

# Mehta Sanghvi & Associates

## Chartered Accountants

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### CERTIFICATE

TO,  
AMALTAS ASSET MANAGEMENT LLP  
303, 3rd floor, BGTA Ganga CHS,  
Wadala Truck Terminal Road,  
Antop Hill, Mumbai – 400037

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

We have been requested by management of M/s **AMALTAS ASSET MANAGEMENT LLP**, having its office at 303, 3rd floor, BGTA Ganga CHS, Wadala Truck Terminal Road, Antop Hill, Mumbai – 400037 a SEBI registered Portfolio Manager (Reg no. INP000009126) to certify the contents of Disclosure Document dated January 26, 2026 for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations'). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI") and to the clients of the Company.

#### Management's responsibility

The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.

The preparation of Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

### **Auditor's responsibility**

We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

We have verified Disclosure Document and the details with the respective documents, system generated reports provided by the management of the Portfolio Manager and have relied on various representations made to us by the management wherever necessary.

For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

- a) The list of persons classified as group companies and list of related parties of the company are as per audited financial statements provided by the Company
- b) The promoters and directors' qualifications, experience, ownership details are as confirmed by the Portfolio Manager and have been accepted without further verification;
- c) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to penalties or litigations against the Portfolio Manager, as mentioned in the Disclosure Document;
- d) We have reviewed the figures for performance disclosed in the Disclosure Document on the basis of performance data provided by the management
- e) We have verified that the figures related to related parties disclosed in the Disclosure Document align with the audited financial statements for the respective years
- f) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to the investment objectives and policies / investment philosophy;
- g) We have reviewed nature of fees and expenses as per the agreements and representations provided by the Company; and
- h) We have verified the financial figures disclosed in the Disclosure Document with the audited financial statements for the respective years.

### **Conclusion**

Based on the procedures performed as stated above, evidence obtained and information and explanations provided by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

Based on our verification of the relevant documents and records and the information and explanations given to us, we hereby certify that the disclosures made in the Disclosure Document dated **31st May, 2025** and annexed hereto are true, fair and adequate to enable the investors to make a well-informed decision. We further certify that the Disclosure Document complies with the



requirement specified in Schedule V of Regulation 22 of the Securities and Exchange Board (Portfolio Managers) Regulations, 2020 and the Guidelines issued by SEBI.

This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose.

Mehta Sanghvi & Associates  
Chartered Accountants  
Firm Reg. No. 129016W



Khushali Thakkar  
Membership No: 175156  
UDIN NO: 26175156NSEILB5091  
Date: 27-01-2026  
Place: Mumbai

# DISCLOSURE DOCUMENT

## PORTFOLIO MANAGEMENT SERVICES

As on January 27, 2026

### KEY INFORMATION

This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

The purpose of this Document is to provide essential information about the portfolio management services in a manner that assists and enables investors in making an informed decision before engaging us as a Portfolio Manager.

**Investors are advised to read this document carefully before making any investment decision.**

Parameter	Details
Name of Portfolio Manager	Amaltas Asset Management LLP
SEBI Registration Number	INP000009126
Head Office / Registered Office Address	303, 3rd floor, BGTA Ganga CHS, Wadala Truck Terminal Road, Antop Hill, Mumbai - 400037
Principal Officer	Mr. Chaitanya Deepak Shah
Email	chaitanya@amaltascapital.in
Website	www.amaltascapital.in





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## 1. DISCLAIMER CLAUSE

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This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with the Securities and Exchange Board of India (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.
  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"** or **"LVAI Client"** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of INR 10,00,00,000 (Indian Rupees ten crore) or such other amount, as may be specified by SEBI from time to time.
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 Amaltas Asset Management LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, registered with SEBI as a portfolio manager bearing registration number INP000009126 and having its registered office at 303, 3rd floor, BGTA Ganga CHS, Wadala Truck Terminal Road, Antop Hill, Mumbai - 400037.
35. **"Principal Officer"** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
- 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
  - 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:
- a director, partner or his relative;
  - a key managerial personnel or his relative;
  - a firm, in which a director, partner, manager or his relative is a partner;
  - a private company in which a director, partner or manager or his relative is a member or director;
  - 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;
  - 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; or
- 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.

