

The Partners,
Hanut Alternate Investments LLP
B21, Grand Paradi, August Kranti Marg,
Kemps Corner, Mumbai 400 036

Verification of particulars stated in the portfolio management services disclosure document

We have verified the adequacy of the particulars stated in the portfolio management services disclosure document, as at October 30, 2024 prepared by Hanut Alternate Investments LLP, for the purpose of filing with the Securities and Exchange Board of India (SEBI), in accordance with the Fifth Schedule of the SEBI (Portfolio Managers) Regulations, 2020 to enable the investors to make a well informed decision.

Based on our examination of the books of account, records and documents maintained and produced to us and on the basis of information and explanations given to us, we certify that the particulars stated in the disclosure document are true and fair.

For Morzaria & Associates
Chartered Accountants
Firm Registration Number: 129763W

Vikas Morzaria
Proprietor
Membership No.: 108691
UDIN: 24108691BKBRDB7150

Place: Mumbai
Date: October 30, 2024

Hanut Alternate Investments LLP

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES

(i) The Disclosure Document (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 and amendments thereto as applicable.

(ii) The purpose of the Document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.

(iii) The document contains necessary information about the Portfolio Manager required by an investor before investing. Investors are advised to retain this document for future reference.

(iv) The Investor should carefully read the Document prior to making a decision to avail the portfolio management services and retain the Document for future reference.

Details of the Portfolio Manager

Portfolio Manager	:	Hanut Alternate Investments LLP
SEBI Registration Number	:	INP000006439
Registered Office Address	:	B21, Grand Paradi, August Kranti Marg, Kempas Corner, Mumbai - 400036
Address of Place of Business	:	Grosvenor House, 21, Camac Street, Kolkata - 700016
Tel. Nos.	:	+91 33 79627720
Website	:	www.hanutcapital.com

Details of Principal Officer

Name	:	Mr. Arjun Singh
Address	:	Grosvenor House, 21, Camac Street, Kolkata - 700016
Telephone	:	+91 9930661746
Email id	:	arjun@hanutcapital.com

This Disclosure Document is dated October 30, 2024

Hanut Alternate Investments LLP

INDEX

Item No.	Particulars	Page No.
1	Disclaimer Clause	3
2	Definitions	3
3	Descriptions	5
4	Penalties, pending litigation	7
5	Services Offered	7
6	Risk Factors	9
7	Investments in securities of Associates/Related Parties	13
8	Client representation	14
9	Financial Performance of the portfolio manager	14
10	Portfolio Manager performance	15
11	Audit Observations	15
12	Nature of expenses	15
13	Tax Implication for Clients	16
14	Accounting Policies	17
15	Investor Services	18
16	Details of the diversification policy of the portfolio manager	20
17	Disclaimer	20

Hanut Alternate Investments LLP

1) DISCLAIMER CLAUSE

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

Pursuant to Regulation of SEBI (Portfolio Managers) Regulations, 2020, Hanut Alternate Investments LLP hereby declares that the Portfolio Management Services rendered in accordance with the contents hereof, are rendered without guaranteeing or assuring, either directly or indirectly, any returns.

2) DEFINITIONS

- a. **“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.
- b. **“Accredited Investor”** means any person who is granted a certificate of accreditation by an Accreditation Agency who:
 - (i) in case of an individual, Hindu Undivided Family, 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 SEBI

Hanut Alternate Investments LLP

from time to time, shall be deemed to be an Accredited Investor and may not be required to obtain a certificate of accreditation.

