without intermediation of any channel Partners/Distributors.

6. Risk factors

A. General risks factors

- 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.
- 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.
- Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager.
- The names of the Investment Approach do not in any manner indicate their prospects or returns.
- Any act, omission or commission of the Portfolio Manager under the agreement would solely be at the risk of the client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act safe and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.
- The client portfolio may be affected by settlement periods and transfer procedures.
- The PMS is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the client portfolio would depend on the performance of such companies/industries/sectors of the economy.
- If there are any transactions of purchase and/or sale of Securities by Portfolio Manager and Employees who are directly involved in investment operations that conflict with transactions in any of the Client Portfolio, the same shall be disclosed to the Client.
- 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.
- 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.
- 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.
- The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client
- The group companies of Portfolio Manager may offer services in the nature of consultancy, sponsorship etc., which may be in conflict with the activities of Portfolio Management Services.
- The provisions of the Agreement and the principal and returns on the Securities subscribed by the Portfolio Manager may be subject to force majeure and external risks such as war, natural calamities, pandemics, policy changes of local/international markets and such events which are beyond the reasonable control of the Portfolio Manager. Any policy change / technology updates / obsolescence

of technology would affect the investments made by the Portfolio Manager.

Other risks arising from the Investment Objectives, Investment Strategy, Investment Approach and Asset Allocation are stated as below:

B. Risks associated with equity and equity related instruments

- Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.
- 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.
- 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.
- The client may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends.

C. Risk associated with debt and money market securities

- **Interest Rate Risk:** Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.

- **Liquidity or Marketability Risk:** The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

- **Credit Risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

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

- **Rating Risk:** Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.

- **Price Volatility Risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these securities may be less liquid than that for other higher rated or more widely followed securities.

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

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

  Identification of Appropriate Investments: The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

D. Risk associated with derivatives instruments

- 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.

- 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. Management and Operational risks

- 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 relies on one or more key personnel and any change/removal of such key personnel may have material adverse effect on the returns of the Client. The investment decisions made by the Portfolio Manager may not always be profitable.
  Investments made by the Portfolio Manager are subject to risks arising from the investment objectives, Investment Approach, investment strategy and asset allocation.
- *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 delisting 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.
- *Ongoing risk profiling risk:* The Client would be subject to ongoing risk profiling in accordance with the Regulation. If in case during such ongoing risk profiling, it is found that the Client is not suitable for the investments in Securities or doesn't have risk appetite, the Portfolio Manager may terminate the Agreement with the Client.

F. Risk arising out of Non-diversification

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

G. India-related Risks

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

  Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

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

H. Legal and Tax risks:

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

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

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

I. Risk pertaining to Investments

- The Client Portfolio may comprise of investment in unlisted securities, fixed income securities, debt securities/products and in case of such Securities, the Portfolio Manager's ability to protect the investment or seek returns or liquidity may be limited. To clarify, the Portfolio Manager shall only make investments in Securities permissible under the Regulations and Applicable Law, however, there may be an eventuality where the Securities in which the Portfolio Manager makes investment become unlisted as a result of a corporate action or any other reason.

- In case of in-specie distribution of the Securities by the Portfolio Manager upon termination or liquidation of the Client Portfolio, the same could consist of such Securities for which there may not be a readily available public market. Further, in such cases the Portfolio Manager may not be able to transfer any of the interests, rights or obligations with respect to such Securities except as may be specifically provided in the agreement with Portfolio Entities. If an in-specie distribution is received by the Client from the Portfolio Manager, the Client may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.

- Some of the Portfolio Entities in which the Portfolio Manager will invest may get their Securities listed with the stock exchange after the investment by the Portfolio Manager. In connection with such listing, the Portfolio Manager may be required to agree not to dispose of its Securities in the Portfolio Entity for such period as may be prescribed under the Applicable Law, or there may be certain investments made by the Portfolio Manager which are subject to a statutory period of non-disposal or there may not be enough market liquidity in the security to effect a sale and hence Portfolio Manager may not be able to dispose of such investments prior to completion of such prescribed regulatory tenures and hence may result in illiquidity.

- The Client Portfolio may be invested in listed securities and as such may be subject to the market risk associated with the vagaries of the capital market.

