DISCLOSURE DOCUMENT

(i) The purpose of the Document is to provide essential information about the Portfolio Management Services ("**PMS**") in a manner to assist and enable the investors in making informed decision for engaging Genzaks Asset Management LLP as a Portfolio Manager.

(ii) The Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and hence, the investor may be advised to retain the document for future reference.

(iii) The following are the Details of the Portfolio Manager:

Name of the Portfolio Manager	Genzaks Asset Management LLP
IFSCA Registration Number	FDM2025FNR0880
Registered Office Address	Unit No. 504, Signature Building, 5th Floor, Block No 13B, Zone 1, GIFT SEZ, Gandhinagar, 382355
Email	Compliance@genzaks.in , Notices@genzaks.in
Fax	-

(iv) The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Name of the Principal Officer	Mr. Raju Kadam
Phone	9833879591
Email	Compliance@genzaks.in , Notices@genzaks.in
Registered Office Address	Unit No. 504, Signature Building, 5th Floor, Block No 13B, Zone 1, GIFT SEZ, Gandhinagar, 382355

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1 DISCLAIMER CLAUSE:

The particulars given in this Document have been prepared in accordance with the International Financial Services Centres Authority (Fund Management) Regulations, 2025 ("**FM Regulations**"). This Document has neither been approved nor disapproved by International Financial Services Centres Authority ("**IFSCA**") nor has IFSCA certified the accuracy or adequacy of the contents of the document. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

2 DEFINITIONS:

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively: -

2.1 "**Act**" means the International Financial Services Centres Authority Act, 2019.

2.2 **"Applicable Law"** means any applicable Indian statute, law, ordinance, regulation, rule, order, circular, notifications, directions, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time, including the IFSC FM Regulations, SEZ Act and any other laws as may be applicable to the Trust set-up in IFSC.

2.3 "**Advisory Services**" means advising on the portfolio strategy, 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.

2.4 **"Agreement"** means Advisory Agreement between the Portfolio Manager and the Client in terms of Regulation 80 of the FM Regulations.

2.5 **"Application"** means the application made by the Client to the Portfolio Manager to place its funds and/or securities with the Portfolio Manager for Portfolio Management Services and/or to avail of Advisory Services in relation to such funds and/or securities. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

2.6 **"Assets"** means (i) the Portfolio and/or (ii) the Funds.

2.7 **"Body Corporate"** shall have the meaning assigned to it in or under clause (11) of section 2 of the Companies Act, 2013.

2.8 **"Bank Account"** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in accordance with the agreement entered into with the Client.

2.9 **"Client"** means the person who enters into an Agreement with the Portfolio Manager for Advisory Services.

2.10 **"Custodian"** means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by IFSCA from time to time.

2.11 **"Depository Account"** means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered

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under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.

2.12 **"Document"** means this Disclosure Document.

2.13 **"Financial Year"** means the year starting from April 1 and ending on March 31 of the following year.

2.14 **"Funds"** means the monies in relation to which the Portfolio Manager provides Advisory Services to the Client pursuant to the Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for its advice, the proceeds of the 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.

2.15 "**IFSCA**" means International Financial Services Centres Authority, constituted under the Act.

2.16 **"Parties"** means the Portfolio Manager and the Client; and **"Party"** shall be construed accordingly.

2.17 **"Person"** includes any individual, partnership firm including limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.

2.18 **"Portfolio"** means the Securities managed by the Portfolio Manager on behalf of the Client through its Advisory Services pursuant to the Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager in relation to which the Advisory Services are sought, Securities acquired by the Client through investment of Funds pursuant to the advice received from the Portfolio Manager and bonus and rights shares or otherwise in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

2.19 "**Portfolio Entity**" means any entity in which a Client invests pursuant to the Portfolio Management Services.

2.20 **"Portfolio Manager"** means Genzaks Asset Management LLP in accordance with regulation 73 of the FM Regulations.

2.21 **Portfolio Management Services**" means the Advisory Services provided by the Portfolio Manager.

2.22 **"Principal Officer"** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

2.23 "**Scheduled Commercial Bank**" means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

2.24 **"SEBI"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the SEBI Act.

3 DESCRIPTION:

3.1 History, Present Business and Background of the Portfolio Manager:

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Genzaks Asset Management LLP is a Registered FME (Non-Retail). Genzaks Asset Management LLP is a newly incorporated entity and accordingly does not have any investment management operating history.

