

# **AYAN ANALYTICS PRIVATE LIMITED**

CIN U74120MH2015PTC271084

## **Portfolio Management Services**

PMS Registration No. INP000007614

### **Disclosure Document for Portfolio Management Services (Discretionary & Non-Discretionary)**

Registered Office : Flat No. 23, Wing C, Floor 2,  
Shreerang Unit-11, Shreerang society,  
N G Marg, Thane west – 400601,

Corporate Office : Office No 204 , Adijon, L.B.S. Road, Opp. Pinnacle Hospital,  
Near Vandana Bus Depot, Thane(W) – 400602, Maharashtra

Website : [www.ayananalytics.com](http://www.ayananalytics.com) / [www.pricebridge.in](http://www.pricebridge.in)

Email : [info@ayananalytics.com](mailto:info@ayananalytics.com) / [service@pricebridge.in](mailto:service@pricebridge.in)

# **PORTFOLIO MANAGEMENT SERVICES**

## **DISCLOSURE DOCUMENT**

### **OF**

### **AYAN ANALYTICS PRIVATE LIMITED**

**(SEBI Registration No. \_INP000007614)**

*(As per the requirement of the Fifth Schedule under Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020)*

The Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI.

The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation 22 of SEBI (Portfolio Managers) Regulation 2020.

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 an informed decision for engaging a Portfolio Manager.

The document contains necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.

This Disclosure Document is dated 21st Nov 2025 **(Financial data considered up to March 31, 2025)**  
)

### **Details of the Portfolio Manager**

Name of Portfolio Manager : AYAN ANALYTICS PRIVATE LIMITED  
SEBI Registration Number : INP000007614  
Registered Office Address : Flat No. 23,  
Wing C, Floor 2,  
Shreerang Unit-11, Shreerang society,  
N G Marg, Thane west – 400601, Maharashtra  
Phone No(s) : 9820525378  
E-mail address : mahesht72@ayananalytics.com

### **Details of Principal Officer**

Name of Principal Officer : Ramaswamy Vaidyanath  
Phone No(s) : 9820029387  
Corporate Office Address : Office No 204 , Adijon, L.B.S. Road, Opp. Pinnacle Hospital,  
Near Vandana Bus Depot, Thane(W) – 400602, Maharashtra  
E-mail address: rvidyanath@ayananalytics.com

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## **PART-I- Static Section**

### **1. Disclaimer Clause**

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

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

## 2. Definitions

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

1. “**Act**” means the Securities and Exchange Board of India Act, 1992.
2. “**Accreditation Agency**” means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
3. “**Accredited Investor**” means any person who is granted a certificate of accreditation by an accreditation agency who:
  - (i) in case of an individual, HUF, family trust or sole proprietorship has:
    - (a) annual income of at least two crore rupees; or
    - (b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
    - (c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
  - (ii) in case of a body corporate, has net worth of at least fifty crore rupees;
  - (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;
  - (iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

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

4. “**Advisory Services**” means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
5. “**Agreement**” or “**Portfolio Management Services Agreement**” or “**PMS Agreement**” means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
6. “**Applicable Law/s**” means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
7. “**Assets Under Management**” or “**AUM**” means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
8. “**Associate**” means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.

9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
11. **“Business Day”** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **“Client(s)”** / **“Investor(s)”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **“Disclosure Document”** or **“Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
21. **“Foreign Portfolio Investors”** or **“FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
23. **“Funds”** or **“Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.<sup>i</sup>

25. “**HUF**” means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
26. “**Investment Approach**” is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. “**IT Act**” means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
28. “**Large Value Accredited Investor**” means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
29. “**Non-resident Investors**” or “**NRI(s)**” shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
30. “**NAV**” shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. “**NISM**” means the National Institute of Securities Markets, established by the Board.
32. “**Person**” includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. “**Portfolio**” means the total holdings of all investments, Securities and Funds belonging to the Client.
34. “**Portfolio Manager**” means **AYAN Analytics Private Limited**, a body corporate incorporated under the Companies Act, [2013/1956], registered with SEBI as a portfolio manager bearing registration number **INP000007614** and having its registered office at C-23/ CD-65, 2nd Floor, Shreerang Unit 11, Shreerang Society, N G Marg, Thane (W) 400601, Maharashtra..
35. “**Principal Officer**” means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
  - (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
  - (ii) all other operations of the Portfolio Manager
36. “**Regulations**” or “**SEBI Regulations**” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
37. “**Related Party**” means –
  - (i) a director, partner or his relative;
  - (ii) a key managerial personnel or his relative;
  - (iii) a firm, in which a director, partner, manager or his relative is a partner;
  - (iv) a private company in which a director, partner or manager or his relative is a member or director;
  - (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
  - (vi) any body corporate whose board of directors, managing director or manager is accustomed to

- act in accordance with the advice, directions or instructions of a director, partner or manager;
- (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:

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

- (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;
- (ix) a related party as defined under the applicable accounting standards;
- (x) such other person as may be specified by the Board:
- Provided that,
- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
- (i) of twenty per cent or more; or
- (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;

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



### 3. Description

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

Ayan Analytics Private Limited is developing tools to understand investors' behavior & responses under different time cycles. There are various stages in an investment process, and the original idea was to build a platform that covers ideation to execution and finally risk management of the investment, and the platform is integrated with a basic profit loss module. In the process, it came out with different product ideas and worked on various products, discarded them, and finally came out with 3 main products, which have been given below. While going through better delivery and revenue models, our internal back tests, product research, data research, risk management tools, etc, we realized that there is a mass need for a consistent, reliable, and safe PMS model, and we were already sitting on such a model. Which was under development for risk management & OMS of PriceBridge platform.

Flagship produce Zodiac Analyst gives insight to Time cycle & user can plot a Time Map of indices and even stocks. The software is used by research analyst and investors in the capital markets. The idea originated in 2008, and going forward, the joint perseverance of our team lead to the formation of Ayan Analytics Private Limited, a corporate entity, in December 2015.

AAPL conceptualized Price Bridge, Risk Management, and Order Management cloud-based services. It was initially planned to be offered as B2B product, but after initial contracts, it was realized that it can be offered to Investment advisors, and even HNI investors can use it to manage their portfolios. The response was not as expected.

Currently, AAPL is providing **SAAS (Software as a service)** cloud-based model of '**PriceBridge**' **integrated with OMS & risk management platform** to Investment advisors, HNIs, funds, and brokers.

**ZodiacAnalyst** is desktop software is SAS (statistical Analysis System), it is used for TimeMapping of the markets, Indices, sector indices, and individual stocks. This product received a good response.

The founder with his experience in Equity & research space brings in expertise from Time cycle or Seasonality, behavior Economics and advanced Gann methods.

The company explores a substantial number of ideas using Technology, Behavior Finance & Economics, and Simple Technical from Dow, GANN, and Elliott. This experience in turn established to offer a deep domain technology platform solution to corporate treasuries, trusts, banks, retail brokers, HNI investors. We have an end-to-end technology platform, initiating an investment idea, sending it across to investors, ensuring execution, and finally reconciliation. Our in-house tech platform can be seamlessly integrated for carrying out PMS operations in the future.

Training has been the strength, so AAPL was assigned for providing training services.

#### **ZodiacAnalyst- Time Cycle-based software**

ZodiacAnalyst is a platform created to study the various social, cognitive, and emotional factors, which affect and change the behavior of traders and speculators. Events & Responses get stored in TIME memory, and that's why history repeats. ZodiacAnalyst helps Fund managers, traders, and investors to visualize the potential movement of the indices or stocks. It tracks past responses & the outcome, under various weather conditions, and tries to find a potential path of price movement. Behavior finance & response mechanism is extensively studied and given very high weightage in the global markets, especially by the very large players. Insurers, vulture & Black

swan funds spend millions in plotting behavior probabilities and finding alterations in the behavior patterns.

Periodic training programs were conducted to train users (Stockbrokers and HNIs) on the software usage and application.

**ZodiacTrader Mobile App** was developed and it was backed by NSE/BSE approved CTCL system, Signals from Zodiac Analyst were transmitted using the cloud platform to pass on as Alerts to clients' investment portfolios. The project was abandoned due to a lack of response from the brokers.

AAPL has built in-house cloud-based signals for efficient risk management modules in the past 3 years in a phased manner, the improvement continues as an ongoing process.

It would be used extensively in managing the intended PMS business of AAPL.

We have a tie-up with a technology company Infimatrix Technoloies Pvt. Ltd. which develops and maintains our technology platform. Infimatrix Technologies Pvt. Ltd. is set up by Mr. Harshal Pendse, who has experience of more than 20 years.

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

**Promoters:**

| Sr. No | Name of the Promoter  | Address  | E-mail                      |
|--------|-----------------------|--|-----------------------------|
| 1.     | Mahesh Ganesh Gowande | Flat No. 23, WingC, Floor 2, Shreerang Unit-11, Shreerang society, N G Marg, Thane west – 400601 | mahesht72@ayananalytics.com |

**Directors:**

The Directors of the Company are as below:

|                            |   |
|----------------------------|---|
| <b>Name</b>                | Mahesh Ganesh Gowande   |
| <b>Designation</b>         | Director  |
| <b>Date of Appointment</b> | 17/12/2015  |
| <b>Brief Profile</b>       | As an equity futurologist, Mahesh Gowande has been consistent in developing detailed analysis on capital market cycles. With almost 19 years of experience, to identify & to reduce investment risk, his research has been extensively focused on behavioural economics, time mapping and response analysis of markets. |

|                            |  |
|----------------------------|--|
| <b>Name</b>                | Mita Mahesh Gowande  |
| <b>Designation</b>         | Director   |
| <b>Date of Appointment</b> | 26/03/2018   |
| <b>Brief Profile</b>       | She has been Sub-broker of Sunidhi Securities private limited. Managed office, and staff of 3. |

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

The details of group companies / firms of the company as on 31<sup>st</sup> March, 25 are as given below:

SIP Margadarshk Private Limited

MGT technology Pvt Ltd

However, presently there are no activities in the above entities.

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

**a) Discretionary Portfolio Management -**

The portfolio account of the client is managed at the full discretion and liberty of the Portfolio Manager. Thus, the choice and timing of investment rest solely with the Portfolio Manager. The portfolio managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the tenure of the agreement or any time thereafter except on the ground of mala fide, fraud, conflict of interest or gross negligence.

**b) Non-discretionary Services -**

Non-discretionary portfolio management services mean a services rendered to the client by the portfolio manager in accordance with the direction of the client with respect to investments or management of assets of the client.

**c) Advisory Services -**

The Portfolio client is given purely advisory services as stipulated under SEBI PMS Regulations and in accordance with the requirement of the client. Portfolio Manager gives advice to the client regarding investment/disinvestment in Securities. However, discretion lies with the client whether to act upon it or to ignore the advice. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment advice and may include advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client. Investment advice shall be for an agreed fee structure and for a period agreed and entirely at the client's risk. The Portfolio Manager shall act in a fiduciary capacity towards its client.

**Direct Onboarding—**

All clients have an option to invest in the PMS directly, without the intermediation of persons engaged in distribution services. The client can onboard by directly contacting us or sign up for our services by writing to us at mail ID [swapnil@ayanalytics.com](mailto:swapnil@ayanalytics.com)

**4. Penalties, pending litigation or proceedings, findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority.**

| <b>Sr.No.</b> | <b>Particulars</b>  | <b>Remarks</b> |
|---------------|---|----------------|
| 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   | None           |
| iii.          | Penalties/fines imposed for any economic offence and/ or for violation of any securities laws   | None           |
| iv.           | Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any   | None           |
| v.            | Any deficiency in the systems and operations of the portfolio manager observed by the 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

- (i) The present investment objectives and policies including the types of securities in which it generally invests

### 1. Investment objective:

The funds of the Clients shall be invested in such capital and money market instruments, including securities as defined under the Securities Contract (Regulation) Act, 1956, and shall include any securities, derivatives and other instruments which are tradable on any of Exchanges as well as such units of Unit Trust of India and / or other mutual funds (whether listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, securitized debt instruments, investments in company deposits, bank deposits, treasury bills and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

The investment objectives would be one or more of the following or combination thereof:

- a. To generate positive absolute returns in all market conditions while managing portfolio risk
- b. To generate a good return on investments
- c. To generate short term and/ or long-term capital appreciation

The Portfolio Manager offers various investment strategies-based portfolios to allow for standardized customization in sync with investor profile and also customized portfolio as per suitability and specific requirements of the client. The general objective is to formulate and devise the investment philosophy to achieve long term growth of capital.

### 2. Types of Securities:

The portfolio manager/fund manager shall invest in all such types of securities as defined in above (Please refer to definitions) and in all such securities as permissible from time to time.