- c. **“Client(s)/ Investor(s)”** means any individual, Hindu Undivided Family(HUF), partnership firm, association of person, body of individuals, body corporate, trust, statutory authority, Accredited Investors, Large Value Accredited Investors or any other person who enters into an agreement with the Portfolio Manager for managing its portfolio.
- d. **“Discretionary Portfolio Manager”** means a portfolio manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the client, as the case may be.
- e. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an agreement with the Portfolio Manager for a minimum investment amount of INR 10,00,00,000 (Indian Rupees Ten crores).
- f. **“Portfolio”** means the total holding of all investments, assets, funds belonging to the Client.
- g. **“Portfolio Management Agreement”** means the agreement entered or to be entered into between the Client and the portfolio manager for availing the portfolio management services rendered by the portfolio manager.
- h. **“Portfolio Manager”** means Hanut Alternate Investments LLP acting through its personnel, specifically designated for the portfolio management service.
- i. **“Principal Officer”** means an employee of the Hanut Alternate Investments LLP, who has been designated as such by the portfolio manager.
- j. **“Securities”** means equity shares, mutual funds, exchange traded funds, derivatives (including commodity derivatives and currency derivatives), equity linked instruments and products, preference shares, convertible securities, depository receipts, secured premium notes, treasury bills, debt and hybrid debt products, mortgage-backed securities, commercial papers, notes, scripts, stocks, bonds, debentures, debentures stock whether or not marketable or any other securities as defined under the Securities Contracts (Regulation) Act, 1956.
- k. **“SEBI Regulations” or “Regulations”** means SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time.

Terms used in the Document and not defined shall have the meaning assigned to them under the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

Hanut Alternate Investments LLP

Any references to laws and regulations in this Document shall be deemed to include such laws and regulations as may be amended, revised, updated and/or supplemented from time to time.

Words importing singular shall include the plural and all reference to masculine gender shall include the feminine gender and vice-versa.

3) DESCRIPTION

(i) History, Present Business and Background of the portfolio manager

Hanut Alternate Investments LLP has been promoted by Mr. Arjun Singh and Mrs. Neha Mansukhani. Hanut Alternate Investments LLP was incorporated on June 22, 2018 with the purpose of providing Portfolio Management Services (Discretionary and Non-discretionary) as well as Investment Advisory Services. The LLP is registered with SEBI as a Portfolio Manager with registration number INP000006439. It received approval from SEBI on March 12, 2019.

(ii) Promoters of the portfolio manager, directors and their background

Mr. Arjun Singh and Mrs. Neha Mansukhani are the promoters and designated partners of Hanut Alternate Investments LLP.

Mr. Arjun Singh has attained a PGPM (Finance) from the Indian School of Business (ISB), Hyderabad. He also has a B.Sc in Accounting from Bethune-Cookman University, USA. He has more than 15 years of experience working with various companies in the financial services industry.

Prior to promoting the LLP, Arjun was Vice President of Listed Derivatives Sales at Deutsche Bank AG, Mumbai. He has worked for a total of 7 years for Deutsche Bank across major Asian financial centres of HongKong, Singapore and Mumbai. In his role, he was the Primary point of contact for global hedge-funds to trade in listed derivative products in the Asia-Pacific Region.

In his first corporate role, he worked as an advisor with Motilal Oswal Securities Ltd. where he created investment and trading strategies for clients in equity and equity derivatives. Later he worked with UTI Asset Management Company as a Relationship Manager, Private and Foreign Banks. He was responsible for managing equity and debt product sales and was successful in creating traction for products at banks and their branches

At Hanut Alternate Investments LLP, he is the Principal Officer and will be in charge of research and will take investment decisions for clients.

Mrs. Neha Mansukhani has attained a PGPM (Marketing) from the Indian School of Business (ISB), Hyderabad. She has a Post Graduate Diploma in Advertising and Marketing from

Hanut Alternate Investments LLP

Xavier Institute of Communications as well as a BA in Psychology from Jai Hind College, Mumbai.

She is a marketing professional with 14 years of distinguished performance in building iconic global and national brands. She has expertise in marketing luxury and premium brands, including building business plans, simulating consumer growth models and crafting experiential platforms to reach core consumer base. She has successfully worked with global and regional teams to build local innovations taken on at the global level.