3.2 **Details of the services being offered:**

3.2.1 **Advisory Services:**

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Clients and agreed upon in the Client Agreement. The Portfolio Manager will render the best possible advice to the Client having regard to the client's needs and the environment, and his own professional skills. The same will be non - binding in nature or in such terms as mentioned in the Agreement. For such services, the Portfolio Manager charges the Client a fee for services rendered mentioned in the Agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry / exit timing, execution and settlement are solely the Client's responsibility.

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

4.1 All cases of penalties imposed by IFSCA or the directions issued by the IFSCA under the Act or FM Regulation made there under relating to Portfolio Management Services.

None

4.2 The nature of the penalty/direction.

Not Applicable

4.3 Penalties imposed for any economic offence and/or for violation of any securities laws relating to Portfolio Management Services.

None

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

None

4.5 Any deficiency in the systems and operations of the Portfolio Manager observed by the IFSCA or any regulatory authority in relation to Portfolio Management Services for which action may have been taken or initiated.

None

4.6 Any enquiry/adjudication proceedings initiated by the IFSCA or any regulatory authority against the Portfolio Manager or its partners, principal officer, designated partners or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer, designated partners or employee, relating to Portfolio Management Services.

None

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5 SERVICES OFFERED:

The Portfolio Manager will offer Advisory Portfolio Management Services to the Client, wherein the Portfolio Manager shall render non-binding investment advice and recommendations in respect of securities and related investments. The implementation of such advice, including the choice and timing of investment decisions, shall rest solely with the Client

Direct Onboarding of Clients: Clients will have the option to be onboarded directly to avail the services offered by the Portfolio Manager, without the intermediation of any persons engaged in distribution services.

6 RISK FACTORS:

The investments made in securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved. Following are the risk factors as perceived by management:

6.1.1 General risks associated with portfolio management services

(a) Securities investments are subject to market and other risks and the Portfolio Manager provides no guarantee or assurance that the objectives set out in the Document and/or the Agreement shall be accomplished.

(b) The investments may not be suited to all categories of Investors.

(c) The value of the Portfolio may increase or decrease depending upon various market forces. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

(d) Past performances of the Portfolio Manager or of the key personnel of the Portfolio Manager do not guarantee its/their future performance.

(e) The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.

(f) Investment decisions made by the Portfolio Manager may not always be profitable.

(g) The Portfolio Manager has no prior track record in portfolio management activities.

(h) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.

(i) The names of the strategies/options do not in any manner indicate their prospects or returns.

(j) The performance of the strategies /options may be adversely affected by the performance of individual companies, changes in the market conditions, macro and micro factors and forces such as interest rate risk, credit risk, liquidity risk and reinvestment risk.

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(k) The market prices of the Securities in the Portfolio may be volatile and may not truly reflect its fundamental or intrinsic value due to the lack of sufficient liquidity for those Securities.

(l) The investments made by the Portfolio Manager are subject to limited liquidity in the market, settlement risk, impending readjustment of portfolio composition, highly volatile stock markets in India.

(m) The Portfolio Manager may provide advice on investments in unlisted Securities. This may also expose the Portfolio Manager to an illiquidity scenario since the exit from the portfolio entity would have to be a strategic exit.

(n) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.

(o) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non-performance of a third party, portfolio entity's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

(p) The portfolio management service is subject to risk arising out of non-diversification. Non-diversified portfolios tend to be more volatile than diversified portfolios.

(q) Changes in applicable law may impact the performance of the Portfolio.

(r) The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields and/or higher capital appreciation potential. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

(s) Client understands that it may face potential risks on account of illiquidity of any of its Portfolio Investments due to exit restrictions from the Portfolio Company.

6.2 **Macro-Economic risks / Market cycles**

6.2.1 Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monitory or fiscal policies, fall in the value of the currency, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.

6.2.2 The investment made during the boom period and looking favorable may become a loss making proposition during the market recession. Hence there will always be a risk associated with the market cycle.

6.3 **Management and Operational risks**

6.3.1 ***Reliance on the Portfolio Manager:*** The success of the portfolio / strategies 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.

6.3.2 ***Deployment risk:*** After accepting the corpus for management, the Portfolio Manager may not get an opportunity to advise the Client on deployment or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.

6.3.3 ***Identification of Appropriate Investments:*** The success of the Portfolio Manager 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.

6.3.4 ***Conflict of Interest:*** As a manager to alternative investment funds registered with IFSCA ("**Interested Party**"), the Portfolio Manager will be subject to inherent conflicts of interest relating to the portfolio management activities conducted by it. The Portfolio Manager may participate in projects and entities on same or different terms as Interested Parties. In such cases, there could be potential conflicts between the interest of the Clients and the Interested Party.