Consistent with the investment objective and subject to Regulations, the corpus will be invested in any of (but not exclusively) the following securities:

- i. Equity and equity-related securities including convertible bonds (including equity-linked debentures) and debentures and warrants carrying the right to obtain equity shares;
- ii. Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills);
- iii. Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
- iv. Money Market instruments permitted by SEBI/RBI;
  - v. Certificate of Deposits (CDs);
  - vi. Commercial Paper (CPs);
- vii. Mutual Fund units, Fixed Deposits, Bonds, debentures etc.;
- viii. Units of venture funds;

- ix. Securitization instruments;
- x. Foreign securities as permissible by Regulations from time to time;
- xi. Any other securities and instruments as permitted by the Regulations from time to time.

### **3. Minimum Investment Amount:**

The Portfolio Manager will not accept an initial corpus of less than Rs. 50.00 lacs or such minimum amount as specified by SEBI from time to time. The client may on one or more instances or on a continual basis, make further placements of funds/securities under the services. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, money market instruments, exchange traded index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits and other short-term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule of the agreement by giving a prior written notice of 14 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/it deems fit.

(ii) Investment Approaches of the Portfolio Manager :-

#### **Investment Approach:**

##### **(A) PriceBridge Upswing**

##### **Investment Objective:**

To generate capital appreciation from a portfolio predominantly investing in Equities and Equity ETF's, debts funds and ETF. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

##### **Types of securities:**

- Direct Equity and Equity Exchange Traded Funds.
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, and Money Market Instruments)

##### **Basis of selection of Securities:**

Fundamentally filtered list of Nifty 50, Nifty Next 50, Midcap 150 and Smallcap 100 constituents, a max 10% in a special case would be out of the above mentioned universe. In case of stocks inward from client the above construct may not apply as stocks will be held based on mutual discussion with the client and at the discretion of PM.

**Allocation of portfolio across types of securities:**

| Asset Allocation Pattern   | Min | Max  |
|--|-----|------|
| Direct Equity and Equity Exchange Traded Funds   | 20% | 100% |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0   | 80%  |

**Appropriate benchmark to compare performance and basis for choice of benchmark:**

Nifty 50 TRI

**Indicative tenure or investment horizon:**

24 months

**Risks associated with the investment approach:**

Investments under this scheme are subject to market risks arising from fluctuations in equity and debt instruments. The value of the portfolio may vary due to changes in market conditions, interest rates, and economic factors, and there is no assurance or guarantee of returns. Investment decisions may not always be profitable, and past performance is not indicative of future results. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**Other salient features, if any.**

Constant effort to minimize risk by systematic profit & loss booking.

**(B) PriceBridge Honeycomb****Investment Objective:**

To provide the investors an opportunity to invest in a dynamically managed portfolio of multiple asset classes. However, there is no guarantee or assurance that the scheme's objective will be achieved.

**Types of securities:**

- Direct Equity MF and Equity Exchange Traded Funds (Including direct MF's and domestic Equity ETF's)
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments)
- Gold and Gold Related Instruments/Gold ETF's

**Basis of selection of Securities:**

Quantitative Modeling of listed Exchange Traded funds across NSE and BSE and Direct Mutual Funds

**Allocation of portfolio across types of securities:**

| <b>Asset Allocation Pattern</b>  | <b>Min</b> | <b>Max</b> |
|--|------------|------------|
| Direct Equity MF and Equity Exchange Traded Funds<br>(Including Direct MF's and Domestic Equity ETF's)   | 10%        | 100%       |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0%         | 90%        |
| Gold and Gold Related Instruments/Gold ETF's   | 0%         | 30%        |

**Appropriate benchmark to compare performance and basis for choice of benchmark:**

Nifty 50 TRI

**Indicative tenure or investment horizon:**

18 to 24 months

**Risks associated with the investment approach:**

This scheme is subject to standard risks associated with Asset Allocation Funds. Investments are exposed to market, interest rate, and liquidity risks arising from allocation across equity, debt, and gold-related instruments. The performance of the portfolio may be affected by economic and policy changes, as well as fluctuations in the prices of underlying securities. There is no assurance or guarantee of returns, and past performance may not be indicative of future results. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**Other salient features, if any.**

Please refer to the section on risk factors in Disclosure Document.

**(C )PriceBridge Managed Direct MF****Investment Objective:**

To provide the investors an opportunity to invest in a dynamically managed portfolio of multiple asset classes. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

**Types of securities:**

- Direct Equity MF and Equity Exchange Traded Funds (Including Direct MFs and Domestic Equity ETFs)
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments)
- Gold and Gold Related Instruments/Gold ETF's



**Basis of selection of Securities:**

Overlay of Quantitative Analysis on index/ETF for identifying benchmark index and weights and AMC and scheme selection based on track record of AMC and fund manager/CIO

**Allocation of portfolio across types of securities:**

| Asset Allocation Pattern   | Min | Max  |
|--|-----|------|
| Direct Equity MF and Index Funds<br>(Including Direct MF's and Domestic Equity ETF's)  | 10% | 100% |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0%  | 90%  |
| Gold ,Silver and Gold Silver Related Instruments/Gold Silver ETF's   | 0%  | 30%  |

**Appropriate benchmark to compare performance and basis for choice of benchmark:**

Nifty 50 TRI

**Indicative tenure or investment horizon:**

18 to 24 months

**Risks associated with the investment approach:**

Please refer to the section on risk factors in the Disclosure Document.

**Other salient features, if any.**

Constant effort to minimize risk by systematic profit & loss booking.

**(D) PriceBridge Eternal-Long Life****Investment Objective:**

To generate capital appreciation from a portfolio predominantly investing in Equities and Equity ETF's, debts funds and ETF. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

**Types of securities:**

- Direct Equity and Equity Exchange Traded Funds.
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, and Money Market Instruments)

**Basis of selection of Securities:**

Fundamentally filtered list of Nifty 500, and max 28% would be out of the above-mentioned universe, listed on Indian equity stock exchanges (BSE / NSE). In case of stock inwards from client the above construct may not apply as stocks will be held based on mutual discussion with the client and at the discretion of PM.

**Allocation of portfolio across types of securities:**

| Asset Allocation Pattern   | Min | Max  |
|--|-----|------|
| Direct Equity and Equity Exchange Traded Funds   | 20% | 100% |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0   | 80%  |

**Appropriate benchmark to compare performance and basis for choice of benchmark:**

S&P BSE 500 (TRI)

**Indicative tenure or investment horizon:**

24 months

**Risks associated with the investment approach:**

Investments under this scheme are subject to market risks associated with equity and debt instruments. The value of the portfolio may fluctuate due to changes in market conditions, interest rates, and economic factors. Investment decisions may not always be profitable, and there is no assurance or guarantee of returns. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**Other salient features, if any.**

Constant effort to minimize risk by systematic profit & loss booking.

**(E) PriceBridge -Total Market India PMS****Investment Objective:**

To provide the investors an opportunity to invest in a dynamically managed portfolio of multiple asset classes. However, there is no guarantee or assurance that the scheme's objective will be achieved.

**Types of securities:**

- Direct Equity MF and Equity Exchange Traded Funds (Including direct MF's and domestic Equity ETF's)
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments)
- Gold and Gold Related Instruments/Gold ETF's

**Basis of selection of Securities:**

Quantitative Modeling of Index Funds

**Allocation of portfolio across types of securities:**

| Asset Allocation Pattern   | Min | Max  |
|--|-----|------|
| Equity Exchange Traded Funds   | 10% | 100% |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt,<br>Debt ETF's and Money Market Instruments) | 0%  | 90%  |
| Gold and Gold Related Instruments/Gold ETF's   | 0%  | 30%  |

**Appropriate benchmark to compare performance and basis for choice of benchmark:**

S&P BSE 500 (TRI)

**Indicative tenure or investment horizon:**

36 to 60 months

**Risks associated with the investment approach:**

The scheme involves standard risks associated with diversified asset allocation strategies. Investments across equity, debt, and gold instruments are subject to market volatility, interest rate movements, and liquidity constraints that may impact overall portfolio performance. Economic developments, regulatory changes, or sectoral shifts may also influence returns. There is no assurance or guarantee that the investment objective will be achieved. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**Other salient features, if any.**

Please refer to the section on risk factors in the Disclosure Document.

## **(F) PriceBridge Top 100 Equity**

### **Investment Objective:**

To generate capital appreciation from a portfolio predominantly investing in Equities and Equity ETF's, debts funds and ETF. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

### **Types of securities:**

- Direct Equity.
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, and Money Market Instruments)

### **Basis of selection of Securities:**

List of Nifty 100 with custom weights

In case of stock inwards from client the above construct may not apply as stocks will be held based on mutual discussion with the client and at the discretion of PM.

### **Allocation of portfolio across types of securities:**

| <b>Asset Allocation Pattern</b>  | <b>Min</b> | <b>Max</b> |
|--|------------|------------|
| Direct Equity and Equity Exchange Traded Funds   | 20%        | 100%       |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0          | 80%        |

### **Appropriate benchmark to compare performance and basis for choice of benchmark:**

Nifty 50 TRI

### **Indicative tenure or investment horizon:**

24 months

### **Risks associated with the investment approach:**

The scheme is exposed to risks inherent in equity and debt investments. Portfolio values may fluctuate due to movements in stock prices, interest-rate changes, or broader market and economic conditions. Concentration within the top 100 stocks may also heighten exposure to sector-specific risks. There is no assurance or guarantee that the investment objective will be achieved. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

### **Other salient features, if any.**

Constant effort to minimize risk by systematic profit & loss booking.

## **(G) PriceBridge Samvruddhi**

### **Investment Objective:**

To generate capital appreciation from a portfolio predominantly investing in Equities and Equity ETF's, debts funds and ETF. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

### **Types of securities:**

- Direct Equity and Equity Exchange Traded Funds.
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, precious metal ETF and funds and Money Market Instruments)

### **Basis of selection of Securities:**

Listed securities on Indian equity stock exchanges (BSE / NSE / NIFTY SME EMERGE Index / S&P BSE SME IPO Index). Some of the factors to be considered for selection of scrips are

1. The company should have operating cash flows of around 20%
2. The market cap to sales ratio should be less than 5.
3. PEG Ratio should be less than 4
4. The net block of the company should be more than Rs.10 crores
5. The one year forward PE should be less than 100.

### **Allocation of portfolio across types of securities:**

| <b>Asset Allocation Pattern</b>  | <b>Min</b> | <b>Max</b> |
|--|------------|------------|
| Direct Equity and Equity Exchange Traded Funds   | 20%        | 100%       |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, precious metal ETF & funds and Money Market Instruments) | 0          | 80%        |

### **Appropriate benchmark to compare performance and basis for choice of benchmark:**

S&P BSE 500 (TRI)

### **Indicative tenure or investment horizon:**

60 months

### **Risks associated with the investment approach:**

This scheme has risks associated with investments in equities, debt instruments, and precious metal ETFs. Exposure to mid and small-cap segments, as well as SME-listed securities, will result in volatility and liquidity risk. Market movements, government borrowing and fiscal policy, government spending, oil prices, forex market conditions, economic conditions, and interest rate

changes can affect portfolio performance, and there is no assurance or guarantee of achieving the investment objective. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**Other salient features, if any.**

Constant effort to minimize risk by systematic profit & loss booking.

**(H) PriceBridge Liquid**

**Investment Objective:**

To provide the investors a haven to park the funds for the purpose of staggered investments or withdrawals based on uncertainties in markets. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns.

**Types of securities:**

- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments)
- Gold and Gold Related Instruments/Gold ETF's/Silver ETF's

**Basis of selection of Securities:**

Liquidity, costs and assessment of interest rate cycles

**Allocation of portfolio across types of securities:**

| Asset Allocation Pattern   | Min | Max  |
|--|-----|------|
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 50% | 100% |
| Gold and Gold Related Instruments/Gold ETF's/Silver ETF's  | 0%  | 50%  |
|  |     |      |

**Appropriate benchmark to compare performance and basis for choice of benchmark:**

CRISIL Composite Bond Fund index

**Indicative tenure or investment horizon:**

15 days and above

**Risks associated with the investment approach:**

The major portion of the investment will be in debt and debt related instruments which will be impacted by the monetary and fiscal policy of government, inflation rate of the economy, government borrowings program and government expenditure. The current global trade policy will also have an impact. Please refer to the section on risk factors in the Disclosure Document.

**Other salient features, if any.**

Investors can leave it to the discretion of the PM to move the funds to an approach suited best to the profile of the investors with a record from registered email Id.

