CAELIS VENTURES PRIVATE LIMITED

ACCREDITED INVESTOR FRAMEWORK UNDER SEBI (PORTFOLIO MANAGERS) REGULATIONS, 2020

Services offered

Name	Registration	Registration Number
Caelis Ventures Private Limited	Portfolio Manager	INP000010362

A. Background

Securities and financial market regulators across the world recognise a class of investors – commonly termed accredited, qualified or professional investors – who understand various financial products and the risk-return trade-offs associated with them, and who are able to take informed investment decisions.

Owing to their financial capacity and ability to absorb potential losses, such investors are considered capable of investing in relatively riskier products. Regulators have therefore taken the view that these investors do not require the same degree of regulatory protection as other investors, and issuers and service providers are permitted to offer products and services to them under a lighter regulatory regime.

In line with this, SEBI introduced the concept of Accredited Investors in India with uniform eligibility criteria and a flexible regulatory framework, through amendments to the SEBI (Portfolio Managers) Regulations, 2020 on August 03, 2021 and SEBI circular SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620 dated August 26, 2021. The requirements for grant of accreditation were subsequently simplified by SEBI circular SEBI/HO/AFD/PoD1/CIR/2023/189 dated December 18, 2023.

The framework applicable to Accredited Investors availing the Portfolio Management Services of Caelis Ventures Private Limited ("Caelis" or the "Portfolio Manager") is set out below.

B. About Accredited Investors

"**Accredited Investor**" or "**AI**" means any person who fulfils the eligibility criteria specified by SEBI and is granted a certificate of accreditation by an Accreditation Agency.

The following are deemed to be Accredited Investors and are not required to obtain a certificate of accreditation: the Central Government and State Governments; developmental agencies set up under the aegis of the Central or State Governments; funds set up by the Central or State Governments; qualified institutional buyers as defined under the SEBI (Issue of Capital and

Disclosure Requirements) Regulations, 2018; Category I foreign portfolio investors; sovereign wealth funds; multilateral agencies; and any other entity as may be specified by SEBI from time to time.

"**Accreditation Agency**" means a subsidiary of a recognised stock exchange or of a depository, or any other entity as may be specified by SEBI from time to time. The entities presently notified by SEBI as Accreditation Agencies are:

a. BSE Administration and Supervision Limited (BASL)

b. CDSL Ventures Limited (CVL)

"**Large Value Accredited Investor**" means an Accredited Investor who has entered into an agreement with the Portfolio Manager for a minimum investment of INR 10 crore.

C. Regulatory concessions under SEBI (Portfolio Managers) Regulations, 2020

Sr. No.	Particulars	Applicability
1	The minimum investment of INR 50 lakh per client shall not apply.	Accredited Investor
2	The contents of the agreement specified under Schedule IV of the SEBI (Portfolio Managers) Regulations, 2020 shall not apply to the agreement between the Portfolio Manager and the Large Value Accredited Investor.	Large Value Accredited Investor
3	The Portfolio Manager may offer discretionary, non-discretionary or advisory services for investment of up to 100% of the assets under management in unlisted securities, subject to the terms agreed between the client and the Portfolio Manager.	Large Value Accredited Investor
4	The quantum and manner of exit load prescribed under the PMS regulations shall not apply and shall be governed by bilaterally negotiated contractual terms.	Large Value Accredited Investor

Note: The concessions actually extended to a client shall be those agreed in writing in the PMS agreement with that client. Caelis may, at its discretion, prescribe a minimum investment amount for Accredited Investors product-wise or otherwise.

D. Eligibility criteria for Accredited Investors

Category	Criteria
Individual Hindu Undivided Family (HUF) Family Trust Sole Proprietorship	a. Annual income ≥ INR 2 crore; **OR** b. Net worth ≥ INR 7.5 crore, of which at least INR 3.75 crore is in the form of financial assets; **OR** c. Annual income ≥ INR 1 crore **and** net worth ≥ INR 5 crore, of which at least INR 2.5 crore is in the form of financial assets
Body Corporate	Net worth ≥ INR 50 crore

Category	Criteria
Trust other than Family Trust	Net worth ≥ INR 50 crore
Partnership firm set up under the Indian Partnership Act, 1932	Each partner independently meets the eligibility criteria for accreditation

Reckoning of eligibility criteria

1. Net worth shall be calculated as under:

Category	Computation of net worth
Individual / Karta of HUF / Sole Proprietor	The value of the primary residence shall not be considered.
Body Corporate	(Capital + Free Reserves) – (Accumulated Losses + Deferred Expenditure not written off)
Trust	(Book value of all assets other than intangible assets) – (Book value of total liabilities)

2. Where investments are held jointly by more than one individual:

(i) where the joint holders are parent(s) and child(ren), at least one of them should independently fulfil the eligibility criteria; and

(ii) where the joint holders are spouses, their combined income / net worth should meet the eligibility criteria.