She has worked with Tata Group as National Brand Manager for Himalayan mineral water. She was the Marketing Head for Champagnes, Single Malt, Vodka at Moët Hennessy India. She was responsible for driving marketing investments to ensure breakthrough and competitive growth, furthering brand equity through innovative marketing plans.

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

The LLP does not have any group companies or firms.

(iv) Details of the services being offered: Discretionary/ Non discretionary / Advisory.

The LLP will provide discretionary PMS, non-discretionary PMS as well as Investment Advisory Services.

Discretionary PMS: Hanut Alternate Investments LLP will primarily focus on offering discretionary PMS Service. Currently, we have one Approach which is named '**Hanut Fundamental Quant**' - The Investment methodology of which is a systematic, model based approach

Non-Discretionary PMS: Hanut Alternate Investments LLP will also provide Non-Discretionary PMS services for clients that require this sort of service. The approach will largely be bespoke and will be resultant of in-depth conversations with the client in an effort to understand his risk profile and return outlook.

Investment Advisory: Hanut Alternate Investments LLP will provide stock/portfolio specific advice to clients on an ongoing or one-time basis as the clients requirement may entail. This service will be completely dependent on the need of the client and will cover all investment asset classes such as Bonds, Equities, Money-Market, Gold, Real-Estate, Private-Equity, etc.

Direct Clients – Clients can invest directly with the Portfolio Manager, for any of the services listed above, without intermediation of persons engaged in distribution services.

Hanut Alternate Investments LLP

4) PENALTIES, PENDING LITIGATIONS OR PROCEEDING, FINDINGS OF INSPECTION OR INVESTIGATION FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY 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.	Not applicable
(iii) Penalties 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 Board 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

The Portfolio Manager broadly offers the following services to Clients including Accredited Investors.

a) Discretionary PMS - At Hanut Alternate Investments LLP, the discretionary investment philosophy and approach involves the use of intensive fundamental analysis and back testing to create strategies for our clients' portfolio.

We will select companies and build a portfolio of 28-32 stocks using a **Fundamental Quant Approach**. This approach is created by Mr. Arjun Singh, Principal Officer. Mr Arjun Singh has conducted research looking at the last 20 years of data on NSE500 stocks in an effort to understand which fundamental characteristics of a company indicate good price performance with a 12-month horizon.

PORTFOLIO APPROACH – HANUT FUNDAMENTAL QUANT

- Investing universe - NSE500 equity Index.
- Investment Approach - Equity
- Objective is to generate superior returns for its investors by beating the benchmark.
- Various fundamental characteristics of each stock in the index (eg. P/E ratio, P/B ratio, Margins, Margin delta, Growth ratios, Debt Ratios, Profitability Ratios, Return ratios, etc)

Hanut Alternate Investments LLP

- Research each parameter and combination of parameters to identify which combination of characteristics provide market beating returns with a 12 month horizon.
- Research with multiple starting points to ensure no seasonal bias
- Identify fundamental factors that have historically led to good stock price returns
- Use these factors to build a portfolio of 28-32 companies.
- Rotate portfolio after 12-18 months
- Fund manager will take active decisions on what the equity allocation should be given the macro economy and market internals
- Equity Index Options may also be used to manage market exposure and to hedge if the fund manager sees fit.
- The Fund manager may also choose to gain market exposure via Index Funds or ETF's if he so chooses.
- Portfolio cash may be invested in Liquid Funds
- Benchmark – BSE 500 Total Return Index

Investments will be generally in listed equity stocks in India. If we do not find any attractive investments, we may park client's funds in Mutual funds/ETF's or Money Market funds or bonds.