**(I) PriceBridge FINRISE Bharat Discovery Strategy**

**a) Investment Objective:**

To generate capital appreciation from a portfolio predominantly investing in Equities and Equity ETF's, debts funds and ETF. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

**b) *Types of securities:***

- Direct Equity and Equity Exchange Traded Funds.
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, and Money Market Instruments)
- Gold ETFs, Silver ETFs and Funds

**c) *Basis of selection of Securities:***

Fundamentally filtered list of listed securities from NSE, BSE and SME exchange.

**d) *Allocation of portfolio across types of securities:***

| Asset Allocation Pattern   | Min | Max  |
|--|-----|------|
| Direct Equity and Equity Exchange Traded Funds   | 20% | 100% |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0   | 80%  |
| Gold, Sliver and Gold and Sliver Related Instruments/Gold, Sliver ETF's and funds  | 0   | 35%  |

**e) Appropriate benchmark to compare performance and basis for choice of benchmark: S&P BSE 500 TRI**

**f) Indicative tenure or investment horizon : 36 months**

**g) *Risks associated with the investment approach:***

The scheme entails risks associated with investments in equities, debt instruments, and precious metal ETFs. Exposure to emerging and SME-listed companies may involve higher volatility, liquidity constraints, and business-specific risks. Market fluctuations, interest rate changes, and economic or regulatory developments can impact portfolio performance, and there is no assurance or guarantee of achieving the investment objective. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**h) *Other salient features, if any.***

To identify businesses at very early level and ride the business until the original hypothesis of buying the business is intact.

**(I) PriceBridge Crescendo**

**a. Investment Objective**

To generate capital appreciation in long term by constructing a concentrated flexi cap portfolio consisting 15-30 stocks with sector agnostic approach.

**b. Types of securities**

1. Direct Equities
2. Debt MFs, Debt ETFs, Money Market instruments

**c. Basis of Security Selection**

1. Top 500 securities basis market capitalization (as per the list published by SEBI) is the universe from which the stocks are selected.
2. Quantitative techniques are used to compute momentum of the stocks. The stocks are selected as per the momentum ranking.
3. The portfolio is reviewed periodically and will be rebalanced if necessary.

**d. Allocation of Portfolio across Types of Securities**

| Asset Class | Allocation |
|-------------|------------|
| Equity      | Up to 100% |
| Debt        | Up to 100% |

**e. Appropriate Benchmark**

Nifty 50 TRI

**f. Indicative Tenure / Investment Horizon**

5 years or more

**g. Risks associated with the investment approach:**



The scheme follows a concentrated and quantitatively driven investment approach, which may lead to higher volatility due to momentum-based selection and limited diversification. Market corrections, shifts in momentum trends, or deviations in quantitative indicators could affect returns. Debt investments are subject to interest rate and credit risks. There is no assurance that the investment objective will be achieved. For detailed risk disclosures, please refer to the Risk Factors section in the Disclosure Document.

#### **h. Other Salient Features**

1. Disciplined and rule based investing backed by extensive data analytics
2. Designed for active participation in market leaders while exiting laggards
3. Focus on current market developments rather than trying to predict the future

### **(K) PriceBridge Honeycomb Model**

#### **Investment Objective:**

To provide the investors an opportunity to invest in a model portfolio of multiple asset classes, which will be managed dynamically with portfolio rebalancing undertaken as and when required based on market condition; However, there is no guarantee or assurance that the scheme's objective will be achieved.

#### **Types of securities:**

- Direct Equity MF and Equity Exchange Traded Funds (Including direct MF's and domestic Equity ETF's)
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments)
- Gold , Silver and Gold / Silver Related Instruments/Gold, Silver ETF's

#### **Basis of selection of Securities:**

Quantitative Modeling of listed Exchange Traded funds across NSE and BSE and Direct Mutual Funds

#### **Allocation of portfolio across types of securities:**

| <b>Asset Allocation Pattern</b>   | <b>Min</b> | <b>Max</b> |
|---|------------|------------|
| Direct Equity MF and Equity Exchange Traded Funds (Including Direct MF's and Domestic Equity ETF's)   | 10%        | 100%       |
| Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0%         | 90%        |
| Gold, Silver and Gold/ Silver Related Instruments/Gold , Silver ETF's   | 0%         | 100%       |

#### **Appropriate benchmark to compare performance and basis for choice of benchmark:**

Nifty 50 TRI

**Indicative tenure or investment horizon:**

18 to 24 months

**Risks associated with the investment approach:**

This scheme is subject to standard risks associated with Asset Allocation Funds. Investments are exposed to market, interest rate, and liquidity risks arising from allocation across equity, debt, and gold-related instruments. The performance of the portfolio may be affected by economic and monetary policy changes, as well as fluctuations in the prices of underlying securities. There is no assurance or guarantee of returns, and past performance may not be indicative of future results. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**Other salient features, if any.**

Please refer to the section on risk factors in Disclosure Document.

10% Of the total fees will be donated to NGO or any institute run for a noble cause.

**(L) PriceBridge TM Select Stocks****Investment Objective:**

To generate capital appreciation from a portfolio predominantly investing in Equities and Equity ETF's, debts funds and ETF. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

**Types of securities:**

- Direct Equity and Equity Exchange Traded Funds.
- Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, and Money Market Instruments)
- Gold, , Silver and Gold / Silver Related Instruments/Gold, Silver ETF's

**Basis of selection of Securities:**

Fundamentally filtered list of Nifty Total Market index constituents. However, the fund manager will have discretion to invest a max 10% as a special case outside the above mentioned universe

**Allocation of portfolio across types of securities:**

| Asset Allocation Pattern   | Min | Max  |
|--|-----|------|
| Direct Equity and Equity Exchange Traded Funds   | 20% | 100% |
| Debt and Debt related instruments<br>(Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments) | 0   | 80%  |
| Gold, Silver and Gold/ Silver Related<br>Instruments/Gold , Silver ETF's   | 0%  | 100% |

**Appropriate benchmark to compare performance and basis for choice of benchmark:**  
S&P BSE 500 (TRI)

**Indicative tenure or investment horizon:**  
24 months

**Risks associated with the investment approach:**  
The scheme involves standard risks associated with diversified asset allocation strategies. Investments across equity, debt, and gold instruments are subject to market volatility, interest rate movements, and liquidity constraints that may impact overall portfolio performance. Economic developments, commodity price trends, monetary policy of central banks regulatory changes, or sectoral shifts may also influence returns. There is no assurance or guarantee that the investment objective will be achieved. For detailed risk disclosures, please refer to the section on Risk Factors in the Disclosure Document.

**Other salient features, if any.**  
Constant effort to minimize risk by systematic profit & loss booking.  
10% Of the total fees will be donated to NGO or any institute run for a noble cause.

- (iii) The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines.

**Investments in Group/Associate Companies of the Portfolio Manager:**

The Portfolio Manager may utilize the services of the Sponsor, Group Companies and / or holding company and / or any other subsidiary or associate company established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

## **6. Risk factors**

### **A. General Risks Factors**

- 1) Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
- 2) 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, the relatively small number of scrips accounting for the large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- 3) The past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.
- 4) 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, physical and Demat, in the Portfolio Manager'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.
- 5) Investment decisions made by the Portfolio Manager may not always be profitable.
- 6) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.
- 7) 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.

### **B. Risk associated with equity and equity related instruments**

- 8) 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 Funds 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.
- 9) 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 a direct or indirect impact on the investments, and consequently the growth of the Portfolio.

### **C. Risk associated with debt and money market securities**

- 10) 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 of the plan 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.

- 11) 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 creditworthiness of the issuer and general market risk.
- 12) Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.
- 13) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- 14) 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, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.
- 15) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.

#### **D. Risk associated with derivatives instruments**

- 16) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
- 17) Mutual Fund Risk: This risk arises from investing in units of 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 the 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 a 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 the performance of the investment in mutual fund units.
- 18) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- 19) Clients are not being offered any guaranteed/assured returns.
- 20) The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or few sectors and hence shall be affected by risks associated with those sectors.

#### **E. Risk associated with investments in mutual fund schemes**

- 21) 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. The Client may incur a higher rate of TDS/ Dividend Distribution Tax in case the investments are aggregated in the name of the Portfolio Management Portfolio/Product.
- 22) The arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.
- 23) 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.
- 24) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Clients may suffer opportunity loss.
- 25) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
- 26) 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 was negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.
- 27) Changes in Applicable Law may impact the performance of the Portfolio.

#### **F. Risk arising out of Non-diversification**

- 28) Derivative transactions may be prone to problems of liquidity, mispricing, lack of or improper correlation with assets or such other reasons.
- 29) Derivative transactions require maintenance of margins, adequate control mechanisms forecasting ability, etc.
- 30) Risks pertaining to stock lending: In the case of stock lending, risks related to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, the inadequacy of the collateral and settlement risks.

#### **G. Risk arising out of investment in Associate and Related Party transactions**

- 31) Risk arising out of non-diversification, if any.
- 32) Specific Risk Disclosures associated with investments in Securitised Debt Instruments
  - a) Presently, the secondary market for such securitized papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
  - b) Securitised transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differs from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the

Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.

33) Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures

- i. The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.
- ii. The Issuer of Equity index-linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in indices, futures, and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
- iii. The Structured Products, even after being listed, may not have a market at all;
- iv. The returns on the Structured Products, including those linked to the may be lower than prevailing market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures, or less income/return than the Debenture holder may have expected, or obtained by investing elsewhere or in similar investments.
- v. In the case of Equity Index-Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.
- vi. At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
- vii. The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.

**All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio – There is no such instance as on date, if anything arises after this , same will disclosed**

viii. If the portfolio manager has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any – There is no transactions within group companies

## **7. Nature of expenses**

### **(i) Investment management and advisory fees:**

Charged as per the mutual agreement with the client ( Maximum Fees to be charged 2.5%). The Investment Management and Advisory Fees shall be charged as per the terms mutually agreed upon between the Portfolio Manager and the client.

These fees may be structured as a fixed fee, performance-linked fee, or a combination of both, depending on the agreement executed with the client.

The fee structure, payment frequency, and applicable taxes, if any, shall be specified in the client agreement.

Investors are advised to refer to the relevant section of the Offer Document for a detailed description of the fee structure and computation methodology.

### **(ii) Custodian fee:**

At actuals, as charged by the custodian.

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

Charged as per mutual understanding with the Registrar and Transfer Agent.

### **(iv) Brokerage and transaction cost:**

Brokerage is charged at actuals by the broker, and transaction cost is charged at actuals by the exchange.

Note :- Other than management fees all other charges should not exceed 0.5% p.a. of the clients avg. AUM. Other charges does not include brokerage



## **8. TAXATION**

### **TAX IMPLICATIONS FOR CLIENTS.**

The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 (**‘the Act’**) as amended by the Finance Act, 2025 and Chapter VII of the Finance (No. 2) Act, 2004 (**‘Securities Transactions Tax Act’/‘STT’**).

#### **A. General**

##### **8.1 General**

Income derived from investment in securities is subject to tax as per the provisions of the Act. Special reference needs to be made in respect of provisions related to capital gains, business income, interest and dividend. Client owns the liability for his Taxation. The General Information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Scheme of the Company.

A Portfolio of client may have:

- Dividend income;
- Long-term and short -term capital gains (or losses) on sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Business Income from purchase and sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Any other income from securities (shares, mutual fund units, debentures, rights renunciations etc.).

In case the securities are held as stock-in-trade, the income tax treatment will substantially vary and the issue whether the investments are held as capital asset or stock-in-trade needs to be examined on a case to case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment in the Portfolio Management Scheme shall endure indefinitely or accepted by the tax authorities. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter and therefore, each Client is advised to consult his / her / its tax advisor with respect to the specific tax consequences to him / her / it of participation in the portfolio management services.

All the Tax Rates contained in this clause are applicable for the financial year 2025-26, in accordance with Finance Act, 2025.

##### **8.2 Resident and Non- Resident Taxation**

###### **8.2.1 Resident Taxation**

A resident investor will be subject to income tax on his / her global income. In the case of a resident but not ordinarily resident, any income which accrues/ arises outside India will not be subject to tax

in India, unless it is derived from a business/ profession controlled from India. Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India. In the case of an individual, the residential status would be determined based upon the physical presence of that person in India. The threshold limit in terms of physical presence of such individual in India has been prescribed under the Act.

A Company is said to be a resident in India in the previous year if (i) it is an Indian Company; or (ii) its place of effective management ('POEM') is situated in India.

Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India.

### **8.2.2 Non-resident Taxation**

A non-resident investor would be subject to taxation in India if he derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued to him in India in terms of the provisions of the Act.