6.4 Risks related to investment in Equity securities

In case of investment in equity and equity related securities, trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability to make intended securities' purchases due to settlement problems could cause to miss certain investment opportunities. Delays or other problems in settlement of transactions could result in temporary periods when the assets are not invested and no return is earned thereon. The inability to sell securities held, due to the absence of a liquid secondary market, would result at times, in potential losses to the investors, should there be a subsequent decline in the value of securities held in the portfolio.

6.4.1 Market risk: Any type of risk due to the market conditions and evolution, such as volatility in the capital markets, interest rates, changes in policies of the Government, taxation laws or any other political and economic development, which may negatively affect the prices of the securities.

6.4.2 Business risk: Risk related to uncertainty of income caused by the nature of a company's business and having an impact on price fluctuations.

6.4.3 Liquidity risk: This risk pertains to how saleable a security is in the market or the ease at which a security can be sold at or close to its' quoted or published price/value. Securities that are listed on the stock exchange generally carry lower liquidity risk; the ability to sell these investments is limited by the overall trading volume on the stock exchanges.

6.5 Other important terms

6.5.1 Prospective Clients should review / study this document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding,

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disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.

6.5.2 The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.

6.5.3 The Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document.

7 CLIENT REPRESENTATION:

7.1 Details of client accounts activated:

Nil

7.2 The Financial Performance of Portfolio Manager (Based on audited financial Statements)

Genzaks Asset Management LLP is a newly incorporated entity.

8 AUDIT OBSERVATIONS:

Genzaks Asset Management LLP is a newly incorporated entity and accordingly there have been no audit observations since incorporation.

9 NATURE OF EXPENSES:

Portfolio Management activities

9.1 Investment Management & Advisory Fees:

Investment Management and Advisory fees charged may be a fixed fee or a return based fee or a combination of both as detailed in the Agreement. The Fees may be charged upfront and/or at the end of a specified tenure as agreed between the Client and the Portfolio Manager.

9.1.1 ***Service Tax/GST:***

As applicable from time to time

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9.1.2 ***Certification and professional charges:***

Charges payable for out sourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarisations, certifications, attestations required by bankers or regulatory authorities including legal fees etc.

9.2 **Incidental expenses:**

Charges in connection with day-to-day operations like courier expenses, stamp duty, service tax/GST, postal, telegraphic, opening and operation of bank account, distribution charges or any other out of pocket expenses as may be incurred by the Portfolio Manager.

10 TAXATION

10.1 The information furnished below outlines briefly the tax regulations which may be relevant to the Investors and is based on relevant provisions of the Income-tax Act, 1961 ("**IT Act**") as amended by the Finance Act 2025.

10.2 The summary below provides general information on Indian Income-tax implications but is neither intended to be a complete discussion of all tax implications, nor does it purport to be a complete description of all potential tax costs, tax incidence and risks inherent on the acquisition, ownership and sale of Indian securities.

10.3 In addition, the comments herein are not binding on the Indian tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein. It is emphasized that neither the Portfolio Manager nor any other person involved in the preparation of this document accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of the Indian securities. Prospective investors should consult their own tax advisors concerning their individual tax consequences of their particular situations.

10.4 We do not make any representation regarding any legal interpretations. Since the information below is based on relevant provisions as of 06 November 2025, any subsequent changes in the said provisions could affect the tax implications.

10.5 **General Taxation:** The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year, as well as the nature of the income earned. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are accorded under the provisions of the IT Act. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income.

10.6 Section 90(2) of the IT Act provides that where the Government of India has entered into an agreement with the Government of any country outside India or specified territory outside India (where the taxpayer is a resident) for granting relief of tax or avoidance of double taxation ("**Tax Treaty**" or "**DTAA**"), the taxpayer may opt to be taxed as per provisions of the IT Act or the tax treaty/DTAA, whichever is more beneficial.

10.7 This chapter does not discuss the tax implications applicable to the non-resident Investors under a beneficial DTAA [Section 90(2) of the IT Act], which would need to be analysed separately based on the specific facts.

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10.8 The Indian Government has deposited the ratified Multilateral Instrument ("**MLI**") to implement tax treaty related measures to prevent Base Erosion and Profit Shifting ("**BEPS**") on 25 June 2019 with Organisation for Economic Co-operation and Development ("**OECD**"). India has notified 93 tax treaties in its ratification and accordingly, India's tax treaties with such countries will include MLI provisions with effect from 1 April 2020.