Additional Definitions specific to Amaltas Asset Management LLP:

39. "**AIF**" means an Alternative Investment Fund registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012.
40. "**AIF Regulations**" means the SEBI (Alternative Investment Funds) Regulations, 2012.
41. "**Bank Account**" means one or more bank accounts opened, maintained and operated by the Portfolio Manager in the name of Clients, or a pool account in the name of the Portfolio Manager, in which the funds handed over by the Client shall be held by the Portfolio Manager on behalf of the Client.
42. "**Client Agreement**" means the agreement executed between the Client and the Portfolio Manager for the provision of portfolio management and/or advisory services, and includes all schedules, annexures and any amendments made thereto in writing.
43. "**Funds Managed**" means, in relation to a Client, the market value of the Client's Portfolio as on a particular date.



44. "**Initial Corpus**" means the value of the Funds and the market value of Securities brought in by the Client and accepted by the Portfolio Manager at the time of registering as a Client with the Portfolio Manager.
45. "**Portfolio Management Fees**" means fees payable by the Client to the Portfolio Manager as specified in the Agreement, for the Portfolio Management Services.
46. "**Rules**" means the Securities and Exchange Board of India (Portfolio Managers) Rules, 2020, as amended from time to time.





3. DESCRIPTION

(i) History, Present Business and Background

Amaltas Asset Management LLP was founded by Mr. Chaitanya Deepak Shah. The LLP was incorporated on June 16, 2024 with the purpose of providing Portfolio Management Services, as defined by SEBI regulations. The LLP is not involved in any other activities and is solely focused on Portfolio Management. The LLP will function as an independent portfolio manager, managed by professionals having expertise in securities market activities. The LLP shall carry out activities involving management and administration of portfolios of clients in line with their investment requirements on a discretionary / non-discretionary basis. The LLP aims to achieve this by doing the following:

- Prioritizing investments in undervalued securities that offer a favourable risk-reward balance, focusing on opportunities where the market has mispriced assets, thereby allowing for potential upside with managed downside risk.
- Seeking out companies with strong long-term structural growth potential, investing in businesses that demonstrate sustainable competitive advantages, scalable business models, and are available at reasonable valuations, even if they are currently underappreciated by the market.
- Adopting a market-cap agnostic investment approach, allowing flexibility to invest across small, mid, and large-cap companies. We will strategically manage cash positions, making decisive cash calls to either deploy capital or preserve it based on prevailing market conditions and macroeconomic factors.

(ii) Promoters and Directors

Name	Qualification	Experience
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<b>Chaitanya Shah</b>	B.Pharm, BITS Pilani Chartered Financial Analyst - CFA (USA)	<p>Mr. Chaitanya Shah has 10 years' experience in financial markets. The chronological order of his career developments is as below:</p> <p><b>2014-2018: Senior Analyst, J.P. Morgan</b></p> <ul style="list-style-type: none"> <li>• Worked as an investment analyst with a specialised focus on real estate, gaming and lodging sectors.</li> <li>• Responsibilities included building financial models, conducting quantitative analysis, preparing detailed pitch books, and facilitating negotiations, ensuring the successful execution of multiple M&amp;A transactions, as well as fund equity and debt investments.</li> <li>• Ideated and served as the lead analyst on numerous multimillion-dollar transactions across multiple sectors, including banking, insurance, asset management, and real estate.</li> </ul> <p><b>2018-2024: Vajani Capital Pvt Limited - Executive Director, Alternative Investments</b></p> <ul style="list-style-type: none"> <li>• Leveraging his extensive experience across multiple asset classes and global markets, he provided strategic wealth management solutions to Ultra High Net Worth Individuals (UHNIs), guiding them in creating diversified portfolios tailored to their unique needs. His role involved addressing market complexities and ensuring that clients' investments were optimally positioned across various asset classes to achieve their financial objectives.</li> <li>• He was responsible for formulating the firm's house view on markets, which served as the foundation for the firm's distribution solutions. To ensure delivery of best-in-class solutions to UHNIs and Treasury clients, he developed a robust model for selecting top-performing fund managers. This model was designed to identify and partner with fund managers who demonstrated consistent excellence across asset classes, thereby enhancing the firm's ability to offer sophisticated and high-quality investment solutions to its clients.</li> </ul>
<b>Chandni Shah</b>	Bachelor in Mass Media (BMM), University of Mumbai	<p><b>2018-2024: Vajani Capital Pvt Limited - Director, Operations and Compliance</b></p> <ul style="list-style-type: none"> <li>• Held diverse roles within the organization, spanning operations, technology, digital initiatives, and various client servicing functions.</li> <li>• Played a key role in customer service and compliance, where she developed and enforced standards to maintain high levels of customer satisfaction and regulatory adherence.</li> </ul>
<b>Bhavna Shah</b>	Bachelor in Arts, University of Mumbai	Non-executive partner. No functional responsibility in the company.