A foreign company will be treated as a tax resident in India if its POEM is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

In case of foreign investors, the taxation of income will be governed by the provisions of the Act read with the provisions of the applicable tax treaty i.e. Double Tax Avoidance Agreement ('DTAA'), if any. As per Section 90(2) of the Act, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the DTAA.

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement DTAA related measures to prevent Base Erosion and Profit Shifting ('MLI'). India has made amendment in Section 90 to that effect that DTAA's should not create opportunities for non-taxation or reduced taxation including through treaty shopping in order to align the purpose of DTAA's with the MLI with effect from 1 April 2020.

### **B. Tax deducted at source**

### **8.3 Tax deduction at source**

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

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

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

#### **8.4 Linking of PAN and Aadhar**

Every individual who has been allotted a PAN and who is eligible to obtain an Aadhaar number, shall intimate his Aadhaar number in the prescribed form and manner. In other words, such persons have to mandatorily link their Aadhaar and PAN. The due date of linking PAN and Aadhaar was 30 June 2023. If the PAN is not linked with Aadhaar, PAN will become inoperative. After 30 June 2023, the clients will not be able to conduct financial transactions where quoting of PAN is mandatory. From 1 July 2023, the PAN of taxpayers who have failed to intimate their Aadhaar, as required, shall become inoperative and the consequences during the period that PAN remains inoperative will be as follows:

- i. no refund shall be made against such PANs;
- ii. interest shall not be payable on such refund for the period during which PAN remains inoperative; and
- iii. TDS and TCS shall be deducted /collected at higher rate, as provided in the Act.

Aadhaar-PAN linkage requirement does not apply to any individual who is:

- Residing in the States of Assam, Jammu and Kashmir, and Meghalaya;
- a non-resident as per the Act;
- of the age of eighty years or more at any time during the previous year; or
- not a citizen of India.

#### **8.5 Advance tax installment obligations**

It shall be the Client's responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Act. The provisions related to payment of advance tax shall not apply to an individual resident in India, who does not have any income chargeable under the head "Profit and gains of business or profession"; and is of the age of sixty years or more at any time during the relevant financial year.

In case of any shortfall in the advance tax instalment or the failure to pay the same on time is on account of capital gains and dividend (other than deemed dividend), no interest shall be charged provided the client has paid full tax in subsequent advance tax instalments.

#### **8.6 Securities Transaction Tax**

Securities Transaction Tax ('STT') is applicable on transactions of purchase or sale of equity shares in a company or Exchange Traded fund ('ETF') or a derivative or units of Equity Oriented Fund or

units of Business Trust entered into on a recognized stock exchange and sale of units of Equity Oriented Fund to the Mutual Fund.

The STT rates as applicable are given in the following table:

| <b>Taxable securities transaction</b>   | <b>STT Rate</b>  | <b>Person responsible to pay STT</b> | <b>Value on which STT is required to be paid</b> |
|---|--|--------------------------------------|--|
| Delivery based purchase and sell of equity share  | 0.1%   | Purchaser/Seller                     | Price at which equity share is purchased/sold    |
| Delivery based sale of a unit of equity oriented mutual fund  | 0.001%   | Seller                               | Price at which unit is sold                      |
| Sale of equity share or unit of equity oriented mutual fund in recognised stock exchange otherwise than by actual delivery or transfer and intra day traded shares  | 0.025%   | Seller                               | Price at which equity share or unit is sold      |
| Derivative – Sale of an option in securities  | 0.062%<br>(it is increased to 0.1% w.e.f.1 October 2024)   | Seller                               | Option premium                                   |
| Derivative – Sale of an option in securities where option is exercised  | 0.125%   | Purchaser                            | Settlement Price                                 |
| Derivative – Sale of futures in securities  | 0.0125%<br>(it is increased to 0.02% w.e.f.1 October 2024) | Seller                               | Price at which such futures is traded            |
| Sale of unit of an equity oriented fund to the Mutual Fund – ETFs and sale or surrender or redemption of units of equity oriented fund to an insurance company on maturity or partial withdrawal with respect of ULIP issued on or after 1 February 2021  | 0.001%   | Seller                               | Price at which unit is sold                      |
| Sale of unlisted shares under an offer for sale to public included in IPO and where such shares are subsequently listed in stock exchanges or with effect from 1 June 2015, sale of unlisted units of business trust by a unitholder which were acquired in consideration of a transfer referred to in Section 47(xvii) | 0.2%   | Seller                               | Price at which such shares are sold              |

## **8.7 Characterization of Income on transfer of securities of companies.**

Income arising from purchase and sale of securities can give rise to capital gains or business income in the hands of the investor. The issue of characterization of income is relevant as the income tax computation and rates differ in the two situations. The characterization is essentially a question of fact and depends on whether the shares are held as business/trading assets or as capital assets.

Based on the earlier circulars issued by the Central Board of Direct Taxes ('CBDT') and judicial decisions, following are the key factors and principles which need to be considered while determining the nature of assets as above

- Motive for the purchase of shares.
- Frequency of transactions and the length of period of holding of the shares
- Treatment of the shares and profit or loss on their sale in the accounts of the assessee.
- Source of funds out of which the shares were acquired – borrowed or own.
- Existence of an object clause permitting trading in shares – relevant only in the case of corporate bodies.
- Acquisition of the shares – from primary market or secondary market.
- the genuineness of transactions in unlisted shares.
- the transfer of unlisted shares is made along with the control and management of underlying business.
- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (Professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares.

CBDT has clarified that, it is possible for a tax payer to have two portfolios, i.e., an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as "Profits or Gains of Business or Profession" under section 28 of the Act or as "Capital Gains" under section 45 of the Act.

In the case of a Foreign Institutional Investor, any securities held in accordance with the regulations made under the SEBI Act, 1992 will always be regarded as capital asset and therefore, subject to capital gain tax unless otherwise provided under the DTAA.

It should also be noted that in the context of portfolio management schemes there has been litigation in the past on the characterization of income and judicial precedents have taken positions based on facts of each case.

## **8.8 TAX ON DIVIDEND AND INCOME FROM UNITS OF MUTUAL FUNDS**

Dividend distributed by domestic companies and income from units of mutual funds will be taxable in the hands of recipient of dividend/income at respective slab rates. To avoid double taxation of dividend, dividend received by a domestic company from another domestic company or specified foreign company or business trust will not be taxable in the hands of first domestic company, provided such receipt of dividend does not exceed the amount of dividend distributed by the first mentioned domestic company one month prior to the due date of filing a return under Section 139(1). In the case of a resident recipient, withholding tax of 10% will be levied on dividends declared/paid by domestic company and on income distributed by mutual funds whereas in the case of a non-resident recipient, withholding tax at the rate of 20% on dividend income and income from mutual funds would apply. With effect from 1 April 2023 the withholding tax on income distributed by mutual fund specified under Section 10(23D) to non-residents would apply as per lower tax treaty rate, provided the TRC is furnished by such non-resident. Further, the minimum threshold for applicability of withholding tax on dividend and interest on mutual fund payable to the resident shareholder during the financial year will be INR 10,000.

With effect from 1 April 2023, tax will be withheld on interest payable to resident on listed securities at the rates in force.

## **8.9 BUY BACK TAXATION**

The sum paid by a domestic company under buyback of shares in accordance with the provisions of Section 68 of the Companies Act, 2013 on or after 1 October 2024 shall be treated as dividend in the hands of shareholders and shall be charged to income-tax at applicable rates. No deduction for expenses shall be available against such dividend income while determining the income from other sources. The cost of acquisition of the shares which have been bought back would generate a capital loss in the hands of the shareholder as these assets have been extinguished. Therefore, when the shareholder has any other capital gain from sale of shares or otherwise subsequently, he would be entitled to claim his original cost of acquisition of all the shares (i.e. the shares earlier bought back plus shares finally sold). It shall be computed as follows:

- (i) deeming value of consideration of shares under buyback (for purposes of computing capital loss) as nil;
- (ii) allowing capital loss on buyback, computed as value of consideration (nil) less cost of acquisition;
- (iii) allowing the carry forward of this as capital loss, which may subsequently be set-off against consideration received on sale and thereby reduce the capital gains to this extent.

### **C. Long term capital gains**

## **8.10 LONG TERM CAPITAL GAINS**

Where investment under Portfolio Management Services is treated as investment, the gain or loss from transfer of securities shall be taxed as Capital Gains under section 45 of the Act.

### 8.10.1 Period of Holding

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

| Sr. No | Securities   | Position upto 22 July 2024<br>Period of Holding | Position on or after 23 July 2024<br>Period of Holding | Characterization |               |
|--------|--|---|--|------------------|---------------|
| 1      | Listed Securities (other than Unit) and unit of equity oriented Mutual Funds, unit of UTI, Zero Coupon Bonds   | More than twelve (12) months                    | More than twelve (12) months                           | Long-term        | Capital Asset |
|        |  | Twelve (12) months or less                      | Twelve (12) months or less                             | Short-term       | Capital Asset |
| 2      | Unlisted share of a company  | More than twenty-four (24) months               | More than twenty-four (24) months                      | Long-term        | Capital Asset |
|        |  | Twenty-four (24) or less                        | Twenty-four (24) or less                               | Short-term       | Capital Asset |
| 3      | Other securities (other than Specified Mutual fund or Market linked debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture) | More than Thirty-six (36) months                | More than twenty-four (24) months                      | Long-term        | Capital Asset |
|        |  | Thirty-six (36) months or less                  | Twenty-four (24) or less                               | Short-term       | Capital Asset |
| 4      | Specified Mutual Fund or Market linked debenture acquired on or after 1 April 2023   | Any period                                      | Any period   | Short-term       | Capital Asset |
| 5      | Unlisted bond or unlisted debenture  | More than Thirty-six (36) months                |  | Long-term        | Capital Asset |
|        |  | Thirty-six (36) months or less                  | Any Period   | Short-term       | Capital Asset |

The definition of “Specified Mutual Fund” under clause (ii) of Explanation of section 50AA has been amended to provide that a specified mutual fund shall mean a mutual fund:

- (a) a Mutual Fund by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments; or
- (b) a fund which invests 65% or more of its total proceeds in units of a fund referred to in sub-clause (a).

### 8.10.2 For listed equity shares in a domestic company or units of Equity Oriented Fund or Business Trust

The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of Equity Oriented Fund or Business Trust.

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

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

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

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

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

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

#### 8.10.3 For other capital assets (securities and units) in the hands of Resident of India

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

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



as fair market value as on 1 April 2001.

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

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

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

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

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

**D. Short term capital gains**

**8.11 Short Term Capital Gains**

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

Short Term Capital Gains in respect of other capital assets (other than listed equity Shares of a company or units of Equity Oriented Fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

The Specified Mutual Funds or Market linked debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the Act with effect from 23 July 2024.

## **E. Profits and gains of business or profession**

### **8.12 PROFITS AND GAINS OF BUSINESS OR PROFESSION**

- 8.12.1 If the investment under the Portfolio Management Services is regarded as “Business / Trading Asset” then the gain / loss arising there from is likely to be taxed as income from business as per slab rates i.e. in the case of resident individual and HUF and at the rate of 30% or 25% or 22% plus applicable surcharge and cess,(as the case may be, in case of resident other than individual and HUF(as the case may be) and also for non-residents other than a foreign company (assuming the highest slab rate for individual). It shall be taxable at the rate of 35% (plus applicable surcharge and cess) in case of a foreign company. The above rates would be subject to availability of benefits under the DTAA, if any in case of non-resident assessee.
- 8.12.2 Interest income arising on securities could be characterized as ‘Income from Other Sources’ or ‘business income’ depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the Act.
- 8.12.3 Where income referred to above is treated as Business Income, the person will be entitled for deduction under section 36(1)(xv), for the amount of STT paid.