10.9 This chapter does not discuss the impact of MLI on the claim of beneficial tax treatment under DTAA by a non-resident Investor. The same would need to be analysed separately based on the specific facts, where applicable. Further, the tax rates mentioned herein are exclusive of applicable surcharge and cess, unless specified otherwise.

Taxation of individual income component:

Tax implications of the following income received by certain categories of clients from investments in securities as per IT Act are discussed as follows:

10.9.1 **Dividend Income**: Dividend distributed by portfolio companies shall be subject to tax in the hands of the shareholders at the applicable rates. Similarly, dividend distributed by Mutual Funds ("**MFs**") covered under Section 10(23D) of the IT Act is taxable in the hands of the unitholders at applicable rates. Further, dividend distributing company / Mutual Fund is required to withhold tax from dividend income as under:

(a) For Resident shareholder: 10% (no surcharge and cess applicable) (under section 194 / 194K);

(b) For Non-resident shareholder: 20% (plus surcharge and cess) under section 115A subject to any beneficial rate available under the applicable Tax Treaty

(c) The new regime also levies TDS at the rate of 10% on the income paid by a specified company[1]/ MFs to its resident shareholders / resident unitholders if the amount of such income exceeds five thousand rupees in a financial year. However, no tax shall be required to be deducted by the Mutual Fund on income which is in the nature of capital gains.

10.9.2 **Deduction under section 57**: IT Act allows deduction of interest expense incurred by Indian resident while earning the dividend income. The expense allowance is restricted to 20% of the dividend income without deduction under section 57. The expense allowance is not a standard deduction and the shareholder / unitholder would need to establish and demonstrate that interest expense was actually incurred for the purpose of earning the dividend income. Further, it may be noted that interest expenditure is not likely to be allowable in the year when no dividend income is received by the shareholder / unitholder. Hence, in case of Nil dividend income, the expenditure may not be allowable.

10.9.3 **Roll over benefit**: Section 80M of the IT Act provides for benefit of roll-over of deduction for the dividend received by a domestic company from another domestic / overseas company or a business trust (Real Estate Investment Trust / Infrastructure Investment Trust). Accordingly, where a corporate domestic Investor is receiving dividend from a domestic / overseas company or a business trust, such Investor shall be eligible for deduction of tax paid on dividend income received ('roll-over benefit under Section 80M') on further dividend distributed by them to their shareholders. This is done to avoid cascading effect of taxation on the same dividend income.

[1] As referred to in clause (*h*) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

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10.9.4 **Gains from sale of securities – Characterization of income**: Gains arising from the sale of securities in India (shares, derivatives etc.) may be taxed as Capital Gains ("**CG**") or Business Income ("**BI**") under the provisions of the IT Act, depending on the facts and circumstances of the case.

Characterization of income arising from the sale of Indian securities has been the subject matter of legal debate. The CBDT issued Circular No 4/2007 dated 15 June 2007 outlining certain judicial principles pronounced by various courts on the determination of whether shares are held as stock-in-trade or held as investments. The Circular states that no single principle is determinative and that the specific facts and circumstances of each case are required to be considered in order to make a determination of whether the shares held would be regarded as stock-in-trade or investment.

10.9.5 The nature of income from the disposal of securities will be classified as CG or BI depending on whether the investments are held as assets, investments with the object of capital appreciation or stock in trade for the purpose of trade / adventure.

10.9.6 The following conditions are to be generally considered for determining the nature of such income:

(a) The motive of the entity is to earn profits through dividends, or from capital appreciations

(b) The substantial nature of transactions, the manner of maintaining books of accounts, the magnitude of purchases and sales and the ratio between purchases and sales

(c) Intent of the assessee as is evidenced by the documents / records

(d) Whether the charter documents authorize any such activity

(e) Volume, frequency, continuity and regularity of transactions of purchase and sale

10.9.7 While the above discussion is predominantly in the context of transactions related to shares, on principles it could equally apply even to derivatives. Therefore, in the context of derivative transactions, given the short duration and nature of the transactions it is likely that the transaction would be considered as giving rise to BI rather than income from CG.

10.9.8 Furthermore, the CBDT has provided further guidance on the matter vide circular No.6/2016 dated 29 February 2016 as follows:

(a) Where the taxpayer opts to treat listed shares and securities as stock in trade, the income arising from transfer of such shares / securities would be treated as its BI.

(b) If the taxpayer desires to treat income arising from the transfer of listed shares and securities held for more than 12 months as CG, the same shall not be disputed by the tax officer. However, such a stand adopted by the assessee will remain applicable in subsequent assessment years also and cannot be altered.