3. For Body Corporates and Trusts, eligibility shall be assessed on the basis of (i) financial information as per statutory audit; or (ii) financial information as per audit by the statutory auditor as on a date during the financial year in which the application is made (if furnished).

4. The eligibility of foreign investors shall be determined on the basis of the rupee equivalent of their income and / or net worth, as applicable.

E. Procedure for obtaining accreditation

1. The prospective investor shall apply online to an Accreditation Agency in the manner specified by that agency (see Section I below), together with the documents listed in the **Annexure**.

2. Accreditation is granted solely on the basis of the applicant's KYC and financial information. Accreditation Agencies that are also KYC Registration Agencies (KRAs) may access the applicant's KYC documents available with them and in the databases of other KRAs.

3. The Accreditation Agency shall verify that, at the time of accreditation, the applicant is 'fit and proper' to participate in the securities market, including the absence of any conviction or restraint order and that the applicant is not a wilful defaulter.

4. On approval, the Accreditation Agency issues an Accreditation Certificate bearing a unique accreditation number, the name of the Accreditation Agency, the PAN of the applicant and the

period of validity (start and end date). The certificate does not exempt intermediaries such as Caelis from carrying out their own due diligence while on-boarding the investor.

F. Validity of accreditation

Basis of eligibility	Validity of accreditation
Eligibility criteria met in the preceding financial year	2 years from the date of issue
Eligibility criteria met in each of the preceding two financial years	3 years from the date of issue
Newly incorporated entity, without financials for the preceding year, meeting the net worth criteria as on the date of application	2 years from the date of issue

G. Procedure to avail benefits linked to accreditation with Caelis

1. The prospective investor shall provide Caelis with a copy of the valid Accreditation Certificate along with an undertaking stating that:

(i) the investor wishes to avail the benefits available to Accredited Investors ("**Consent**");

(ii) the investor has the ability to bear the financial risk associated with the investment;

(iii) the investor has the necessary knowledge and means to understand the features and risks of the investment product; and

(iv) the investor is aware that the investment product is meant for Accredited Investors and may not be subject to the same regulatory oversight as investment products meant for investors other than Accredited Investors.

Caelis may obtain such additional undertakings from the investor as it considers necessary.

2. Caelis shall independently verify the accreditation status of the investor with the concerned Accreditation Agency before extending any concession.

3. The PMS agreement between Caelis and the client shall set out:

(i) the regulatory concessions agreed between the client and Caelis and the conditions for availing them;

(ii) the consequences, if any, of the client ceasing to be an Accredited Investor during the tenure of the agreement; and

(iii) the manner of withdrawal of Consent and the consequences of such withdrawal.

4. Clients are required to renew their accreditation before expiry and furnish the renewed certificate to Caelis. Concessions shall not be available for fresh investments made after the expiry of accreditation.

H. Withdrawal of Consent

Clients may withdraw their Consent and discontinue availing the benefits of accreditation, subject to the following:

(a) An Accredited Investor who withdraws Consent after availing the benefit of a lower ticket size shall be required to increase the investment to the minimum amount, i.e. INR 50 lakh, within the timeframe specified in the PMS agreement.

(b) Where Consent is withdrawn before the expiry of the PMS agreement, investments already made shall be grandfathered, i.e. continue to be reckoned as investments by an Accredited Investor. From the date of withdrawal, all further transactions shall be in accordance with the regulatory framework applicable to investors other than Accredited Investors.

(c) The PMS agreement shall provide the modalities for withdrawal of Consent and its consequences.

I. Process followed by the Accreditation Agencies

BSE Administration and Supervision Limited (BASL)

1. Register online at https://bseasl.com under "Accredited Investor Login".

2. Fill in the required details and upload self-attested copies of the documents required for accreditation.

3. Pay the processing and certification fees applicable to the investor category and tenure, as notified by BASL (plus applicable taxes). Processing charges are non-refundable.

4. BASL verifies the KYC details, financials and undertakings submitted, and may seek additional information where the submission is incomplete.

5. On approval, BASL issues the Accreditation Certificate showing the validity period; if not approved, the reasons are communicated to the applicant.

CDSL Ventures Limited (CVL)

1. Register online at https://www.aia.cvlindia.com under "Investor".

2. Fill in the required details and upload self-attested copies of the documents required for accreditation.

3. Pay the processing and certification fees applicable to the investor category and tenure, as notified by CVL (plus applicable taxes). The same charges apply on renewal, and the processing fee is non-refundable.

4. CVL initiates verification and raises queries, if any, on the investor's registered e-mail ID.

5. If the application is in order and the criteria are met, the Accreditation Certificate (with validity period) is issued and can be accessed by the investor; otherwise, the application is rejected.

Investors are advised to refer to the websites of BASL and CVL for the current fee schedule, detailed user manuals and updates notified from time to time.