### **8.13 TAX RATES**

#### **8.13.1 Individuals, HUF, AOP & BOI:**

The Finance Minister introduced new tax regime in Finance Act, 2020 wherein an option for individuals and HUF (Hindu Undivided Family) to pay taxes at lower rates without claiming deductions under various sections. This new tax regime has now been extended to Association of Person (AOP)(other than Co-Op Society) and Body of Individual (BOI) by the Finance Act, 2023. The option for new tax regime can be exercised only once by specified persons having business/professional income and once exercised it will remain same for the subsequent years as well. The Income Tax slab rates notified in newtax regime and old tax regime for the Financial Year 2025-26 are as under:

| <b>Income Tax Slab (INR)</b> | <b>Tax rates as per new regime</b>           | <b>Tax rates as per old regime</b>                  |
|------------------------------|--|---|
| 0 - 2,50,000                 | Nil  | Nil   |
| 2,50,001 – 3,00,000          | Nil  | 5% of total income exceeding INR 2,50,000           |
| 3,00,001 - 4,00,000          | Nil  | INR 2,500+5% of total income exceeding INR 3,00,000 |
| 4,00,001 - 5,00,000          | 5% of total income exceeding INR 4,00,000    | INR 7,500+5% of total income exceeding INR 4,00,000 |
| 5,00,001 – 8,00,000          | INR 5,000 + 5% of total income exceeding INR | INR 12,500 + 20% of total income exceeding INR      |

|                       |  |  |
|-----------------------|--|--|
|                       | 5,00,000   | 5,00,000   |
| 8,00,001 - 10,00,000  | INR 20,000 + 10% of total income exceeding INR 8,00,000    | INR 72,500 + 20% of total income exceeding INR 8,00,000    |
| 10,00,001 - 12,00,000 | INR 40,000 + 10% of total income exceeding INR 10,00,000   | INR 1,12,500 + 30% of total income exceeding INR 10,00,000 |
| 12,00,001 - 16,00,000 | INR 60,000 + 15% of total income exceeding INR 12,00,000   |  |
| 16,00,001 - 20,00,000 | INR 1,20,000 + 20% of total income exceeding INR 16,00,000 |  |
| 20,00,001 - 24,00,000 | INR 2,00,000 + 25% of total income exceeding INR 20,00,000 |  |
| Above 24,00,000       | INR 3,00,000 + 30% of total income exceeding INR 24,00,000 |  |

Tax rates as per old tax regime for Resident Individual whose age is 60 years or more but less than 80 years and Resident Individual whose age is 80 years or more for Financial Year 2025-26 are as under:

| <b>Income Tax Slab (INR)</b> | <b>Tax rates Resident Individual whose age is 60 years or more</b> | <b>Tax rates Resident Individual whose age is 80 years or more</b> |
|------------------------------|--|--|
| Up to 3,00,000               | Nil  | Nil  |
| 3,00,001 - 5,00,000          | 5%   | Nil  |
| 5,00,001 - 10,00,000         | INR 10,000 + 20% of total income exceeding INR 5,00,000            | 20%  |
| Above 10,00,000              | INR 1,10,000 + 30% of total income exceeding INR 10,00,000         | INR 1,00,000 + 30% of total income exceeding INR 10,00,000         |

- Rebate (Section 87A)
  - Old regime – No tax payable for total income upto INR 5 lakhs.
  - New regime – No tax payable for total income upto INR 12 lakhs. However, the rebate is not available for the income taxable at a special rate

Surcharge for the Financial Year 2025-26 are as under:

| <b>Nature of Income</b> | <b>Up to INR 50 lakh</b> | <b>More than INR 50 lakh but upto INR 1 crore</b> | <b>More than INR 1 crore but less than INR 2 crore</b> | <b>More than INR 2 crore but up to INR 5 crore</b> | <b>More than INR 5 crore</b> |
|-------------------------|--------------------------|---|--|--|------------------------------|
|                         |                          |   |  |  |                              |

|  |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|
| <ul style="list-style-type: none"> <li>Short-term capital gains and long term capital gains which are subject to STT</li> <li>Short term or Long term capital gains under section 115AD(1)(b)</li> <li>Dividend</li> </ul> | NIL | 10% | 15% | 15% | 15% |
| Any other Income (*)   | NIL | 10% | 15% | 25% | 37% |

(\*) under new tax regime, the maximum surcharge is restricted to 25%.

#### 8.13.2 **Partnership Firm (Including LLP's):**

A partnership firm (including LLP) is taxable at 30% and surcharge at the rate 12% of such tax where total income exceeds INR 1 crore.

#### 8.13.3 **Domestic Company/Foreign Company:**

**Tax Rates for domestic companies for Financial Year 2025-26 are as under:**

| Particulars   | Tax rates as per Old regime | Tax rates as per New regime |
|---|-----------------------------|-----------------------------|
| Gross turnover up to INR 400 crore in the FY 2023-24  | 25%                         | NA                          |
| Domestic Co other than above  | 30%                         | 22%                         |
| Domestic Co engaged in manufacturing and set up and registered on or after 01.10.2019 till 31.03.2024 | 25% or 30%                  | 15%                         |
| MAT tax rate  | 15%                         | NA                          |

#### **Rates for Foreign companies for Financial Year 2025-26 :**

Foreign companies are liable to tax at 40% on total income. It is now reduced to 35%.

Surcharge for domestic companies and foreign companies for FY 2025-26 is as under:

| Total Income (INR) | Domestic Companies | Foreign Companies |
|--------------------|--------------------|-------------------|
|--------------------|--------------------|-------------------|

|                    | Old Tax Regime | New Tax Regime |     |
|--------------------|----------------|----------------|-----|
| Upto 1 crore       | Nil            | 10%            | Nil |
| 1 crore – 10 crore | 7%             | 10%            | 2%  |
| Above 10 crore     | 12%            | 10%            | 5%  |

#### 8.13.4 **Health and Education Cess**

For all types of assessees, the amount of income-tax and the applicable surcharge shall be further increased by health and education cess calculated at the rate of 4% of such income-tax and surcharge.

#### **F. Losses under the head capital gains/business income**

### **8.14 LOSSES UNDER THE HEAD CAPITAL GAINS/BUSINESS INCOME**

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

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

### **8.15 DIVIDEND STRIPPING**

According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then capital losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

The Finance Act, 2020 has abolished DDT and tax dividend income in the hands of shareholders in respect of dividend declared, distributed or paid on or after 1 April 2020 and therefore, in such cases the provisions of section 94(7) would not apply.

### **8.16 BONUS STRIPPING**

Where any person buys or acquires any securities; or units of a mutual fund or the Unit Trust of India or business trust or Alternate Investment Fund within a period of three months prior to the record date (i.e., the date that may be fixed by a company or a Mutual Fund or the Administrator of the specified undertaking or the business trust or Alternate Investment Fund or the specified company, for the purposes of entitlement of the holder of the securities or units to receive additional security or unit, as the case may be, without any consideration) and such person is allotted additional securities or units

(without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

#### **8.17 DEEMED GIFT**

Under section 56(2)(x), receipt of shares and securities without consideration or without adequate consideration, the difference (if exceeding INR 50,000) between the aggregate fair market value (FMV) and such consideration are taxable as income in the hands of any person being recipient of such shares and securities, except in specified circumstances.

#### **8.18 FAIR MARKET VALUE DEEMED TO BE FULL VALUE OF CONSIDERATION IN CERTAIN CASES**

As per section 50CA of the Act, where the consideration for transfer of shares of a company (other than quoted shares) is less than the fair market value of such share determined in the prescribed manner, the fair market value shall be deemed to be the full value of consideration for the purposes of computing income under the head 'Capital gains'.

#### **8.19 TAX NEUTRALITY ON MERGER OF DIFFERENT PLANS IN A SCHEME OF MUTUAL FUND AND MERGER OF DIFFERENT SCHEME OF MUTUAL FUND**

The consolidation/ merger of different plans in a mutual fund scheme of a fund as well as the consolidation/ merger of mutual fund schemes of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund under the SEBI (Mutual Fund) Regulations, 1996, shall be tax neutral to the investors. Thus, such consolidation/ merger will not result in transfer and will not be liable to capital gains.

The cost of acquisition of the units of the consolidated plan of the scheme shall be the cost of units in the consolidating plan of the scheme and the period of holding of the units of the consolidated plan of the scheme shall include the period for which the units were held in the consolidating plan of the scheme.

The cost of acquisition of the units of the consolidated scheme shall be the cost of units in the consolidating scheme and the period of holding of the units of the consolidated scheme shall include the period for which the units were held in the consolidating scheme.

#### **8.20 SEGREGATED PORTFOLIOS**

SEBI has, vide circular SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, permitted creation of segregated portfolio of debt and money market instruments by Mutual Fund schemes. As per the SEBI circular, all the existing unit holders in the affected scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. On segregation, the unit holders come to hold same number of

units in two schemes –the main scheme and segregated scheme.

The Finance Act, 2020 amended relevant section to provide that the period of holding of the units in the segregated portfolio is to include the earlier period of holding of the units in the main scheme. Further, for computing the “cost of acquisition” of the units in the segregated portfolio, the “cost of acquisition” of the units in the main scheme will be pro-rated in the ratio of the NAV of the assets transferred to the segregated portfolio. The “cost of acquisition” of the units in the main scheme will simultaneously be reduced by the “cost of acquisition” of the units in segregated portfolio.

#### **G. General Anti Avoidance Rules (GAAR)**

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

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

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

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

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

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

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

crores cannot be read in respect of a single taxpayer only.

## **H. FATCA Guidelines**

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

- (a) the name, address, taxpayer identification number and date and place of birth;
- (b) where an entity has one or more controlling persons that are reportable persons:
  - (i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and
  - (ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- (c) account number (or functional equivalent in the absence of an account number);
- (d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- (e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

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

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



## 9. Accounting Policy

### **A. Client Accounting**

#### **• Basis of accounting**

- I. Investments are stated at cost of acquisition by the Portfolio Manager.
2. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
3. Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that year
4. The cost of investments acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the broker's bought note.
5. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
6. Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.
7. All other expenses payable by the Client shall be accrued as and when Liability is incurred.
8. Investments in listed equity instruments will be valued at the closing market prices on the National Stock Exchange (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the Bombay Stock Exchange (BSE) or other exchange will be used for valuation of securities. In case of the securities are not traded on the valuation date, the last available traded price shall be used for the valuation of securities.
9. In case of valuation of commodities Gold / Silver, valuation basis closing price of the previous day on MCX will be taken.
10. Investments in units of Mutual Funds shall be valued at the repurchase price of the previous day declared on AMFI for the relevant Scheme on the date of the report.
11. Open positions in derivative transactions, will be marked to market on the valuation day.
12. In case of Non-Discretionary Portfolio Management Services – Investments to the extent of 25% in Private equity/Pre IPO placements / Unlisted Securities will be valued at cost or at a last deal publicly available price at which company has placed shares to other investors till it is listed or at fair value determined by Portfolio Manager.
13. Valuation of investments in Debt and Money Market Instruments, Non - Convertible Debentures (NCD) will be on aggregated price basis the prices received from valuation agencies.
14. Further, Mutual Fund dividend shall be accounted on receipt basis.

### **A. Recognition of portfolio investments and accrual of income**

15. All investment income and Expenses are accounted on accrual basis except Custodian, Fund Accounting, audit fees & Depository charges which are accounted on cash basis.
16. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.

17. Unrealised gain/losses are the differences, between the current market value/ Net Asset Value and the historical cost of the securities.
18. Dividend income earned shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on a stock exchange, dividend income shall be recognized on the date of receipt.
19. Bonus shares shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
20. Rights entitlement shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.
21. In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
22. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

**B. Valuation of portfolio investments**

23. Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
24. Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.
25. Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.

26. Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.
27. In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

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

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

- Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.
- **Audit**
  - The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.
  - The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such chartered accountant in course of the audit.

**The Accounting Policies and Standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.**

## 10. Investor Services:

(i) The details of the investor relation officer who shall attend to the investor queries and complaints are mentioned here below:

|                             |   |
|-----------------------------|---|
| Name of the person          | Swapnil Kulkarni  |
| Designation                 | Head – Operations & Client Servicing  |
| Address                     | Office No 204 , Adijon, L.B.S. Road, Opp. Pinnacle Hospital, Near Vandana Bus Depot, Thane(W) – 400602, Maharashtra |
| Email                       | <a href="mailto:swapnil@ayananalytics.com">swapnil@ayananalytics.com</a>  |
| Investor Grievance Email ID | <a href="mailto:supportpms@ayananalytics.com">supportpms@ayananalytics.com</a>                                      |
| Telephone                   | 9833454949  |

The official mentioned above will ensure prompt investor services. The portfolio manager will ensure that this official is vested with the necessary authority, independence and the means to handle investor complaints.

### (ii) Grievances redressal and Dispute settlement mechanism.

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

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

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

Alternatively, with effect from September 2011, SEBI has launched a new web-based centralized grievance system called SCORES i.e. SEBI Complaints Redressal System, for online filing, forwarding, and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the company.

<https://scores.sebi.gov.in/scores-home>

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

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

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

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

SEBI vide press release PR No. 80/2012 dated 30th August' 2012 has extended its toll-free helpline service for Investors (1800 22 7575 / 1800 266 7575) to Saturday and Sunday from the existing Monday to Friday. The service on Saturday and Sunday would be available initially to investors from all over India in English, Hindi, Marathi, and Gujarati from 9:30 a.m. to 5:30 p.m. For any queries/ feedback or assistance, the Client may also e-mail to [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in)

**Arbitration:**

The agreement with the client shall be governed by construed and enforced in accordance with the laws of India. Any dispute with the client shall at first be settled by mutual discussion, failing which the same will be referred to and settled by arbitration in accordance subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification/enactment thereof for the time being in force. A sole arbitrator will be appointed by mutual consent of the portfolio manager and the client. The arbitration shall be held in Mumbai and be conducted in the English language. Any action or suit involving the agreement with a client or the performance of the agreement by either party of its obligations will be exclusively in courts located at any place in India subject to the jurisdiction clause in the portfolio agreement.