(c) In all other cases the nature of the transaction shall continue to be decided basis the facts of each particular case

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10.9.9 The above referred circular applied to listed shares and securities. Therefore, in order to bring parity in taxability of income/loss arising from transfer of unlisted shares the CBDT issued instruction / circular dated 2 May 2016 determining the tax-treatment of income arising from transfer of unlisted shares for which no formal market exists for trading.

10.9.10 CBDT vide this circular clarifies that income arising from transfer of unlisted shares would be considered under the head CG, irrespective of period of holding with a view to avoid disputes/litigation and to maintain a uniform approach.

10.9.11 However, CBDT carves out three exceptions wherein this clarification shall not apply, namely:

(a) genuineness of transactions in unlisted shares itself is questionable

(b) transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil and

(c) transfer of unlisted shares is made along with the control and management of underlying business

Thus, it is important to clearly understand the intent of issue of the aforesaid circulars by CBDT from time-to-time and to interpret in a rational manner where gain arising from the sale of securities should be classified under the head CG or BI.

10.9.12 **Capital Gains**: As per Section 45 of the IT Act, any profits or gains arising from the transfer of capital assets are chargeable to income-tax under the head 'capital gains'. Section 48 of the IT Act provides that income chargeable as CG shall be computed as (a) full value of the consideration received or accrued on the transfer less (b) the cost of acquisition of such asset and less (c) expenditure incurred wholly and exclusively in relation to such transfer.

10.9.13 Any listed securities held by the Fund for a period of more than 12 (twelve) months, immediately preceding the date of transfer, should qualify as long-term capital asset and upon transfer of such assets, gains should be classified as long-term capital gains. Any unlisted shares of an investee company or other securities held by the Fund for a period of more than 24 (twenty-four) months immediately preceding the transfer, will qualify as a long-term capital asset. Any capital gain arising from the transfer or redemption or maturity of unlisted bonds or debentures or unit of a Specified Mutual Fund[2] or a Market Linked Debenture[3] shall be deemed as gain arising from transfer of a short-term capital asset, irrespective of the period of holding

10.9.14 Capital gains should be taxable in the hands of Indian resident Investors at the rates mentioned in the table below:

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[2] 'Specified Mutual Fund' means a (a) Mutual Fund investing more than 65% of its total proceeds in debt and money market instruments and (b) a fund investing more than 65% of its proceeds in mutual fund mentioned in (a). The "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.

[3] 'Market Linked Debenture' means a security by whatever name called which has an underlying principal component in the form of debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.

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TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) Units of equity-oriented fund; or (iii) Units of a business trust on which STT has been paid	12.5% (without indexation) Gains up to INR 1,25,000 exempt from tax.	20%
Listed shares and STT has not been paid	12.5% (without indexation)	Taxed at the rate applicable for ordinary income. (with the maximum base tax rate being 30%)
Listed bonds or listed debentures (other than Market Linked Debentures)	12.5% (without indexation)	Taxed at the rate applicable for ordinary income. (with the maximum base tax rate being 30%)
Unlisted shares	12.5% (without indexation)	Taxed at the rate applicable for ordinary income. (with the maximum base tax rate being 30%)
Specified Mutual Fund, Market Linked Debenture or Unlisted bonds or unlisted debentures under Section 50AA of the IT Act	Deemed short term capital gain (independent of period of holding) and shall be taxable as ordinary rate. (with the maximum base tax rate being 30%)	

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10.9.15 Gains on sale of securities would be taxed as under in the case of *non-resident investors:*

TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) units of equity-oriented fund; or (iii) units of business trust on which STT has been paid.	12.5% Gains up to INR 1,25,000 exempt from tax.	20%
Listed shares and STT has not been paid	12.5% (without indexation)	35% (in case of corporates) / 30% (others and FPIs)
Listed bonds or listed debentures (other than Market Linked Debentures)	12.5%	35% (in case of corporates) / 30% (others and FPIs)
Unlisted shares	12.5%	35% (in case of corporates) / 30% (others and FPIs)
Specified Mutual Fund, Market Linked Debenture or Unlisted bonds or unlisted debentures under Section 50AA of the IT Act	Deemed short term capital gain (independent of period of holding) and shall be taxable as ordinary rate, 35% (in case of corporates) / 30% (others and FPIs).	