(iii) Group Companies

Name of Entity	Relationship
Nil	Nil

(iv) Services Offered

Discretionary, and Advisory Services.



#### 4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS

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There have been no instances of penalties imposed or directions issued by the Board or any regulatory agency under the Act, Rules or Regulations for any economic offence or for violation of any securities laws or for any deficiency in the systems and operations of the Portfolio Manager.

There are no legal proceedings, civil or criminal, initiated against Amaltas Asset Management LLP, its partners, principal officer or employees under the Act, Rules or Regulations.



## 5. SERVICES OFFERED

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### 5.1 Discretionary Portfolio Management Services

The Portfolio Manager proposes to offer Discretionary Portfolio Management services to its clients pursuant to the terms and conditions contained in the Agreement and as per the applicable Strategy. The Portfolio Manager will exercise sole and absolute discretion with respect to the investment decisions and management of the assets of its clients. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the grounds of mala fide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, guidelines and notifications in force from time to time. Periodical statements in respect of the Client's Portfolio shall be sent to the respective Client.





**5.1.1 Amaltas Keystone Fund**

<b>Benchmark</b>	BSE 500 TRI
<b>Investment Strategy</b>	<p>Prioritize investments in undervalued securities that offer a favourable risk-reward balance, focusing on opportunities where the market has mispriced assets, thereby allowing for potential upside with managed downside risk.</p> <p>Seek out companies with strong long-term structural growth potential, investing in businesses that demonstrate sustainable</p>
	<p>competitive advantages, scalable business models, and are available at reasonable valuations, even if they are currently underappreciated by the market.</p> <p>Adopt a market-cap agnostic investment approach, allowing flexibility to invest across small, mid, and large-cap companies. We will strategically manage cash positions, making decisive cash calls to either deploy capital or preserve it based on prevailing market conditions and macroeconomic factors.</p>
<b>Description of Securities</b>	Listed equities, money market instruments, units of debt mutual funds, ETFs, or other permissible securities.
<b>Basis of Selection</b>	Bottom-up research focusing on undervalued mispriced assets and companies with sustainable competitive advantages.
<b>Allocation</b>	<p>Equity Instruments: 0–100%</p> <p>Money Market/Cash: 0–100%</p>
<b>Indicative Tenure</b>	Recommended time horizon is 3–5 years.
<b>Risks</b>	Please refer to Section 6 for detailed Risk Factors.

**5.1.2 Amaltas Strategic Opportunities Series I**

<b>Benchmark</b>	BSE 500 TRI
<b>Investment Rationale</b>	<p>This series seeks to capture deep value or short-term arbitrage opportunities that arise when a narrow cluster of stocks or an entire sector trades at materially depressed valuations relative to intrinsic worth. Mispricings may stem from cyclical headwinds, regulatory overhangs, forced selling, or temporary dislocations. The Portfolio Manager will deploy a bottom-up, catalyst-driven research process—mirroring the firm's existing focus on undervalued, mispriced assets—to identify such pockets and crystallize the spread when the discount closes.</p>