The Portfolio Manager may also invest in portfolio entity/ies which are investment vehicles like mutual funds/trusts. Such investments may present greater opportunities for growth but also carry a greater risk than is usually associated with investments in listed securities or in the securities of established companies, which often have a historical record of performance. Provided investments in mutual funds shall be through direct plans only.

7. Nature of expenses

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

i. *Management fee:*

The Management Fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed as agreed in the Agreement.

ii. *Advisory fees:*

The advisory fees relates to the advisory services offered by the Portfolio Manager to the Client. The fee may be a fixed charge or a percentage of the quantum of the funds being advised as agreed in the Agreement.

iii. *Performance fee:*

The Performance Fee relates to the performance-based fee charged by the Portfolio Manager, subject to hurdle rate and high watermark principle as per the details provided in the Agreement.

iv. *Other fees and expenses:*

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

(a) Transaction expenses including, but not limited to, statutory fees, documentation charges, statutory levies, stamp duty, registration charges, commissions, charges for transactions in Securities, custodial fees, fees for fund accounting, valuation charges, audit and verification fees, depository charges, and other similar or associated fees, charges and levies, legal fees, incidental expenses etc.;
(b) Brokerage shall be charged at actuals;
(c) Legal and statutory expenses including litigation expenses, if any, in relation to the Portfolio;
(d) Statutory taxes and levies, if any, payable in connection with the Portfolio;
(e) Valuation expenses, valuer fees, audit fees, levies and charges;
(f) All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above, arising out of or in the course of managing or operating the Portfolio.

The Portfolio Manager shall not charge any upfront fees to the Client whether directly or indirectly. Notwithstanding the above, the Portfolio Manager may charge upfront costs and expenses so attributable to the Client in terms of the Agreement.

8. Taxation

A. General

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

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

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

The following summary is based on the law and practice of the Income-tax Act, 1961 (the "IT Act"), the Income-tax Rules, 1962 (the "IT Rules") and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year, and this summary reflects the amendments enacted in the Finance Act, 2020.

B. Tax deducted at source

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

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

C. Long term capital gains

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

Period of Holding

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

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

- ***Definition of Specified Mutual Fund:***

  Before 1st April 2025:

  "Specified Mutual Fund" means,

  a Mutual Fund by whatever name called, where not more than thirty-five percent of its total proceeds is invested in the equity shares of domestic companies.

  On and after 1st April 2025:

  "Specified Mutual Fund" means,

  a) *a Mutual Fund by whatever name called, which invests more than sixty-five percent of its total proceeds in debt and money market instruments; or*

  b) *a fund which invests sixty-five percent or more of its total proceeds in units of a fund referred to in sub-clause (a).*

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

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

- ***Definition of Market Linked Debenture:***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Short term capital gains

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

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity-oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.
The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

E. Profits and gains of business or profession

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

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

F. Losses under the head capital gains/business income

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

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

G. General Anti Avoidance Rules (GAAR)

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

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

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

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

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

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

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB) in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.

- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

H. FATCA Guidelines

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

a) the name, address, taxpayer identification number and date and place of birth;

b) where an entity has one or more controlling persons that are reportable persons:

  i. the name and address of the entity, TIN assigned to the entity by the country of its residence; and

  ii. the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.

c) account number (or functional equivalent in the absence of an account number);

d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and

e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

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

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

- ***Disclaimer:***

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

9. <u>Accounting policies</u>

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

A. Client Accounting

- 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.
- The books of account of the Client shall be maintained on an historical cost basis.
- Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.
- All expenses will be accounted on due or payment basis, whichever is earlier.
- 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.
- Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

- 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.
- 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.
- 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.
- 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.
- 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.
- In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.

- 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

- Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
- 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.
- 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.
- 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.
- In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

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

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

10. Investors services

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

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

i. Name, Address and Telephone number of the Investor Relation Officer who shall attend to the investor queries and complaints:

Name	Ms. Aanchal Goenka
Designation	Compliance Officer
Address	Vastugram, Vesu, Surat - 395007
Telephone No	+91 261 3599804
Email id	anchal@moleculeventures.in

ii. Grievance Redressal and Dispute Settlement Mechanism:

The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle Client complaints. The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Client. Effective grievance management would be an essential element of the Portfolio Manager's Portfolio Management Services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. **Quick action-** As soon as any grievance comes to the knowledge of the aforesaid personnel, it would be identified and resolved. This will lower the detrimental effects of grievance.

2. **Acknowledging grievance-** The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.