Annexure – Documentation required for obtaining accreditation

The applicant shall furnish self-certified copies of the following documents. The number of financial years for which financial information is furnished (one or two) determines the validity of the accreditation as set out in Section F.

1. Individual / HUF / Sole Proprietorship

Information	Documents to be submitted
Proof of identity	(a) PAN card. (b) Aadhaar card or valid passport (passport mandatory for foreign investors).
Proof of financial information	(a) Copies of income tax return(s) for the preceding one or two financial years. (b) Certificate from a practising Chartered Accountant stating net worth as on March 31 of the preceding one or two financial years, with the computation of net worth annexed. (c) Certificate from a practising Chartered Accountant stating net worth as on the date of application (optional).
Proof of basis of valuation of assets	(a) Proof of the ready reckoner rate applicable to real estate considered in computing net worth. (b) Demat account statement. (c) Any other document as required.
Undertakings	Declaration by the applicant that: (a) the applicant is not a wilful defaulter; (b) the applicant is not a fugitive economic offender; (c) the applicant is not debarred from the securities market as on the date of application; (d) in case of a non-resident Indian or foreign investor, the applicant has not been restricted from accessing the securities market by the country of jurisdiction where he / she resides; and (e) the submissions made to the Accreditation Agency are true and correct, and if found incorrect, the Accreditation Agency may reject the application or withdraw the accreditation.
Other documents	Any other document as specified by the Accreditation Agency.

2. Body Corporate

Information	Documents to be submitted
Authorisation	Certified copy of the Board resolution authorising the application for accreditation.
Proof of identity	(a) PAN card. (b) Certificate of incorporation.

Information	Documents to be submitted
Proof of financial information	(a) Copies of income tax return(s) for the preceding one or two financial years. (b) Audited financial statements for the preceding one or two financial years. (c) Certificate from a practising Chartered Accountant stating net worth as on March 31 of the preceding one or two financial years. (d) Audited financial statements prepared by the statutory auditor for the current date / period (optional). (e) Certificate from a practising Chartered Accountant stating net worth as on the date of application (optional).
Undertakings (by Managing Director / authorised person)	Declaration that: (a) the applicant, its promoters or directors are not wilful defaulters; (b) the promoters or directors of the applicant are not fugitive economic offenders; (c) the applicant is not debarred from the securities market as on the date of application; (d) in case of a foreign investor, it has not been restricted from accessing the securities market by the country of jurisdiction where it is incorporated; and (e) the submissions made to the Accreditation Agency are true and correct.
Other documents	Any other document as specified by the Accreditation Agency.

3. Trust (Family Trust / Other Trust)

Information	Documents to be submitted
Proof of identity	(a) PAN card. (b) Registered trust deed.
Proof of financial information	(a) Copies of income tax return(s) for the preceding one or two financial years. (b) Audited financial statements for the preceding one or two financial years. (c) Certificate from a practising Chartered Accountant stating net worth as on March 31 of the preceding one or two financial years, with the working of net worth annexed. (d) Audited financial statements prepared by the statutory auditor for the current date / period (optional). (e) Certificate from a practising Chartered Accountant stating net worth as on the date of application (optional).

Information	Documents to be submitted
Proof of basis of valuation of assets	(a) Statement of assets and liabilities of the trust for the preceding one or two years. (b) Proof of the ready reckoner rate applicable to real estate considered in computing net worth. (c) Demat account statement. (d) Any other document as required.
Undertakings (by Trustee / Board of Trustees)	Declaration that: (a) the applicant, its beneficiaries or trustee(s) are not wilful defaulters; (b) the beneficiaries or trustee(s) of the applicant are not fugitive economic offenders; (c) the applicant is not debarred from the securities market as on the date of application; (d) in case of a foreign investor, it has not been restricted from accessing the securities market by the country of jurisdiction where it is incorporated; and (e) the submissions made to the Accreditation Agency are true and correct.
Other documents	Any other document as specified by the Accreditation Agency.

4. Partnership Firm

Information	Documents to be submitted
Proof of identity	(a) PAN card of the firm. (b) Partnership deed.
Proof of financial information	Since each partner must independently meet the eligibility criteria, the documents listed at (1) above are to be furnished for each partner, along with the income tax returns and audited financial statements of the firm, as required by the Accreditation Agency.
Undertakings (by Designated Partner / authorised person)	Declaration that: (a) the applicant or its partners are not wilful defaulters; (b) the partners of the applicant are not fugitive economic offenders; (c) the applicant is not debarred from the securities market as on the date of application; (d) in case of a foreign investor, it has not been restricted from accessing the securities market by the country of jurisdiction where it is set up; and (e) the submissions made to the Accreditation Agency are true and correct.
Other documents	Any other document as specified by the Accreditation Agency.

This framework is based on the SEBI regulations and circulars in force as on the date of issue and shall stand modified to the extent of any amendment notified by SEBI from time to time.