<b>Portfolio Construction</b>	<p><b>Ultra-concentrated:</b> Typically 3–7 high-conviction positions within the chosen theme.</p> <p><b>Sector-specific:</b> Each Series will concentrate on one strategic sector or allied sub-sectors where mispricing is evident.</p> <p><b>Dynamic cash management:</b> Cash may rise to 100% when the opportunity set is unattractive or liquidity is thin.</p> <p><b>Derivatives / hedging:</b> Permissible only for hedging / risk management purposes, subject to SEBI limits.</p>
<b>Lifecycle &amp; Subscription</b>	<p><b>Finite tenure:</b> The target holding period is 24–36 months, aligned with the typical mean-reversion / catalyst cycle for valuation normalization.</p> <p><b>Rolling launches:</b> Each Series will open for commitments only during a brief subscription window notified by the Portfolio Manager; thereafter the scheme will be closed for fresh subscriptions/top-ups.</p>
<b>Description of Securities</b>	Listed equities, derivatives (for hedging), money market instruments.
<b>Risks</b>	Concentration risk is higher due to the limited number of stocks.



## 5.2 Advisory Services

The Portfolio Manager proposes to offer Advisory services to its clients pursuant to the terms of the Advisory Agreement and in accordance with all applicable SEBI Regulations, circulars and guidelines. Under this arrangement the Portfolio Manager only recommends investments; the Client retains sole and absolute discretion over execution, timing, and custody of trades. Recommendations issued by the Portfolio Manager are made in good faith on the basis of rigorous fundamental, sectoral and macro research. They may not be questioned or reviewed at any time—except on grounds of mala fide, fraud, conflict of interest or gross negligence—so long as they comply with the prevailing Acts, Rules and Regulations. Periodic portfolio review reports and rationale notes will be provided to the Client at intervals agreed in the Advisory Agreement.

Execution instructions (price limits, order types, broker selection, settlement, custody and booking of trades) remain entirely under the Client's control. The Portfolio Manager neither handles client funds/securities nor effects transactions, ensuring advice is independent, unbiased and free from execution-related conflicts.

## 5.3 Direct On-boarding

Clients have the option to be on-boarded directly without intermediation. No charges except statutory charges shall be levied.

## 5.4 Minimum Investment Amount

The Client shall deposit with the Portfolio Manager an initial corpus consisting of Securities and/or funds of an amount prescribed by the Portfolio Manager for a specific Portfolio, subject to the minimum amount as specified under SEBI Regulations, as amended from time to time. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and/or funds under the service, subject to the discretion of the Portfolio Manager.





## 6. RISK FACTORS

### A. General Risks Factors

- (1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
- (2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
- (3) [Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.]
- (4) The names of the Investment Approach do not in any manner indicate their prospects or returns.
- (5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
- (6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
- (7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
- (8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- (9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

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

(10) Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.

(11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may





result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.

(12) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

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

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

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

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

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

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

(17) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.

(18) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess



the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

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

(19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

(20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.

(21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.

(22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.

(23) The Portfolio Manager shall not be responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

(24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.

(25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.

(26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

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

(27) The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk





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

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

(28) 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.

(29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.

(30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.



## 7. NATURE OF EXPENSES

The following are indicative types of expenses. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Services Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.

Type	Particulars
<b>Management Fee</b>	Management Fees relate to the portfolio management services offered to Clients. The fee may be a fixed charge or a percentage of the quantum of funds managed or linked to portfolio returns achieved or a combination of any of these. The range for charging the fees is Nil to 2.5% p.a.
<b>Performance Fee</b>	The Portfolio Manager will charge performance fees based on the High Water Mark principle. The range for charging the fees is Nil to 30% on an annualised basis. Hurdle Rate ranges from Nil to 20% on an annualised basis.
<b>Exit Load</b>	In case the client portfolio is redeemed in part or full, the exit load charged shall be as under: a) In the first year of investment, maximum of 3% of the amount redeemed. b) In the second year of investment, maximum of 2% of the amount redeemed. c) In the third year of investment, maximum of 1% of the amount redeemed. d) After a period of three years from the date of investment, no exit load.
<b>Custodian/Depository Fees</b>	The charges pertaining to opening and operation of dematerialized accounts and bank accounts, custody and transfer charges for funds, shares, bonds and units, dematerialisation, rematerialisation and other charges in connection with the operation and management of the depository and bank accounts at actuals.
<b>Registrar &amp; Transfer Agent Fee</b>	Charges payable to registrar and transfer agents in connection with effecting transfer of securities, including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges, etc. at actuals.
<b>Brokerage &amp; Transaction Cost</b>	The brokerage charges and other charges like goods and service tax, securities transaction tax, service charges, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of