Security	Minimum Exposure	Maximum Exposure
Equity Shares	0%	100%
ETF / Equity Mutual Fund	0%	100%
Equity Index Options (Premium)	0%	25%
Liquid Funds	0%	100%
Debt Mutual Fund	0%	100%
Bonds	0%	100%
Liquid / Money Market Funds	0%	100%
Cash	0%	100%

b) Non-Discretionary PMS - Clients that express a unique and bespoke requirement for the management of their portfolio that is not met by the approach used by the Discretionary PMS will require this sort of service. The approach used will be resultant of in-depth conversations with the client in an effort to understand his risk profile and investment needs.

c) Investment Advisory – Clients who require stock/portfolio specific advice on an ongoing or one-time basis as the requirement may entail shall subscribe to this service. This service will be completely dependent on the need of the client and will cover all investment asset classes such as Bonds, Equities, Money-Market, Gold, Real-Estate, Private-Equity, etc. The client may not hold his securities Investments with Hanut Alternate Investments LLP and may just use our advice. The minimum investment value of 50 Lakhs, not applicable for

Hanut Alternate Investments LLP

Accredited Investors, Rs. 10 crores for Large Value Accredited Investors, even if held outside, will need to be met.

Minimum portfolio size accepted from any client will be Rs. 50 lakhs, not applicable for Accredited Investors, Rs. 10 crores for Large Value Accredited Investors. The Clients can either give a Cheque of the requisite amount, or securities having a minimum market value of the requisite amount, on the day the Portfolio Management Services Agreement is signed.

Alternatively, the assigned portfolio can be a mix of cash and securities having a minimum total value of the requisite amount.

Since there are no associates/group companies of Hanut Alternate Investments LLP, we will not invest client's funds in any group companies / associates. If in future there is any group company / firm, investments will be subject to the applicable laws / regulations / guidelines.

Nuvama Custodial Services has been appointed as Custodian and Nuvama Clearing Services has been appointed as Fund Accountant.

6) RISK FACTORS

An indicative list of the risks associated with investing through the Services is set out below:

- i. Securities investments are subject to market and other risks.
- ii. The Portfolio Manager provides no guarantee or assurance that the objectives set out in the Disclosure Document and/or the Portfolio Management Services Agreement shall be accomplished.
- iii. The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scripts accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- iv. Past performances of the Portfolio Manager do not guarantee its future performance. The Portfolio Manager has limited experience or track record.
- v. The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, in physical and demat, in the Client's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- vi. Investment decisions made by the Portfolio Manager may not always be profitable.

Hanut Alternate Investments LLP

vii. Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment approach and asset allocation.

viii. Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.

ix. 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.

x. **Equity and Equity Related Risks:** Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Cash in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.

xi. **Macro-Economic risks:** Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, 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.

xii. **Liquidity Risk:** Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

xiii. **Credit Risk:** Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.

Hanut Alternate Investments LLP

xiv. **Interest Rate Risk:** is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. The value of investments will appreciate / depreciate if the interest rates fall or rise.

xv. **Non-Diversification Risk:** This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. The Portfolio Manager will invest only in equities class. Portfolio Manager however will attempt to maintain a diversified equity portfolio in order to minimize the risk.

xvi. **Risk associated with Mutual Funds:** Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units. In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.

xvii. The investments under the Portfolio may have exposure towards equity/equity related instruments of companies belonging to the certain sectors and hence shall be affected by risks associated with that sector. The performance of the companies which form the investment universe of the Portfolio would be affected by the growth and performance of that sector of the economy.

xviii. The Clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients.

xix. After accepting the contribution, the Portfolio Manager may not get an opportunity to deploy the same at all times or there may be delay in deployment. In such situation the Client may suffer opportunity loss.

xx. In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that were negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.