3. **Gathering facts-** The aforesaid official shall gather appropriate and sufficient facts explaining grievance's nature. A record of such facts shall be maintained so that these can be used in later stages of grievance redressal.

4. **Examining the causes of grievance-** The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.

5. **Decision making** - After identifying the causes of grievance, alternative course of actions would be thought of to manage grievance. The effect of each course of action on the existing and future management policies and procedures would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.

6. **Review** - After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Principal Officer and subject to the Regulations. The Principal Officer will endeavor to address such grievance in a reasonable manner and in time. The coordinates of the Principal Officer are provided as under:

Name	Mr. Nirav Parikh
Designation	Principal Officer
Address	8/B Siddhchakra Apartment, A Block, Sargam Shopping Centre, Parle Point, Surat - 395007, Gujarat, India
Telephone No	+91 261 3599804
Email id	nirav@moleculeventures.in

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

Any dispute arising out of or in relation to this document, shall be submitted to arbitration by the Portfolio Manager and the Client under the Arbitration and Conciliation Act, 1996. The Portfolio Manager and the Client shall jointly appoint a sole arbitrator mutually acceptable to them. In the event of failure to agree upon a sole arbitrator for a period of 15 (fifteen) days of receipt of notice, the arbitration shall be before 3 (three) arbitrators, where the Portfolio Manager and the Client shall appoint an arbitrator each for themselves and the third arbitrator being the presiding arbitrator appointed by 2 (two) arbitrators. The Portfolio Manager and the Client will bear the expenses / costs incurred by them in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. Such arbitration proceedings shall be held at Mumbai and the language of the arbitration shall be English.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which the complaint will be either routed to the Portfolio Manager or to SEBI (as applicable), which may then forward the complaint to the Portfolio Manager. SCORES is available at http://scores.gov.in.

11. Details of the Diversification policy of the Portfolio Manager

Molecule Ventures LLP has a bottom-up fundamentals-oriented philosophy where the list of portfolio companies is formed based on the resilience of fundamentals (as one of the many factors) of the respective companies against various external headwinds such as macro-economic factors, competitive intensity etc. This reliance in portfolio fundamentals provides the biggest source of downside protection against volatility in the external operating environment. For managing diversification risk and to reduce the exposure of massive drawdown of a single stock, we invest in different types of stocks and accordingly curates the portfolio. However, the number of stocks ranges between 12 to 15 in a portfolio basis client requirement. The average number of stocks in our portfolios is around 8-12 stocks per portfolio.

12. **Client Representation:**

(i) The Portfolio Manager has five categories of clients – Resident Individuals, Non-Resident Individuals, HUFs, Corporates and Trusts. The following are the details for the last three financial years.

Category of Clients	No. of Clients	Funds managed (Rs. Cr.)	Discretionary / Non- Discretionary
Associates/ group of companies (Last 3 FYs)	NIL	NIL	NIL
Others (Last 3 FYs)			
As on March 31, 2025	426	578.52	Discretionary
As on March 31, 2024	246	436.64	Discretionary
As on March 31, 2023	116	195.85	Discretionary

(ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India- **Not applicable**.

13. **Financial Performance**

The Financial Performance of the portfolio manager based on audited financial statements:

(Rs. lacs)

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
Total Income	73.32	3,283.87	971.31
Net Profit After Tax	- 149.99	1,750.47	459.98
Net Worth	2,110.18	2,330.77	1,111.90

14. **Performance of Portfolio Manager**

1) **GROWTH APPROACH (TWRR)**

Particulars	Current Year (April 2025 – December 2025)	FY 2024-25	FY 2023-24	FY 2022-23
Molecule - Growth	35.77 %	- 4.85%	64.73 %	28.83 %
Benchmark- S&P BSE 500	12.57 %	5.96 %	40.16 %	- 0.91%

2) **QUANT APPROACH (TWRR)**

Particulars	Current Year (April 2025 – December 2025)	FY 2024-25	FY 2023-24 (since 23/11/2023)	FY 2022-23
Molecule - Quant	8.91 %	3.94 %	- 3.94%	Not Applicable
Benchmark- S&P BSE 500	12.57 %	5.96 %	15.17 %	Not Applicable