	shares, stocks, bonds, debt, deposits, units and other financial instruments at actuals.
<b>Certification and Professional Charges</b>	Charges payable for outsourced professional services like accounting, taxation and legal services, notarization, etc. for certification, attestation required by bankers, intermediaries and regulatory authorities at actuals.
<b>Incidental Expenses</b>	Courier charges, stamp duty, service tax, postal stamps, opening and operation of bank accounts, etc. at actuals.
<b>Direct On-boarding</b>	The clients shall have an option to be on-boarded directly, without intermediation of persons engaged in distribution services. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied.

**IMPORTANT REGULATORY NOTE:**

In accordance with Regulation 22(11) of the SEBI (Portfolio Managers) Regulations, 2020, Operating Expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

**High Water Mark Principle**

High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than a year. The Portfolio Manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed the Client's portfolio corpus. With regard to management fees linked to portfolio returns achieved, the terms will be decided as per the Client Agreement.



## 8. TAXATION

### 8.1 General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws.

### 8.2 Tax Deducted at Source (TDS)

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

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

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

### 8.3 Long Term Capital Gains

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

Period of Holding: The Finance Act 2024 introduced significant changes to the capital gains regime effective July 23, 2024. The detailed period of holding and tax rates are as follows:

Type of Security	Position up to 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term capital asset

	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long-term capital asset
	36 months or less	Any period	Short-term capital asset

- **Definition of Specified Mutual Fund:**

Before 1st April 2025:

**“Specified Mutual Fund”** means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.

On and after 1st April 2025:

**“Specified Mutual Fund”** means, —

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

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

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

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

- **Definition of Market Linked Debenture:**

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





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

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

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

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

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

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the "indexed COA" (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of 17

transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

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

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

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

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

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

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

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



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

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

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

## 8.4 Short term capital gains

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

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

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

## 8.5 Profits and gains of business or profession

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

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

## 8.6 Losses under the head capital gains/business income

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

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





## 8.7 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:

1. The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
2. It results in directly / indirectly misuse or abuse of the IT Act;
3. It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
4. 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:

1. Disregarding or combining or recharacterizing any step in, or a part or whole of the arrangement;
2. Ignoring the arrangement for the purpose of taxation law;
3. 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;
4. Looking through the arrangement by disregarding any corporate structure; or
5. Recharacterizing 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:

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

## 8.8 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).

Goods and Services Tax (GST) will be applicable on services provided by the Portfolio Manager

#### **8.8 Goods and Services Tax 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 POLICIES

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

### A. Client Accounting

- (1) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.
- (2) The books of account of the Client shall be maintained on an historical cost basis.
- (3) Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.
- (4) All expenses will be accounted on due or payment basis, whichever is earlier.
- (5) The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- (6) Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

### B. Recognition of portfolio investments and accrual of income

- (7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- (8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- (10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- (11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
- (12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- (13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme



obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

### **C. Valuation of portfolio investments**

(14) 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.

(15) 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.

(16) 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.

(17) 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.

(18) In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

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

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





## 10. INVESTOR SERVICES

### (i) Investor Relations Officer

Name, address and telephone number of the investor relations officer who shall attend to the Client's queries and complaints:

Field	Details
Name	Chaitanya Shah
Address	303, BGTA Ganga, 1, Mukundrao Ambedkar Rd, Wadala Truck Terminal, Sion, Mumbai, Maharashtra 400037
Telephone	+91-22-31026713
Email	chaitanya@amaltascapital.in

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 wherewithal to handle investor complaints.