10.9.16 **Business Income**: As discussed above, the gains on sale of derivative contracts in the futures segment should generally be characterized as BI and the same would be taxable at the ordinary rate of tax applicable to the respective investors i.e. at the rate ranging from 22% to 30% for resident corporate investors, 35% for non-resident corporate investors, 30% for FPIs and other non-resident investors, 30% for partnership and limited liability partnerships and at the applicable slab rates for individual investors.

However, where the derivative contracts are entered into by a person, are settled otherwise than by delivery of transfer of the shares, it may be classified as speculative income, which is a special class of BI (this class of BI cannot set off losses from non-speculative income streams and loss can be carried forward only for four years).

However, where the derivative contracts are entered into electronically through a broker / sub broker on a Stock Exchange, where the broker provides a time stamped contract note, with the PAN of the client thereon, then the income will not be considered as speculative income

10.9.17 Where the Portfolio Manager adopts certain strategies (say 'Long Short') which involves simultaneous purchase/sale of securities and derivative products, it might be possible that the tax authorities could construe the same as "trading income" and tax it as Business income (i.e., at higher tax rates).

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10.9.18 **Interest Income**: Classification of interest income is a matter of dispute with contradicting judicial precedents. Whether interest income would be assessable as business income or income from other sources would depend upon the nexus it has with the taxpayer's business. Interest income is taxable at the ordinary rate of tax applicable to the respective investors i.e., at the rate ranging from 22% to 30% for Indian resident corporate investors, 30% for partnerships and at the applicable slab rates for individual investors.

10.9.19 Income-tax provisions applicable to Non-residents in respect of receipt of income from fixed Income products are summarized below:

(a) In terms of Section 115A of the IT Act, interest on monies borrowed in foreign currency (other than interest referred to in subsequent paragraphs) is taxable at the rate of 20% (subject to any Tax Treaty benefit).

(b) In terms of Section 115AB of the IT Act, income of an an overseas financial organization (Offshore Fund) by way of income received in respect of units purchased in foreign currency is taxable at the rate of 10% and income by way of long term capital gains arising on transfer of units purchased in foreign currency is taxable at the rate of 12.5% subject to Tax Treaty benefit, if any. The payor is required to withhold the applicable taxes. No deduction shall be allowed against this income under section 28 to s. 44C or s. 57(i) or 57(iii) or Chapter VI-A. No indexation shall be allowed on LTCG arising on transfer of units.

(c) In terms of Section 115AC of the IT Act, income of non-resident by way of interest on bonds of an Indian Company issued in accordance with the notified scheme i.e. 'Issue of Foreign Currency Exchangeable Bonds Scheme, 2008'/'Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993/ Depository Receipts Scheme 2014' or on bonds of public sector company sold by the government and purchased by the investor in foreign currency is taxable at the rate of 10% and income by way of dividends on Global Depository Receipts (**"GDR"**) or income by way of long term capital gains arising on transfer of above bonds or GDR's, will be taxed at the rate of 12.5% subject to Tax Treaty benefit, if any. The payor is required to withhold the applicable taxes.

(d) In terms of Section 115AD of the IT Act, income of a Foreign Institutional Investor received in respect of securities (other than units referred in Section 115AB) as defined under the Securities Contracts (Regulations) Act, 1956 is taxed at 20% subject to Tax Treaty benefit, if any. The payor is required to withhold the applicable taxes.

(e) Any interest (other than above) on loan received in India currency is taxable at 35% (subject to Tax Treaty benefit, if any).

Rate of surcharge

10.10 The above rates of income-tax in this document shall be increased by the following surcharge on income-tax and health and education cess on income-tax and surcharge.

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As per the Finance Act, 2025	Surcharge on income-tax
Rate of surcharge on Indian companies with income exceeding INR 10 million but less than INR 100 million	7%
Rate of surcharge on Indian companies with income exceeding INR 100 million	12%
Resident companies opting for taxation under section 115BAA and section 115BAB	10%
Rate of surcharge on foreign companies with income exceeding INR 10 million but less than INR 100 million	2%
Rate of surcharge on foreign companies with income exceeding INR 100 million	5%
Rate of surcharge on Partnership firm / LLP with income exceeding INR 10 million	12%
Resident and non-resident Individuals, Hindu undivided family, association of persons or body of individuals, whether incorporated or not, or an artificial juridical person with total income exceeds - INR 5 million but less than INR 10 million - INR 10 million but less than INR 20 million - INR 20 million but less than INR 50 million - INR 50 million *Note: The enhanced rates of surcharge of 25% and 37% shall not apply in case of dividend income, long term capital gain and in case of capital gains arising on an on-market transfer of the following securities (where applicable STT has been paid):* • Equity shares • Units of an equity-oriented fund • Units of a Real Estate Investment Trust ("**REIT**") or Infrastructure Investment Trust ("**InvIT**"), the units of which are required to be listed on a recognized stock exchange in India Further, surcharge has been capped to 25% for this category of taxpayers who have opted for new alternate tax regime under Section 115BAC of ITA.	 10% 15% 25% 37%

In addition to the surcharge, health and education cess is chargeable at 4% on income-tax as increased by applicable surcharge.