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

Hanut Alternate Investments LLP

xxi. **Volatility risk:** Volatility refers to the dynamic changes in price that securities undergo when trading activity continues on the stock exchange. Generally higher the volatility of security, greater is its price swings. There may be normally greater volatility in thinly traded securities than in active securities. As a result of volatility, orders may only be partially executed or not executed at all or the price at which the order gets executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

xxii. **Risk of Wider Spreads:** Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities. This in turn will hamper better price formation.

xxiii **System Risk:** High Value trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution on confirmation. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side or if trading is halted in a security due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason.

xxiv. **System/ Network Congestion:** Trading on exchange is in electronic mode, based on satellite/ leased line-based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any such other problem whereby not being able to establish access to the trading system/ network, which may be beyond the control of and may result in delay in processing or not processing buy or sell orders wither in part or in full. The Client is cautioned to note that although these problems may be temporary in nature, but when the Client has outstanding open positions or unexecuted orders, these represent a risk because of Client's obligations to settle all executed transactions.

xxv. Risks associated with derivatives trading:

The different types of risks associated with derivative instruments are as follows:

- **Credit Risk :** These are the usual risks associated with counterparty default and which must be assessed as part of any financial transaction. Despite the two major stock exchanges in India, that offer equity derivative products, having Settlement / Trade Guarantee Funds, these risks still remain.
- **Market Risk :** These are associated with all market variables that may affect the value of the contract, for e.g. A change in price of the underlying instrument.
- **Operational Risk :** These are the risks associated with the general course of business operations and include:
 - Settlement Risk arises as a result of the timing differences between when an institution either pays out funds or deliverables assets before receiving assets or payments from a counterparty and it occurs at a specific point in the life of the contract.

Hanut Alternate Investments LLP

- Legal Risk arises when a contract is not legally enforceable, reason being the different laws that may be applicable in different jurisdictions - relevant in case of cross border trades.
- Deficiencies in information, monitoring and control systems, which result in fraud, human error, system failures, management failures etc. Famous examples of these risks are the Nick Lesson case, Barings' losses in derivatives, Society General's debacle etc.
- **Strategic Risk** : These risks arise from activities such as:
 - Entrepreneurial behavior of traders in financial institutions
 - Misreading client requests
 - Costs getting out of control
 - Trading with inappropriate counterparties
- **Systemic Risk** : This risk manifests itself when there is a large and complex organization of financial positions in the economy. "Systemic risk" is said to arise when the failure of one big player or of one clearing corporation somehow puts all other clearing corporations in the economy at risk. At the simplest, suppose that an index arbitrageur is long the index on one exchange and short the futures on another exchange. Such a position generates a mechanism for transmission of failure - the failure of one of the exchanges could possibly influence the other. Systemic risk also appears when very large positions are taken on the OTC derivatives market by any one player.

xxvi. **Risk of total Loss of Capital:** Investments in securities and derivatives entail the risk of total capital loss. SEBI regulations ensure that an investor cannot lose more than the capital invested; but the inherent nature of securities and derivatives investing keep the loss of total capital a possibility.

7) INVESTMENTS IN SECURITIES OF ASSOCIATES/RELATED PARTIES

As on the date of the Disclosure Document, there are no investments in securities of associates / related parties of Hanut Alternate Investments LLP.

For investments in securities of Associates / Related parties, the Portfolio Manager shall comply with the following norms as laid down by SEBI:

Portfolio manager shall not invest more than 30% of Client's AUM in the securities of its own associates / related parties.

Further, the portfolio manager shall adhere to the below limits :

- Not more than 15% of client's AUM in single associates / related parties equity stock
- Not more than 25% of client's AUM across multiple associates / related parties equity stocks
- Not more than 15% of client's AUM in single associates / related parties debt and hybrid security
- Not more than 25% of client's AUM across multiple associates / related parties debt and hybrid securities

Hanut Alternate Investments LLP

8) CLIENT REPRESENTATION

Category of client	Associates/Group Companies				Others			
	Sep30, 2024	March31, 2024	March31, 2023	March31, 2022	Sep30, 2024	March31, 2024	March31, 2023	March31, 2022
No of Clients	n/a	n/a	n/a	n/a	14	14	14	12
Funds Managed (in Cr)	n/a	n/a	n/a	n/a	37.44	30.20	17.44	19.34
Discretionary	n/a	n/a	n/a	n/a	37.44	30.20	17.44	19.34