## **11. Details of the diversification policy of the portfolio manager**

This policy has been laid down to ensure the risk is spread across different sectors, issuers, market cap and time horizons within the framework laid down in the specific investment approach.

The Price Bridge follows a rule-based approach to investments. In this approach, based on risk profile exposure & weight to Securities are increased/decreased by analyzing past data and selected based on rules / bottom-up research approach.

We shall periodically review the portfolios to maintain an appropriate portfolio mix depending upon investment goals, market conditions, risk tolerance and liquidity requirements to ensure diversification and meet long-term goals. The diversification shall be undertaken while balancing risk and return to achieve desired investment goals

## **Part-II- Dynamic Section**

### **12. Client Representation**

#### **I. Details of client's accounts active:**

**As on 31st March ,2023**

| <b>Sr. No.</b> | <b>Category of clients</b>        | <b>No. of clients</b> | <b>Funds managed (amt in Rs. Crore)</b> | <b>Discretionary/ Non-Discretionary(if available)</b> |
|----------------|-----------------------------------|-----------------------|---|---|
| i)             | <b>Associates/group companies</b> |                       |   |   |
|                | - Individual                      | N.A.                  | N.A.                                    | N.A.  |
|                | - Corporate                       | N.A.                  | N.A.                                    | N.A.  |
|                | <b>Subtotal (i)</b>               | -                     | -                                       | -   |
| ii)            | <b><u>Others:</u></b>             |                       |   |   |
|                | - Individual                      | 82                    | 67.30                                   | Discretionary   |
|                | - Corporate                       | 3                     | 7.85                                    | Discretionary   |
|                | -Individual                       | -                     | -                                       | Non- Discretionary                                    |
|                | -Corporate                        | -                     | -                                       | Non-Discretionary                                     |
|                | <b>Subtotal (ii)</b>              | 85                    | 75.15                                   | -   |
|                | <b>TOTAL (i) + (ii)</b>           | 85                    | 75.15                                   | -   |

**As on 31st March ,2024**

| <b>Sr. No.</b> | <b>Category of clients</b>        | <b>No. of clients</b> | <b>Funds managed (amt in Rs. Crore)</b> | <b>Discretionary/ Non-Discretionary(if available)</b> |
|----------------|-----------------------------------|-----------------------|---|---|
| i)             | <b>Associates/group companies</b> |                       |   |   |
|                | - Individual                      | N.A.                  | N.A.                                    | N.A.  |
|                | - Corporate                       | N.A.                  | N.A.                                    | N.A.  |
|                | <b>Subtotal (i)</b>               | -                     | -                                       | -   |
| ii)            | <b><u>Others:</u></b>             |                       |   |   |
|                | - Individual                      | 239                   | 199.43                                  | Discretionary   |
|                | - Corporate                       | 3                     | 7.03                                    | Discretionary   |
|                | -Individual                       | -                     | -                                       | Non-Discretionary                                     |
|                | -Corporate                        | -                     | -                                       | Non-Discretionary                                     |
|                | <b>Subtotal (ii)</b>              | 242                   | 206.46                                  | -   |
|                | <b>TOTAL (i) + (ii)</b>           | 242                   | 206.46                                  | -   |

**As on 31st March ,2025**

| Sr. No. | Category of clients               | No. of clients | Funds managed (amt in Rs. Crore) | Discretionary/ Non-Discretionary(if available) |
|---------|-----------------------------------|----------------|----------------------------------|--|
| i)      | <b>Associates/group companies</b> |                |                                  |  |
|         | - Individual                      | N.A.           | N.A.                             | N.A.   |
|         | - Corporate                       | N.A.           | N.A.                             | N.A.   |
|         | <b>Subtotal (i)</b>               | -              | -                                | -  |
| ii)     | <b><u>Others:</u></b>             |                |                                  |  |
|         | - Individual                      | 353            | 268.56                           | Discretionary                                  |
|         | - Corporate                       | 6              | 17.40                            | Discretionary                                  |
|         | -Individual                       | -              | -                                | Non-Discretionary                              |
|         | -Corporate                        | -              | -                                | Non-Discretionary                              |
|         | <b>Subtotal (ii)</b>              | 359            | 285.96                           | -  |
|         | <b>TOTAL (i) + (ii)</b>           | 359            | 285.96                           | -  |

**As on 31st Oct. 2025**

| Sr. No. | Category of clients               | No. of clients | Funds managed (amt in Rs. Crore) | Discretionary/ Non-Discretionary(if available) |
|---------|-----------------------------------|----------------|----------------------------------|--|
| i)      | <b>Associates/group companies</b> |                |                                  |  |
|         | - Individual                      | N.A.           | N.A.                             | N.A.   |
|         | - Corporate                       | N.A.           | N.A.                             | N.A.   |
|         | <b>Subtotal (i)</b>               | -              | -                                | -  |
| ii)     | <b><u>Others:</u></b>             |                |                                  |  |
|         | - Individual                      | 397            | 319.21                           | Discretionary                                  |
|         | - Corporate                       | 6              | 6.59                             | Discretionary                                  |
|         | -Individual                       | 5              | 10.37                            | Non-Discretionary                              |
|         | -Corporate                        | -              | -                                | Non-Discretionary                              |
|         | <b>Subtotal (ii)</b>              | 408            | 336.17                           | -  |
|         | <b>TOTAL (i) + (ii)</b>           | 408            | 336.17                           | -  |



**II. Complete Disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India:**

The details of related parties transaction based on audited accounts for the year ended March 31, 2024 and March 31,2025 are given as below:

**a) List of Related Parties**

| Name of the Party               | Relationship   |
|---------------------------------|--|
| Mahesh Gowande                  | Director   |
| Mita Gowande                    | Director   |
| Martand Gowande                 | Relative of Director   |
| Price Bridge Capital Investment | Enterprises having same KMP with whom the company has entered into transaction during the year |

**b) Transactions with Related Parties**

**RS. In Cr.**

**RS in Cr.**

| Name of the Party               | Nature of Transaction             | Year ended 31 <sup>st</sup><br>March, 2025 | Year ended 31 <sup>st</sup><br>March, 2024 |
|---------------------------------|-----------------------------------|--|--|
| Mahesh Gowande                  | Reimbursement of taxes & expenses | 0.042                                      | -  |
|                                 | Salary                            | 0.065                                      | 0.050                                      |
|                                 | Loan taken by Company             | -  | -  |
|                                 | Repayment of Loan                 | 0.000                                      | 0.031                                      |
|                                 | Professional Fees                 | 0.134                                      | 0.180                                      |
|                                 | Rent                              | 0.120                                      | 0.080                                      |
|                                 | Issue of Equity Shares            | -  | -  |
| Mita Gowande                    | Loan taken by Company             | -  | -  |
|                                 | Repayment of Loan                 | -  | 0.000                                      |
|                                 | Issue of Equity Shares            | -  | -  |
|                                 | Professional Fee                  | 0.010                                      | 0.100                                      |
|                                 | Salary                            | 0.270                                      | -  |
| Martand Gowande                 | Professional Fee                  | 0.170                                      | -  |
|                                 | Salaries                          | 0.069                                      | 0.060                                      |
| Bhaumik Gowande                 | Professional Fee                  | 0.110                                      | -  |
| Price Bridge Capital Investment | Professional Fees                 | -  | -  |
|                                 | Sale of Service                   | -  | -  |
| Neha Kulkarni                   | Professional Fees                 | 0.148                                      | 0.100                                      |
| Urvi Chheda                     | Professional Fees                 | 0.514                                      | -  |
| Swapnil Kulkarni                | Salary                            | 0.260                                      | 0.341                                      |
| Hiren Hansraj Chheda            | Sale of Service                   | 0.0218                                     | 0.0019                                     |
| Aloysius Hilary Fernandes       | Sale of Service                   | 0.106                                      | 0.289                                      |
| Indresh Bimlesh Chawla          | Sale of Service                   | 0.0301                                     | 0.0042                                     |
| Anupam Dattatraya Bhat          | Sale of Service                   | 0.068                                      | 0.025                                      |
| Anupam Dattatraya Bhat          | Professional Fees                 | 0.367                                      | 0.045                                      |
| Index fund sahi hai             | Professional Fees                 | 0.431                                      | -  |
| Wealthwise financial ser.       | Professional Fees                 | 0.400                                      | 0.973                                      |
| Karan Bhatia                    | Professional Fees                 | 0.004                                      | -  |

**c) Balance outstanding of Related Parties (Rs. in Crore)**

| Name of the Party         | Nature of Transaction | Year ended 31 <sup>st</sup> March, 2025 | Year ended 31 <sup>st</sup> March, 2024 |
|---------------------------|-----------------------|---|---|
| Mahesh Gowande            | Short-term borrowing  | -                                       | -                                       |
| Mita Gowande              | Short-term borrowing  | -                                       | -                                       |
|                           | Trade Payables        | 0.083                                   | 0.076                                   |
| Mahesh Gowande            | Trade Payables        | 0.008                                   | -                                       |
| Anupam Dattatraya Bhat    | Trade Payables        | 0.027                                   |   |
|                           | Sale of Service       | 0.001                                   | 0.002                                   |
| Neha Kulkarni             | Trade Payables        | 0.007                                   | 0.007                                   |
| Urvi Chheda               | Trade Payables        | 0.004                                   | -                                       |
| Swapnil Kulkarni          | Trade Payables        | -                                       | 0.029                                   |
| Aloysius Hilary Fernandes | Sale of Service       | 0.004                                   | 0.013                                   |
| Indresh Bimlesh Chawla    | Trade Payables        | 0.001                                   | 0.006                                   |

### 13. Financial Performance

#### I. Capital Structure (Rs. in Crore)

| Particulars  | As on<br>31 March 2023 | As on<br>31 March 2024 | As on<br>31 March 2025 |
|--|------------------------|------------------------|------------------------|
| a) Paid-up capital                                       | 0.0935                 | 0.0935                 | 0.0935                 |
| b) Free reserves<br>(excluding re-valuation<br>reserves) | 5.0759                 | 5.2968                 | 5.4703                 |
| <b>c) Total (a) + (b)</b>                                | <b>5.1694</b>          | <b>5.3903</b>          | <b>5.5638</b>          |

#### II. Deployment of Resources (Rs. in Crore)

| Particulars                                      | As on<br>31 March 2023 | As on<br>31 March 2024 | As on<br>31 March 2025 |
|--|------------------------|------------------------|------------------------|
| (a) Fixed Assets                                 |                        |                        |                        |
| (b) Plant &<br>Machinery & Office<br>Equipment's | 0.0307                 | 0.1292                 | 0.1153                 |
| (c) Investments                                  | 0.0025                 | 0.0025                 | 0.0025                 |
| (d) Others                                       | 0.3634                 | 0.5849                 | 0.6933                 |
| <b>Total</b>                                     | <b>0.3966</b>          | <b>0.7166</b>          | <b>0.8111</b>          |

#### III. Major Sources of Income: (Rs. in Crore)

| Particulars                  | As on<br>31 March 2023 | As on<br>31 March 2024 | As on<br>31 March 2025 |
|------------------------------|------------------------|------------------------|------------------------|
| • Revenue from<br>Operations | 0.4998                 | 3.2544                 | 4.6196                 |
| • Other Income               | 0.2372                 | 0.1723                 | 0.3724                 |
| <b>Total</b>                 | <b>0.737</b>           | <b>3.4267</b>          | <b>4.992</b>           |

#### IV. Net Profit (Rs. In Crore)

| Particulars       | As on<br>31 March 2023 | As on<br>31 March 2024 | As on<br>31 March 2025 |
|-------------------|------------------------|------------------------|------------------------|
| Profit Before Tax | -0.2473                | 0.2038                 | 0.2586                 |
| Profit After Tax  | -0.248                 | 0.2207                 | 0.1736                 |

#### 14. Performance of Portfolio Manager

In the performance/returns table below, please note the following:

- I. Performance/returns are calculated using the "Time Weighted Rate of Return" method in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations 2020.
- II. Returns are net of all fees and expenses.