Tax Deducted at Source ("TDS") under section 194Q

10.11 As per Section 194Q of the IT Act, any person buying goods from an Indian resident is required to deduct tax at source at 0.1% of the consideration exceeding INR 5 million. If such buyer's total sales, gross receipts or turnover from the business in the immediately preceding year was more than INR 100 million. The term "goods" is not defined under the IT Act. However, it has been clarified that this TDS provision would not be applicable: (a) on transactions involving securities and commodities traded through recognised stock exchange or cleared and settled by recognized clearing corporation, (b) where a buyer is liable to deduct TDS under any other provisions of the IT Act, and (c) where a buyer is a non-resident and the purchase of goods by such non-resident is not effectively connected to its permanent establishment in India.

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Applicability of TDS on the investments by the Fund and purchase of units of the Fund by the investors (in a secondary transaction from Indian residents) needs to be evaluated on a case-to-case basis.

Withholding of tax at higher rate

10.12 As per Section 206AA of the IT Act, where a recipient of income (which is subject to withholding tax) does not furnish its Permanent Account Number ("**PAN**"), then tax is required to be deducted by the payer at the higher of the following i.e., (i) rates specified in the relevant provisions of the IT Act; (ii) rates in force; or (iii) at 20% (twenty per cent) / 5% (five per cent) in case of withholding of tax under Section 194Q. In case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents (including their tax residency certificate).

10.13 Accordingly, in case of recipient who do not have a PAN, tax shall be withheld at a minimum rate of 20% (twenty per cent) / 5% (five per cent) for TDS under Section 194Q, except in case of non-resident investors who furnishes certain prescribed information / documents (including their tax residency certificate).

Buy-Back of Shares

10.14 Any buyback proceeds received on or after 1 October 2024 shall be taxed as dividend income in the hands of the shareholders on gross basis. The dividend income would be taxed as discussed above. Further, the cost of acquisition of the shares bought back shall be treated as capital loss which would be eligible for set-off against any other capital gain taxable in India in accordance with the provisions of IT Act. The Indian company shall be required to withhold applicable tax on payments to non-resident shareholders.

Deemed income on investment in shares / securities

10.15 In terms of Section 56(2)(x) of the IT Act, if shares / securities are received for less than the fair market value of the shares / securities (computed as per prescribed rules), the difference between the price paid and fair value thereof shall be deemed as ordinary income of the recipient.

10.16 Separately, if shares other than "quoted shares" are transferred for less than the fair value of the shares (computed as per prescribed rules), the fair value of such unquoted shares shall be deemed to be the sale consideration for the seller, for computing its capital gains for Indian tax purposes. "Quoted share" is defined as "the share quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business."

Bonus Stripping

10.17 According to Section 94(8), in case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus units) and sold/transferred/redeemed within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be deemed as cost of acquisition of such bonus units.

General Anti-Avoidance Rules ("GAAR")

10.18 The Finance Act, 2012 had GAAR into Act, which, subsequent to the amendments introduced by the Finance Act, 2015, has come into effect from April 1, 2017.

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10.19 As per the provisions of IT Act, Indian tax authorities have been granted wide powers to tax 'impermissible avoidance arrangements' including the power to disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa. The GAAR provisions are potentially applicable to any transaction or any part thereof.

10.20 The term 'impermissible avoidance arrangement' has been defined to mean an arrangement where the main purpose is to obtain a tax benefit, and it:

(a) Creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length;

(b) Results, directly or indirectly, in the misuse, or abuse, of the provisions of the IT Act;

(c) Lacks commercial substance or is deemed to lack commercial substance; or

(d) Is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes

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

10.22 In case the GAAR is applied to any transaction pertaining to the investor, it could have an adverse impact on the returns to the Investors.

10.23 It is provided that GAAR shall not apply, inter alia, to arrangements where the aggregate tax benefit in a relevant year, to all the parties involved, does not exceed INR 3,00,00,000 (Indian Rupees Thirty million).