8.1 Names of related parties

Designated Partners of LLP	
1	Arjun Singh
2	Neha Mansukhani
Others	
1	Ranjit Singh

8.2 Details of Related Party transactions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payments		
Salary paid to Ranjit Singh	6,00,000	6,00,000
Salary paid to Arjun Singh	2,00,000	-
Salary paid to Neha Mansukhani	-	-
Total	8,00,000	6,00,000
Receipts		
Service income from Arjun Singh	3,000	3,000
Total	3,000	3,000

9) THE FINANCIAL PERFORMANCE of the Portfolio Manager (based on audited financial statements)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2022
Total Income	46,82,427	48,80,926	54,60,274
Total Expenses	35,68,461	48,48,100	39,50,325
Profit before tax	11,13,966	32,825	15,09,949
Total tax expense		-	5,16,500
Profit after tax	11,13,966	32,825	9,93,449
Partners' Fixed Capital Account (A)	2,50,00,000	2,50,00,000	2,50,00,000
Partners' Current Account (B)	2,80,30,826	2,83,60,855	2,75,78,250
Net Worth (A + B)	5,30,30,826	5,33,60,855	5,25,78,250

Hanut Alternate Investments LLP

10) PORTFOLIO MANAGEMENT PERFORMANCE

Portfolio Management Performance of Hanut Alternate Investments LLP is as follows:

APPROACH	Inception Date	1 Month	3 Months	6 Months	1 Year	2 Years*	3 Years*	5 Years*	Since Inception*
HANUT ALTERNATE INVESTMENTS LLP	07-05-2019	1.71	9.58	24.04	48.43	30.54	16.46	25.78	23.20
BSE500 (Total Return)	07-05-2019	2.09	7.65	20.20	41.11	28.73	18.40	22.40	20.34

**annualised*

(as on September 30, 2024)

11) AUDIT OBSERVATIONS

The portfolio accounts of the portfolio manager are audited annually by an independent chartered accountant. There are no adverse observations since inception.

12) NATURE OF EXPENSES (fees or charges payable by clients)

The following are the indicative fees and charges. The exact charges shall be annexed to the Agreement or Agreements for each of the services availed by the client

Management Fees	a) upto 2% p.a. of the Assets under Management to be charged on a monthly basis b) GST, if applicable will be charged over and above the management fee at applicable rate.
Performance fees	Upto 20% performance fees will be charged on profits above a hurdle rate of 8%. This will be on annual basis or on withdrawal of funds
Minimum Investment	Rs. 50 lacs. Not applicable for Accredited Investors. Rs. 10 crores for Large Value Accredited Investors.
Exit Charge on withdrawals, in case of full or partial redemption.	a. In the first year of investment – maximum of 2% of value redeemed b. In the second year of investment – maximum of 1% of value redeemed c. After a period of two years, there is no Exit Charge

Hanut Alternate Investments LLP

Brokerage and transaction cost	15bps + GST + STT + Stamp and other tax
Custodian Fees	3-5bps of AUM + GST at applicable rates
Fund accounting charges	3-5bps of AUM + GST at applicable rates
Client account audit/certification charge	At actuals

13) TAX IMPLICATIONS FOR CLIENTS

The Client shall be liable for all tax liabilities on income arising out of his investments in the portfolio management services or advisory services. The Client is best advised to consult his / her / their tax advisor / consultant for appropriate advice on tax treatment arising on such income. In view of 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 it's or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her Portfolio managed by the Portfolio Manager.

Broadly, an investor can expect below mentioned income from their investment

- Dividend Income
- Interest Income
- Capital Gains on transfer
- Non-monetary corporate benefits such as bonus, rights, etc

Please refer to below table which indicates present income tax rates (as amended by Finance Act 2024) applicable for different income mentioned above.