| Sr. No   | Investment Approach along with Benchmark                        | 01.04.2022 to 31.03.2023 | 01.04.2023 to 31.03.2024 | 01.04.2024 to 31.03.2025 | 01.04.2025 to 31.10.2025 |
|----------|---|--------------------------|--------------------------|--------------------------|--------------------------|
|          |   | % Returns p.a.           | % Returns p.a.           | % Returns p.a.           | % Returns p.a.           |
| <b>I</b> | <b>Discretionary Services</b>                                   |                          |                          |                          |                          |
| 1        | Price Bridge -Upswing<br>Benchmark (Nifty 50 TRI)               | -5.66                    | 36.94                    | 0.14                     | 10.50                    |
|          |   | 0.49                     | 30.08                    | 6.65                     | 10.40                    |
| 2        | PriceBridge-Honey comb<br>Benchmark (Nifty 50 TRI)              | -3.69                    | 27.98                    | 7.10                     | 15.59                    |
|          |   | 0.28                     | 30.08                    | 6.65                     | 10.40                    |
| 3        | PriceBridge-Eternal Long Life<br>Benchmark ( S&P BSE 500 (TRI)) | -                        | 2.39                     | 10.32                    | 12.21                    |
|          |   |                          | 12.89                    | 5.96                     | 11.77                    |
| 4        | PriceBridge-Direct Mutual Fund<br>Benchmark((Nifty 50 TRI))     | -                        | 31.84 *                  | 4.9                      | 13.96                    |
|          |   |                          | 24.78 *                  | 6.65                     | 10.40                    |
| 5        | Price Bridge-Top 100<br>Benchmark(Nifty 50 TRI)                 | -                        | 3.68*                    | 4.81                     | 8.63                     |
|          |   |                          | 2.92*                    | 6.65                     | 10.40                    |
| 6        | <u>PriceBridge -Total Market India PMS</u><br>S&P BSE 500 (TRI) |                          |                          | -8.28*                   | 7.67                     |
|          |   |                          |                          | -7.72*                   | 11.77                    |
| 7        | <u>PriceBridge Samvrudhhi</u><br>S&P BSE 500 (TRI)              |                          |                          |                          | 3.46*                    |
|          |   |                          |                          |                          | 8.38*                    |
| 8        | <u>PriceBridge NDPMS</u><br>S&P BSE 500 (TRI)                   |                          |                          |                          | 0.98*                    |
|          |   |                          |                          |                          | 1.51*                    |

- **PriceBridge Direct Managed MF 31-05-2023**
- **PriceBridge Eternal Long Life 1-12-2023**
- **PriceBridge Top 100 Equity 1-1-2024**
- **PriceBridge -Total Market India PMS -20-08-2024**
- **PriceBridge Samvrudhhi 05-05-2025**
- **PriceBridge NDPMS 16-07-2025**

## **15. Audit Observations**

There are no observations made by the statutory auditor of the Portfolio Manager for the preceding three financial years FY 2020 -21, 2021-22 & 2022-23

**16. Details of investments in the securities of related parties of the portfolio manager**

There is no transaction rendered in related parties of the portfolio manager

**17. Agreement:**

1. The Portfolio Manager before taking up an assignment of management of funds or portfolio of securities on behalf of the client, enters into an agreement in writing with such client clearly defining the inter se relationship and setting out their mutual rights liabilities and obligations relating to the management of funds or portfolio of securities, containing such details as per the regulations.
2. The money or securities accepted by the portfolio Manager shall not be invested or managed by the Portfolio Manager except as mentioned in terms of the agreement between the Portfolio Manager and the client.
3. The Portfolio Manager shall not change any terms of the agreement without prior written consent of the client.
4. Generally, The term of the PMS Agreement shall initially be for a period of one year from the Activation Date ("Term") or longer if agreed mutually and, unless terminated by either Party in accordance with the terms of the PMS Agreement, shall be deemed to be automatically renewed from the next day of date of expiry of the Term on the such terms and conditions as may be mutually agreed upon by the Parties in writing, till any further communication by either of the party to terminate the same. The Client shall be entitled to terminate the PMS Agreement before the expiry of the term according to with the terms/clauses specified in the said agreement.

➤ **Rights and Liabilities of the Client:**

**1. Rights:**

- a. The client has a right to obtain a copy of the Disclosure Document prior to signing the agreement.
- b. Client shall obtain reports for a period not exceeding six months containing details as specified in regulation 31(1) and as agreed in the agreement with the portfolio manager except for the auditor's report which shall be submitted annually.
- c. The portfolio manager shall provide to the client with a transaction statement once in a quarter or as stated in the agreement with the client.
- d. The client will be provided a statement reflecting portfolio status and a statement of profit and loss on a quarterly basis.

**2. Liabilities & Duties**

- a. The liability of the client shall be to the extent of his investments.
- b. The client shall maintain utmost secrecy with regard to investment made by the Portfolio Manager on its behalf. In no case shall the Client replicate for its or for the benefits of others, the investments made by the Portfolio Manager.
- c. The client shall disclose to the Portfolio Manager from time to time whether it is privy to price sensitive information, such that a conflict of interest may arise where the Portfolio Manager to buy Securities on behalf of the Client.
- d. The Client shall pay the agreed fees at the agreed times to the Portfolio Manager in the manner as provided in the agreement.
- e. The Client shall not directly dispose of or acquire any Securities held in the portfolio, except as agreed by the Portfolio Manager. The Custodian appointed under the Custodian Agreement shall not be authorized to accept the instructions directly from the client. The Client shall not issue any direct instructions to the Custodian or the broker in this respect. In case the client issues any instructions directly to the Custodian or the broker, the Portfolio manager shall not be responsible for any loss or claim or damage arising there from. In any such case, in respect of any sale, the sale proceeds shall be made over by the Client to the Portfolio Manager as part of the investible funds and in case of any purchase, the client shall make payment directly to the Seller.
- f. The Client shall within seven days notify the Portfolio Manager if it notices any discrepancies or shortfalls in the Custodian holding statement. In case the Client

does not notify the Portfolio Manager of any discrepancies or shortfalls in the Custodian holding statement the same shall be deemed to be correct.

- g. The Client shall plan and pay any tax (long term or short-term capital gains, income tax etc.) and other governmental liabilities that may arise as a consequence of the portfolio transactions on its account. The Portfolio manager shall during its meeting with the Client be available to help the Client plan its tax outflows. However, it should be clearly understood that tax considerations should not be allowed to supersede investment decisions even though the Portfolio Manager recognizes the desirability post tax returns.
- h. The Client shall render all possible assistance, and provide requisite information for the purpose of assisting the Portfolio Manager in determining, evaluating and investing the available funds of the Client. The Client shall also immediately provide to the Portfolio Manager any information in respect to the investments or possible investments as may be available with it.
- i. The Client agrees that the investments made by the Portfolio Manager shall be at the sole discretion, judgment and opinion of the Portfolio Manager in case of discretionary portfolio management service.

➤ **Rights, Duties and Liabilities of the Portfolio Manager**

- 1. The Portfolio Manager shall act in fiduciary capacity with regard to the Client's funds. It shall not derive any benefit from the Client's funds or Securities purchased for the Client and shall strive to safeguard the Client's interests to the best of its ability at all times.
- 2. The Portfolio Manager shall provide the Client with a formal Portfolio Valuation Statement. The Portfolio Manager shall make itself available for consultation with the Client at least once every six months.
- 3. The Portfolio Manager shall ensure proper and timely handling of complaints from the Clients and take appropriate action immediately.
- 4. The Portfolio Manager will make best efforts to safeguard the Client's interests with regard to dealings with capital market intermediaries such as brokers, custodians, bankers etc. Any contract or understanding arrived at by the Portfolio Manager with any such intermediary shall be strictly on behalf of the Client, and the Portfolio Manager shall not be responsible for the due performance of the contract or understanding by the intermediary.
- 5. The Portfolio Manager shall on a best effort basis, assist the Custodian in attending to the complaints of the Client in respect of the non-receipt of dividends, bonus shares, interest, receipt of entitlements and subscription of right shares, transfer of shares and the like. However, the responsibility and liability in respect of the aforesaid shall be entirely that of the Custodian.
- 6. The Portfolio Manager:
  - a. Shall not trade on margin or on a speculative basis on behalf of the Client. All transaction shall be on delivery basis.
  - b. Shall not pledge or give on loan securities held on behalf of Client to a third person without obtaining a written permission from the Client.
  - c. The portfolio manager can also invest funds of his clients in derivatives or as specified in the contract but will not leverage portfolio in respect of investment in derivatives.
- 7. The Portfolio Manager shall furnish the following reports periodically to the Client (not exceeding a period of three months and as and when required by the client). Such report shall contain the following details namely.
  - a. Report on the composition and value of the portfolio, description of securities, number of securities, value of each security held in the



portfolio, cash balance, aggregate value of the Portfolio, interest accrued etc. as on the date of the report.

- b. Report on transactions undertaken during the period of report including date of transaction and details of purchases and sales.
  - c. Report on beneficial interest received during that period in respect of interest, dividend, bonus shares, rights shares and debentures.
  - d. Report on expenses incurred in managing the portfolio.
  - e. Details of risk foreseen by the Portfolio Manager and the risk relating to the Securities recommended by the Portfolio Manager for investment.
  - f. Default in payment of coupons or any other default in payments in the underlying debt security and downgrading to default rating by the rating agencies, if any.
  - g. Details of commission paid to Distributor(s) for the particular client.
8. The Portfolio Manager shall, ordinarily purchase or sell securities separately for each Client. However, in the event of aggregation of purchases or sales for economy of scale, allocation shall be done on a pro-rata basis at the weighted average price of the day's transactions. The Portfolio Manager shall not keep any open position in respect of allocation of sales or purchases affected in a day.

➤ **Termination of Agreement:**

1. Notwithstanding anything contained above, the funds or securities can be withdrawn or taken back by the client before the maturity of the contract under the following circumstances, namely –
  - a. Voluntary or compulsory termination of portfolio management services by the Portfolio Manager or the client.
  - b. Suspension or cancellation of the certificate of registration of the Portfolio manager by the Board.
  - c. Bankruptcy or liquidation of the Portfolio Manager.
2. There shall be written intimation about such termination by the terminating party.
3. On termination of the agreement, the Portfolio Manager shall give a detailed statement of accounts to the client and settle the account with the client as agreed in the agreement.

➤ **Disclaimer by Portfolio Manager:**

Prospective investors should review / study this Disclosure 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, 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.

## 18. Anti-Money Laundering Compliances:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Director, FIU-IND, and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that all registered intermediaries formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' (KYC) norms.

Further, SEBI vide Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated 15<sup>th</sup> October, 2019 (which supersedes all the earlier circular) issued a '**Master Circular for Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules frame thereunder**' consolidating all the requirements/instructions/obligations of Securities Market Intermediaries.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti-money laundering laws and regulations in all of its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client doesn't comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account/rejection or refund of the application etc. due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

Investors are requested to note that KYC is mandatory for all investors. SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011, and CIR/MIRSD/ 11/2012 dated September 5, 2012, has mandated that the uniform KYC form and supporting documents shall be used by all SEBI registered intermediaries in respect of all new clients from January 1, 2012. Further, SEBI vide circular no. MIRSD/Cir-23/2011 dated December 2, 2011, has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets.

Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (the rules), every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the Rules, as per the KYC template for 'Individuals' finalized by CERSAI. Accordingly, the KYC template finalized by CERSAI shall be used by the registered intermediaries as Part I of AOF for individuals.

**19. List of Approved Share Brokers involved for Portfolio Management activities:**

| <b>Sr. No.</b> | <b>Name</b>                                    | <b>SEBI Registration No</b> |
|----------------|--|-----------------------------|
| 1              | Systematix Shares & Stocks India Ltd           | INZ000171134                |
| 2              | BOB Capital Markets Limited                    | INZ000159332                |
| 3              | Dolat Capital Market Private Limited           | INZ000274132                |
| 4              | J M Financial Services Ltd.                    | INZ000195834                |
| 5              | Phillipcapital (India) Pvt Ltd                 | INZ000169632                |
| 6              | Lakshmishree Investment & Securities Pvt. Ltd. | INZ000170330                |
| 7              | Aikyam Capital Pvt. Ltd.                       | INZ000321232                |
| 8              | Anand Rathi Share and Stock Brokers Limited    | INZ000170832                |

➤ **Other Disclosures by Portfolio Manager:**

- The company has outsourced its fund accounting and custodial service.
- The company may undertake proprietary investment in its independent capacity.

➤ **General:**

- The portfolio manager and the client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement.