10.24 **Other applicable taxes**

10.24.1 **Securities Transaction Tax ("STT")** - As discussed above the concessional rate for short term capital gains and long term capital gains would be applicable only if the sale / transfer of the equity shares takes place on a recognized stock exchange in India. All transactions entered on a recognised stock exchange in India will be subject to STT levied on the transaction value at the applicable rates. The rates of STT are as follows: -

Sr No	Nature of taxable securities	STT Rates %	Payable by
1(a)	Purchase of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such shares	0.1	Purchaser
1(b)	Purchase of a unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such units	NIL	Purchaser

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Sr No	Nature of taxable securities	STT Rates %	Payable by
2(a)	Sale of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such shares	0.1	Seller
2(b)	Sale of a unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of such units	0.001	Seller
3	Sale of an equity share in a company/ unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the contract is settled otherwise than by actual delivery or transfer of shares/ units.	0.025	Seller
4(a)	Sale of an option in securities	0.1	Seller
4(b)	Sale of an option in securities where the option is exercised (STT will be payable on the settlement price)	0.125	Purchaser
4(c)	Sale of a future in securities	0.02	Seller
5	Sale of units of an equity-oriented fund to the Mutual Fund	0.001	Seller
6	Sale of unlisted equity shares by any holder of such shares under an offer for sale to the public including in an IPO and where such shares are subsequently listed on a recognized stock exchange	0.2	Seller

10.24.2 **Stamp Duty and Transfer Tax-** The Finance Act, 2019 has amended the stamp duty law to provide that stamp duty shall be levied uniformly throughout the country on transfer of securities in physical as well as dematerialized form. Applicable stamp duty under various scenarios are tabulated below:

Particulars	Rate	Leviable on
1. Issue of securities		
Shares	0.005%	Issuer
Debentures	0.005%	Issuer
2. Transfer of securities		
A. Shares		
On delivery basis	0.015%	Buyer
On non-delivery basis	0.003%	Buyer
In physical form	0.015%	Seller/ Transferor
B. Debentures		
Marketable	0.0001%	Buyer

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Particulars	Rate	Leviable on
Non-marketable	0.0001%	Seller/Transferor

10.24.3 A stamp duty is imposed on purchase of mutual funds – equity and debt funds – from July 1, 2020. As per SEBI, 0.005% stamp duty will be levied on purchase of mutual funds, including lump sum, SIP, STP, and dividend reinvestment. It is, however, not applicable on redemption of units. Meanwhile, a stamp duty of 0.015% will also be imposed in case of transfer of units between demat accounts.

There can be no guarantee that the above position regarding taxation of the Client would necessarily be accepted by the income-tax authorities under the IT Act. No representation is made either by the Portfolio Manager or any employee, partner or agent of the Portfolio Manager in regard to the acceptability or otherwise of the above position regarding taxation of the Client by the income tax authorities under the IT Act. Prospective Investors are urged to consult their own tax advisers in this regard.

11 INVESTORS SERVICES:

11.1 Details of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:

Name of the person	Raju Kadam
Designation	Principal Officer
Address	Unit No. 504, Signature Building, 5th Floor, Block No 13B, Zone 1, GIFT SEZ, Gandhinagar, 382355
Email	Compliance@genzaks.in , Notices@genzaks.in
Telephone	9833879591

11.2 Grievance redressal and dispute settlement mechanism:

11.2.1 The Portfolio Manager shall examine and process the complaint in accordance with policies and procedures as specified under the Applicable Laws including circulars and guidelines issued by IFSCA from time to time. The Investment Manager shall designate Complaint Redressal Officer (CRO) and the Complaint Redressal Appellate Officer (CRAO) for handling of complaints and appeals respectively.

11.2.2 For further details, Clients can refer to complaint redressal policy available at: Genzaks.in/Complaints. The Portfolio Manager shall dispose of complaint preferably within 15 days but ordinarily not later than 30 days of acceptance of complaint and/or such other timelines as may be prescribed by IFSCA from time to time. If the Client is not satisfied with the resolution provided by the Portfolio Manager and/or of the complaint has been rejected by Portfolio Manager, an appeal can be filed before the CRAO within 21 days from the receipt of the decision from the CRO.

11.2.3 Where an Client is not satisfied with the decision of Portfolio Manager and has exhausted the appellate mechanism of the Portfolio Manager, a complaint may be filed

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before IFSCA through email to grievance -redressal@ifsca.gov.in preferably within 21 days from the receipt of the decision from Portfolio Manager.

For Genzaks Asset Management LLP:

Mr. Raju Kadam **Principal Officer**	

Place: Gandhinagar

Date: 24-NOV-2025

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