15. Audit Observations for preceding three years

Sr.	Observations
	FY 2024-25
1.	**Client Registration and Agreement with clients** *With respect to CKYCR requirements, Molecule Ventures has obtained registration under CKYCR however, has not complied with the requirement of obtaining relevant information from clients and also uploading the same to CKYCR. Molecule Ventures confirmed that the process of fetching the information is done by their Custodian.*
2.	**Submission of periodic report to clients** *Molecule has not complied with the requirement. The point for "details of risk foreseen by the portfolio manager and the risk relating to the securities recommended by the portfolio manager for investment or disinvestment." Is not mentioned in the quarterly report submitted to client.*
3.	**Most Important Terms and Conditions (MITC) document** *Molecule has not informed MITC to existing clients within stipulated time and it has not communicated MITC to new clients at the time of on-boarding.*

Sr.	Observations
	FY 2023-24
1.	**Disclosure Document** *On verification of the Disclosure Document dated March 29, 2021 it was observed that the diversification policy was not included in the Disclosure Document.*
2.	**Appointment of Principal Officer – Qualification** *Mr. Nirav Parikh who is appointed as Principal Officer, has not obtained NISM XXI-B certificate within stipulated timeline (upto September 07, 2023) provided by SEBI.*
3.	**Client Registration and Agreement with clients** *With respect to CKYCR requirements, Molecule Ventures has obtained registration under CKYCR however, has not complied with the requirement of obtaining relevant information from clients and also uploading the same to CKYCR. Molecule Ventures confirmed that the process of fetching the information is done by their Custodian.*
4.	**Timely submission of report to clients** *The point for "details of risk foreseen by the portfolio manager and the risk relating to the securities recommended by the portfolio manager for investment or disinvestment." is not mentioned in the quarterly report sent to client.*
5.	**Compliance for Advisory for Financial Sector Organisations regarding Software as a Service (Saas) based solution** *Molecule has not submitted intimation to SEBI for usage of SaaS based solution.*

FY 2022-23	
Sr.	**Observations**
1.	**Capital Adequacy/ Net-worth Requirement** *Molecule Ventures has submitted the copy of the net-worth certificate as on March 31, 2023 to SEBI on February 7, 2024 which is beyond the specified timeline.*
2.	**Disclosure Document** *On verification of the Disclosure Document dated March 29, 2021 it was observed that the diversification policy was not included in the Disclosure Document.*
3.	**Appointment of Principal officer** *Molecule Ventures has appointed Mr. Nirav Parikh as Principal Officer, however he did not obtain the relevant NISM certification. Mr. Nirav Parikh can obtain NISM-Series-XXI-B: Portfolio Managers Certification Examination within two years from the date of this notification. [i.e. September 7, 2023]*
4.	**Client Registration and Agreement with clients** *With respect to CKYCR requirements, Molecule Ventures has not obtained registration under CKYCR. Molecule Ventures confirmed that the process of fetching the information is done by their Custodian.*
5.	**Submission of report to clients in specified format:** *On verification of quarterly reports issued to clients it was observed that, reports were not issued as per the format prescribed by SEBI.* *The following details were not provided in report shared to the client:* *E. Other Important Information* *1. With regard to client portfolio, deviations from investment approach, if any* *2. With regard to debt securities, details of any delay in coupon payments, if any* *3. With regard to debt securities, details of default, if any* *4. With regard to portfolio allocation in equity and commodity derivatives, details of funds and securities held as collateral, if any.* *5. Details of Other assets outstanding to be received in Clients account for more than 3 months from the due date.* *6. Any other important information.*

16. Details of investments in the securities of related parties of the Portfolio Manager

Investment Approach, if any	Name of the associate / related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
NIL				

17. General Provision

Prevention of Money Laundering

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, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and the Investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its Know Your Client (KYC) policy and with a view to monitor transactions in order to prevent money laundering, the 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 will not seek fresh KYC from the Clients who are already KYC Registration Agency (KRA) compliant except the information required under any new KYC requirement. The Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded. The Portfolio Manager, and its partners, 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 the 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.

For and on behalf of Molecule Ventures LLP

Mr. Nirav Parikh	**Mr. Mitin Jain**	Molecule Ventures LLP * Surat-7 *
Designated Partner	*Designated Partner*	
Place: Surat	Place: Surat	
Date: 05/01/2026	Date: 05/01/2026	

Annexure I

Investment Approaches

Molecule High Growth Strategy

- **Investment Objective:** To generate steady returns from long-term investments in high quality growth stock while limiting downside risk by evaluating risk reward ratio.