## **20. Non-discretionary PMS Services**

### **With Reference to Point (3)(iv)(b) Non-discretionary Services**

#### **Contents of Disclosure Document**

##### **1)Disclaimer clause:**

The particulars given in this Document been prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 and is filed with SEBI. The document contains necessary information about Ayan Analytics Private Limited's Non-Discretionary Portfolio Management Services (ND-PMS) and is meant to assist investors in making an informed decision. SEBI does not certify or approve this document or its contents. You are requested to retain the document for future reference. 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: -

- a) **"Non-Discretionary Portfolio Management Services"** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in this Agreement, wherein the Portfolio Manager, subject to the instructions of the Client, **does not exercise any discretion** with respect to the investment or management of the assets of the Client, and executes transactions only upon receiving express instructions from the Client.
- b) **"Non-Discretionary Portfolio Manager"** means a portfolio manager who, under a contract relating to portfolio management, **does not exercise any discretion** as to the investment or management of the portfolio of securities or the funds of the client, and shall act solely on the basis of the instructions received from the client for each transaction.
- c) **"Instruction"** means "a clear, specific, and unambiguous direction provided by the Client to the Portfolio Manager detailing the exact security, quantity, price (if applicable), and action (buy or sell) to be executed."
- d) **"Recommendation"** means "Expert advice provided to the client for investing"
- e) **"Financial goals"**: "It is the duty of the client to keep the portfolio manager informed."

### **3) Services Offered**

#### **i. Investment objective: (for ND PMS under Services Offered)**

The investment objective under Non-Discretionary Portfolio Management Services shall be client-specific and tailored to the individual Client's risk profile, investment goals, and financial needs, as documented in the Portfolio Management Services Agreement.

In ND-PMS, the Portfolio Manager provides investment recommendations and execution support; however, the Client retains full discretion and final authority over all investment decisions, including the timing, selection, and approval of each transaction.

#### **ii. Investment Approach: (for ND PMS under Services Offered)**

Under Non-Discretionary Portfolio Management Services, the Portfolio Manager may adopt any of its established investment strategies — including equity, debt, hybrid, thematic, or model-based approaches — subject to the Client's instructions.

The investment approach and asset allocation shall be determined solely by the Client, based on their investment preferences, risk profile, and financial objectives.

The Portfolio Manager shall offer research-based recommendations consistent with the Client's investment objective and risk tolerance, but shall execute any transaction only after receiving explicit consent from the Client for each investment decision.

Accordingly, the performance and outcomes of the portfolio shall be influenced by the Client's responsiveness, decision-making, and the timing of instructions provided to the Portfolio Manager.

#### **4) Risk Factors**

The Client acknowledges and agrees that all the risk factors mentioned under Clause 7 of the Portfolio Manager's Disclosure Document for Discretionary Portfolio Management Services are equally applicable to investments under the Non-Discretionary Portfolio Management Services. These include, but are not limited to, market risks, liquidity risks, credit risks, concentration risks, tax risks, settlement risks, and risks associated with specific instruments such as equities, mutual funds, derivatives, structured products, etc.

**In addition, the following risk is specific to the nature of Non-Discretionary Portfolio Management Services:**

**a) Client-Initiated Execution Risk:**

Under Non-Discretionary PMS, the Portfolio Manager executes transactions only upon express instructions from the Client. Delays, inaction, or non-implementation of investment recommendations due to client discretion may lead to missed opportunities, market losses, or sub-optimal outcomes. The Portfolio Manager shall not be liable for any such losses or opportunity costs arising from the Client's decision-making process.

**b) Client Decision Risk:**

The success of a Non-Discretionary Portfolio Management Service depends entirely on the Client's investment decisions. The Portfolio Manager is not responsible for any losses resulting from the Client's choices.

**c) Execution Delay Risk:**

Delays in providing clear and timely instructions to the Portfolio Manager may result in missed opportunities, market fluctuations, or execution at unfavorable prices.

**d) Lack of Diversification Risk:**

If the Client's investment instructions do not result in a well-diversified portfolio, the Client may be exposed to a higher level of risk associated with concentrated holdings.

**e) Suitability Risk:**

The Portfolio Manager is not responsible for assessing the suitability of investments selected by the Client. It is the Client's sole responsibility to ensure that their investment decisions are aligned with their financial goals, investment horizon, and risk appetite.

**"In ND-PMS, the responsibility of investment decisions rests with the client. Delays or missed opportunities due to client inaction may affect portfolio performance."**

## **5)Agreement**

- The Portfolio Manager, before taking up an assignment for management of funds or portfolio of securities under Non-Discretionary Portfolio Management Services, shall enter into a separate written agreement with the client, clearly defining the inter se relationship and setting out mutual rights, obligations, and liabilities in accordance with the SEBI (Portfolio Managers) Regulations, 2020.
- The Portfolio Manager shall act solely on the basis of instructions received from the client. **No** investment decision shall be taken, nor shall any funds or securities be deployed, without the client's explicit instructions.
- The Portfolio Manager shall not change any terms of the agreement without obtaining prior written consent from the client.
- The term of the Non-Discretionary PMS Agreement shall initially be for a period of one year from the Activation Date ("Term"), or such longer period as may be mutually agreed upon. Unless terminated in accordance with the terms of the agreement, it shall be deemed to automatically renew on such terms as may be mutually agreed in writing. The client shall have the right to terminate the agreement at any time in accordance with the provisions of the said agreement.



**6) Minimum Investment Amount (For ND PMS)**

- a) The Portfolio Manager shall not accept an initial corpus of less than ₹50.00 lakhs or such minimum amount as may be prescribed by SEBI from time to time.
- b) The Client may, on one or more occasions or on a continual basis, make additional placements of funds and/or securities under the Non-Discretionary Portfolio Management Services.
- c) Uninvested amounts forming part of the Client's Assets may, upon specific instructions from the Client, be retained in cash or deployed in short-term investment avenues, including but not limited to:
- Liquid fund schemes
  - Money market instruments
  - Exchange Traded Index Funds (ETFs)
  - Debt-oriented mutual fund schemes
  - Gilt schemes
  - Bank deposits
- d) The Portfolio Manager shall act on such instructions without exercising any discretion in the selection, timing, or execution of such deployments.
- e) The Portfolio Manager may call for capital in tranches as specified in the Schedule to the Agreement.
- f) The Portfolio Manager may, with prior written notice of 14 (fourteen) days, request early payment of any tranche amount.
- g) The Client shall have the option to remit such amounts in advance of the scheduled date, if deemed appropriate by the Client.

## **7)Investment Approach**

### **(A) PriceBridge NDPMS**

#### **Investment Objective:**

To generate capital appreciation from a portfolio predominantly equity asset class investing in Equities and Equity ETF's, debts funds and ETF. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns

#### **Types of securities:**

- **Direct Equity and Equity Exchange Traded Funds.**
- **Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's, and Money Market Instruments)**
- Gold & Silver and Gold & Silver Related Instruments/Gold ETF's/Silver ETF's

#### **Basis of NDPMS recommendations:**

**Fundamental view on inwarded securities by clients, stocks in our scanner and optimization based on proprietary systems**

#### **Allocation of portfolio across types of securities:**

| <b><u>Asset Allocation Pattern</u></b>   | <b><u>Min</u></b> | <b><u>Max</u></b>  |
|--|-------------------|--------------------|
| <b><u>Direct Equity and Equity Exchange Traded Funds</u></b>   | <b><u>0%</u></b>  | <b><u>100%</u></b> |
| <b><u>Debt and Debt related instruments (Including Central and State Govt. securities, Direct Debt MF's, Debt ETF's and Money Market Instruments, Gold and Silver)</u></b> | <b><u>0%</u></b>  | <b><u>100%</u></b> |

#### **Appropriate benchmark to compare performance and basis for choice of benchmark:**

**S&P BSE 500 TRI**

#### **Indicative tenure or investment horizon:**

**60 months**

#### **Risks associated with the investment approach:**

**Please refer to the section on risk factors in the Disclosure Document.**

#### **Other salient features, if any.**

**Constant effort to minimize risk by systematic profit & loss booking.**

**8) Fees and Services Charged**

"The fees for Non-Discretionary Portfolio Management Services are based on [specify fee structure, e.g., a percentage of assets under management, a fixed fee per transaction, or an hourly rate]. The Client is responsible for all brokerage commissions, transaction costs, and other expenses associated with the execution of their trades. "

## **9) Rights and Liabilities of the Client**

### **1. Liabilities & Duties**

#### **Client:**

- a) The Client shall retain full and final authority with respect to all investment decisions. The Portfolio Manager shall execute transactions only upon receiving specific instructions from the Client.
- b) The Client shall be responsible for the consequences of investment decisions, including but not limited to market risks, timing of execution, and asset selection.
- c) The Client shall maintain the confidentiality of any recommendations or research insights shared by the Portfolio Manager and shall not use the same for unauthorized replication, redistribution, or for the benefit of third parties.
- d) The Client shall ensure timely availability of funds and/or securities as instructed, for execution of portfolio transactions.
- e) The Client shall be responsible for all applicable taxes, including capital gains, income tax, and other statutory dues. The Portfolio Manager may assist with indicative guidance, but shall not be responsible for tax planning or filing obligations.
- f) The Client shall not issue direct instructions to the Custodian or Broker. All transaction-related communications shall route through the Portfolio Manager only. The Portfolio Manager shall not be liable for any losses or claims arising from any unauthorized direct communication.
- g) The Client is responsible for making all investment decisions, for understanding the risks associated with their choices, and for providing sufficient funds and/or securities to execute their trades. The client also has a duty to keep the portfolio manager informed on their financial goals.

#### **Portfolio Manager:**

- a) The Portfolio Manager shall execute the Client's instructions diligently and in a timely manner, subject to market conditions and operational feasibility.
- b) The Portfolio Manager shall provide investment recommendations based on its research and analysis, without exercising any discretion in actual execution.
- c) The Portfolio Manager shall maintain proper records of client communications, executed transactions, and portfolio performance.
- d) The Portfolio Manager shall comply with all applicable SEBI regulations, ensure transparent dealings, and uphold fiduciary responsibility.

### **2. Fiduciary Responsibility**

The Portfolio Manager shall act in a fiduciary capacity with respect to the Client's funds and securities and shall strive to safeguard the Client's interest at all times. No undisclosed benefits shall be derived from the Client's assets.

### **3. Reporting Obligations**

The Portfolio Manager shall provide periodic reports (not exceeding every three months) detailing:

- Portfolio composition and valuation
- Transactions undertaken
- Income and benefits received
- Portfolio-related expenses
- Material risks in the portfolio
- Credit defaults or downgrades (if any)
- Distributor commissions paid (if applicable)

4. **Complaint Redressal**

The Portfolio Manager shall ensure proper handling and resolution of client complaints and shall assist custodians with related issues where required.

5. **Intermediary Dealings**

The Portfolio Manager shall interact with capital market intermediaries (brokers, custodians, etc.) strictly on behalf of the Client and shall not be liable for their non-performance or delay.

6. **Corporate Action Support**

On a best-effort basis, the Portfolio Manager shall assist the Custodian in ensuring receipt of dividends, rights, bonuses, and other entitlements.

7. **Prohibited Transactions**

- a) No margin or speculative trading shall be permitted; only delivery-based transactions are allowed.
- b) Securities shall not be pledged or loaned without the Client's written consent.
- c) Derivatives may be used as permitted under SEBI guidelines but without leveraging the portfolio.

8. **Aggregation of Orders**

Where trades are aggregated across clients for efficiency, allocations shall be done on a pro-rata basis at the weighted average price. No open allocation positions shall be maintained.

**For AYAN ANALYTICS PRIVATE LIMITED**

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**Mahesh Gowande**  
**(DIN No. 1728423)**  
**Place: Thane**

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**Mita Gowande**  
**(DIN No. 8092769)**  
**Place : Thane**

**FORM C**

*SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020  
(Regulation 22)*

**AYAN ANALYTICS PVT LTD**

**CD-65, C-23, 2<sup>nd</sup> Floor, Shreerang Unit -11, Shreerang Society, N G Marg Thane west**

**Contact details -9820525328 email [mahesht72@ayananalytics.com](mailto:mahesht72@ayananalytics.com)**

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We confirm that:

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;

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 through the Portfolio Manager.

The Disclosure Document has been duly certified by independent Chartered Accountant, M/s S. Panse & Co. LLP, Chartered Accountants, bearing Firm Registration no. 113470W/W100591 having office 327, T V Industrial Estate, S. K. Ahire Marg, Worli, Mumbai - 400 030. India, Tel: 022 24370489 dated 24<sup>th</sup> November 2025.

(Enclosed Chartered Accountant's certificate to the effect that the disclosures made in the documents are true fair and adequate to enable the investor to make a well-informed decision.)

**Place: Thane**

**Signature of the Principal Officer  
Mr. Ramaswamy Vaidyanath**