Nature of Income	Sub-Income Head	Clubbed with Other income	Tax Rates
Dividend Income	Dividend	Yes	Slab rates
Interest Income	Interest	Yes	Slab rates
Capital Gains	Long Term (Equity where STT paid)	No	12.5% (on gains exceeding Rs.1,25,000) if transferred on or after 23rd July 2024 & 10% if transferred before 23rd July 2024.
	Short Term (Equity where STT paid)	No	20% if transferred on or after 23rd July 2024 & 15% if transferred before 23rd July 2024
	Long Term (Debt/Liquid MF)	No	20% with indexation if the transfer takes place before 23rd July 2024
	Long Term (Debt/Liquid MF) Purchased after 1st April 2023	Yes	Slab rates
	Short Term (Debt/Liquid MF)	Yes	Slab rates

Note:

- *Surcharge and Cess will be applicable as per the Income Tax Rules*

Hanut Alternate Investments LLP

- *With effect from April 1, 2020, dividend income from units of mutual funds and equity shares of domestic companies is subject to deduction of tax at source under Section 194 and 194K of the Income Tax Act. The Company records the tax deducted at source on dividend accruals in client accounts based on the information received from the respective custodians.*
- *Tax deducted at source ('TDS') on interest / TDS on dividend received on equity shares and TDS on capital gain (for Non resident Indian clients) is shown as withdrawal from corpus. For clarification, no TDS is deducted on capital gains for resident clients and is the responsibility of the Client to pay such taxes to the authorities*

The Investor should not treat the contents of this section of this Document as advice relating to legal, taxation, investment, or any other matter.

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.

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

14) ACCOUNTING POLICIES

We at Hanut Alternate Investments LLP proposes to follow the following accounting policies for the purpose of maintaining clients' books of accounts

- (a) The books of account for the client are maintained on cost basis.
- (b) Investment transactions are accounted for on trade date basis.
- (c) In determining cost of investments and gain/(loss) on sale thereof, the first-in-first-out (FIFO) method is followed.
- (d) In case securities have been received towards initial/additional corpus, the closing market value of securities on the date immediately preceding the day of activation of the account/receipt of securities in the books, as initial/additional corpus, is considered as capital contribution and deemed to be the cost of investments.

In case securities have been withdrawn towards partial/full redemption, the closing market value of securities on the date immediately preceding the day of such partial/ full redemption is considered for the purpose of determining the value of the capital withdrawn. The difference in cost and market value of securities at the time of partial/ full redemption is recorded as a gain/loss on the portfolio for accounting purpose.

Hanut Alternate Investments LLP

- (e) Tax deducted at source on dividend income and/ or sale of securities is recorded as a withdrawal of capital.
- (f) Brokerage (including goods and service tax thereon) and other charges incidental to the transaction, except securities transaction tax is added to cost of investments bought and deducted from the sale proceeds of investments sold.
- (g) Securities transaction tax paid on purchase/sale of investments is treated as expenditure and debited to the profit and loss account.
- (h) Dividend income on equity shares is accrued on ex-date when the right to receive dividend is established. Dividend income on units of mutual fund is recorded on the date immediately succeeding the date on which dividend is declared/ re-invested.
- (i) Interest income is recorded on receipt basis.
- (j) Management fees, performance fees and other contractual expenses are debited to the profit and loss account in accordance with the terms of the respective agreements on an accrual basis except for custody fees which are recorded on actual basis on receipt of invoice from the custodian.
- (k) Premium paid/ received for index/ stock options is recorded as an asset/ liability in the books of account.
- (l) On settlement or squaring up of equity index/ stock options before expiry, the difference between the premium paid/ collected on the contract and the settlement/ square off value is credited/ debited to the Profit and Loss Account.