- **Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.:** Portfolio Manager will be investing in listed equity securities and liquid schemes of mutual funds.

- **Basis of selection of such types of securities as part of the investment approach:** Stocks will be selected based on a mix of fundamental, macro and technical views.

- **Allocation of portfolio across types of securities:** Typically, 100% (hundred percent) of the Portfolio will be composed of equities with intermittent cash calls.

- **Appropriate benchmark to compare performance and basis for choice of benchmark:** As the PMS will aim to deliver steady returns from long term investments and strategy is largely growth, the appropriate benchmark would be BSE 500 TRI.

- **Indicative tenure or investment horizon:** The average tenure of positions will be 2 (two) to 3 (three) years.

- **Risks associated with the Investment Approach:** The major risk associated with this approach is company specific risk and macro-economic risk.

- **Other salient features:** The PMS will look to mitigate risk through intermittent cash creation calls.

FORM C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (Regulation 22)

Name	Molecule Ventures LLP
Address	**Registered Address**: Office No. B-904, Tower-B, Swastik Universal, Near Valentine Cinema, Dumas Road, Surat - 395007, Gujarat, India **Correspondence Address**: 1302, B-Wing, Naman Midtown Building, FP No.616 Tulsi Pipe Road, Dr. Ambedkar Nagar, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400013, Maharashtra, India
Phone	+91 261 3599804
Fax Number	Not Applicable
Email	nirav@moleculeventures.in

We confirm that:

i. The Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time.

ii. The disclosures made in the Document are true, fasir and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the Portfolio to us / investment through the Portfolio Manager.

iii. The Disclosure Document has been duly certified by an independent Chartered Accountant, as on January 05, 2026. The details of the Chartered Accountant are as follows:

Name of the Firm	Abhishek Kothari & Associates
Registration Number	138938W
Proprietor	Abhishek Ashwin Kothari
Membership Number	158827
Address	Flat No. 2503, 25th Floor, Kingston Tower, G D Ambekar Marg, Parel, Tank Road, Mumbai- 400033, Maharashtra, India
Telephone Number	+91 99200 20860

(enclosed is a copy of the Chartered Accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision).

For and on behalf of Molecule Ventures LLP

Molecule Ventures LLP * Surat-7 *

Nirav Parikh
Principal Officer/ Designated Partner

Address: 8/B Siddhchakra Apartment, A Block, Sargam Shopping Centre, Parle Point, Surat - 395007, Gujarat, India

Date : January 05, 2026
Place : Surat

ABHISHEK KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS

To
Molecule Ventures LLP
Office No. B-904, Tower-B, Swastik Universal,
Near Valentine Cinema, Dumas Road,
Surat -395007, Gujarat, India

Purpose: CA Certificate of Disclosure Document mandated by Regulation 22(3) of SEBI (Portfolio Managers) Regulations, 2020

Dear Sir/Madam,

We have verified the Disclosure Document ("the Document") for Portfolio Management Services prepared by Molecule Ventures LLP, a Portfolio Manager registered with SEBI under the SEBI (Portfolio Managers) Regulations, 2020 (SEBI Reg. No. PM – INP000007216), dated May 31, 2021 having its registered office at Office No. B-904, Tower-B, Swastik Universal, Near Valentine Cinema, Dumas Road, Surat -395007, Gujarat, India

The disclosure made in the document is made on the model disclosure document as stated in Schedule V of Regulation 22 (3) of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020.

Our certification is based on the Audited Balance sheet of the Company as on 31st March, 2025 audited by Statutory Auditors, M/s Akshay Mehta & Co., Chartered Accountants and examination of other records, data made available and information & explanations provided to us.

Based on such examination we certify that:

a) The Disclosure made in the document is true, fair and correct and
b) The information provided in the Disclosure Document is adequate to enable the investors to make well-informed decisions.

The enclosed document is initialed / signed by us for the purpose of identification.

For Abhishek Kothari & Associates
Chartered Accountants
ICAI FRN No. 138938W

ABHISHEK KOTHARI & ASSOCIATES
M. NO. 158827
MUMBAI
Chartered Accountants

CA Abhishek Kothari
Proprietor
ICAI Membership No. 158827

Place: Mumbai
Date: 05th January 2026
UDIN: 26158827YLTJNI5549

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