15) INVESTORS SERVICES

(i) Details of investor relation officer

Name : Mr. Arjun Singh
Address : Grosvenor House, 21, Camac Street, Kolkata - 700016
Telephone : +91 9930661746
Email id : arjun@hanutcapital.com

(ii) Grievance redressal and dispute settlement mechanism:

At Hanut Alternate Investments LLP, as a part of client's grievance redressal and dispute settlement mechanism, all disputes arising in connection with the Portfolio Management Services Agreement shall, to the extent possible, be settled amicably by prompt negotiations between the representatives of the parties at the earliest.

All clients are requested to send their grievance and complaints to compliance@hanutcapital.com. This email id is designed for receiving client complaints and the Principal Officer as well as the Compliance Officer has access to this email id.

Hanut Alternate Investments LLP

Details of the Compliance Officer:

Name	Varun Sahay
Email	compliance@hanutcapital.com
Address	Grosvenor House, 21 Camac Street, Kolkata 700016
Telephone Number	+91 33 79627720

The abovementioned personnel shall attend to and resolve the client complaints, on best effort basis, within a period of 21 days from the date of receipt of complaint, as required under SEBI.

If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Investor and the Portfolio Manager shall abide by the following mechanisms.

SEBI Complaints Redressal System (SCORES)

SEBI has set up an online complaints redressal system (SCORES – <https://scores.gov.in/scores/Welcome.html>) for easy retrieval and tracking of complaints by investors.

If in case the resolution provided by the Portfolio Manager is not satisfactory, Clients may also opt to lodge their complaints and track the status of that complaint through SCORES. Hanut Alternate Investments LLP will receive and redress the complaints lodged against it in accordance with the procedures prescribed by SEBI.

Clients can also send their complaints to Officer of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai -400051.

Arbitration and Conciliation

In the event of failure to settle the dispute by mutual negotiations, it may be resolved by arbitration in accordance with provisions of The Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force. Such Arbitration proceedings shall be held at Kolkata and the language of Arbitration will be English. The cost of arbitration will be borne as decided by the arbitrator(s). The award of the arbitrator will be final and binding on the parties.

Furthermore, Clients can also submit their complaints on The Securities Market Approach for Resolution through Online Dispute Resolution (ODR) Portal for online arbitration and online conciliation for resolution of complaints. The portal can be accessed at <https://smartodr.in/login>

Hanut Alternate Investments LLP

16) DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

The portfolio will be diversified across 28-32 stocks from various sectors in order to minimize the sector specific risks. Further, there will be a ceiling to maximum exposure of 4% of total AUM per stock at the time of position initiation.

17) DISCLAIMER

This document is purely for the purposes of providing information and every effort has been made to truly represent the facts and circumstances herein

Notwithstanding anything contained in the Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations 2020 and the rules shall be applicable.

For and on behalf of Hanut Alternate Investments LLP

.....
Arjun Singh
Designated Partner
DPIN: 08119160

.....
Neha Mansukhani
Designated Partner
DPIN: 08119184

Place: Kolkata

Date: 30/10/2024

Hanut Alternate Investments LLP

Form C

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

Name of Portfolio Manager	Hanut Alternate Investments LLP
Registered Office Address	B21, Grand Paradi, August Kranti Marg, Kemps Corner, Mumbai - 400036
Address of Place of Business	Grosvenor House, 21, Camac Street, Kolkata - 700016
Tel no.	+91 33 79627720
Fax no.	-
Email	arjun@hanutcapital.com
Website	www.hanutcapital.com

We confirm that:

- i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Service;
- iii) the Disclosure Document as on 30 October 2024, has been duly certified by an independent chartered accountant, Mr. Vikas Morzaria (Membership No. 108691), Morzaria & Associates, Bungalow No. 3, Vini Garden 2, SM Road, Dahisar (West), Mumbai 400 068 bearing registration number 129763W. A copy of Chartered Accountants Certificate is enclosed

Date: 30 October 2024

Place: Kolkata

Arjun Singh
Principal Officer
Grosvenor House, 21,
Camac Street, Kolkata - 700016