### (ii) Grievance Redressal

The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Client remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Client 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 and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendment, modification or re-enactment thereof for the time being in force. Such Arbitration proceedings shall be held at Mumbai.

If the Client is not satisfied with the responses received from the Portfolio Manager, the Client can approach:

SEBI SCORES 2.0 Platform: <https://scores.sebi.gov.in/>

Online Dispute Resolution (ODR): <https://smartodr.in>



## 11. DIVERSIFICATION POLICY

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Portfolio diversification is a strategy of risk management used in investing, which allows risk to be reduced by diversifying individual company-level risk across the portfolio. It helps to mitigate the associated risks on the overall investment portfolio.

The Portfolio Manager expects to create a diversified portfolio of listed equities. Equities shall be chosen across market capitalization (depending on the investment approach). However, in a situation where there are no sufficiently attractive opportunities available, excess funds may be invested in money market instruments, units of debt mutual funds, ETFs, or other permissible securities/products in accordance with the Applicable Laws. The Portfolio Manager may also, from time to time, engage in hedging strategies by investing in derivatives and permissible securities/instruments as per Applicable Laws.



## 12. CLIENT REPRESENTATION

### (i) Details of Clientele

Category	No. of Clients	Funds Managed (Rs. Cr)	Discretionary/ Advisory
Associates / Group Companies	Nil	Nil	N.A.
Others (17.01.2025 to 31.03.2025)*	13	14.868	Discretionary
Others (17.01.2025 to 31.03.2025)*	2	7.1234	Advisory
<b>Total</b>	<b>15</b>	<b>21.9914</b>	
Others (01.04.2025 to 31.12.2025)*	31	40.620	Discretionary
Others (01.04.2025 to 31.12.2025)*	2	7.8446	Advisory
<b>Total</b>	<b>33</b>	<b>48.4646</b>	

\*The numbers are unaudited numbers.

### (ii) Related Party Transactions

Disclosure for details of transactions with related parties as per AS-18 "Related Party Disclosure" issued by ICAI is provided as under: (Rs. in Lakhs)

Relatives of KMP-Loan Given	Silverline Capital-2.325 Cr
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### 13. FINANCIAL PERFORMANCE OF PORTFOLIO MANAGER

The financial performance of the Portfolio Manager based on audited financial statements:

<b>Summarized Financial Statement – Profit &amp; Loss A/c</b>	<b><u>For the year ended 31st March, 2025</u></b>	<b><u>For the year ended 31st March, 2024</u></b>	<b><u>For the year ended 31st March, 2023</u></b>
Income	3,79,231/-	-	-
Total expenses	54,13,214/-	-	-
Profit before Tax	-50,33,983/-	-	-
Provision of Tax	-	-	-
Deferred Tax	12,20,188/-	-	-
Profit for the year	-38,13,795/-	-	-

<b>Summarized Financial</b>	<b><u>For the year ended 31st March, 2025</u></b>	<b><u>For the year ended 31st March, 2024</u></b>	<b><u>For the year ended 31st March, 2023</u></b>
	Rs.	Rs.	Rs.
Partners Fund	79356939/-	-	-
Loan Fund	10952933/-	-	-
Investments and Deferred Tax Assets	63394062/-	-	-
Current Assets	27111861/-	-	-
Less: Current Liabilities	196051/-	-	-
Net Current Assets	26915810/-	-	-



**14. PORTFOLIO MANAGEMENT PERFORMANCE (TWRR)**

Portfolio Management performance of the Portfolio Manager for the period mentioned below, in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020. Performance is calculated using the Time Weighted Rate of Return (TWRR) method.

Strategy	Benchmark	Returns (%) (17.01.2025 to 31.12.2025)*
Amaltas Keystone Fund	BSE 500 TRI	-2.83
Benchmark		10.95
Strategy	Benchmark	Returns (%) (29.07.2025 to 31.12.2025)*
Amaltas Strategic Opportunities Series 1	BSE 500 TRI	12.53
Benchmark		4.05

*\*The numbers are unaudited numbers. Performance is calculated using the Time Weighted Rate of Return (TWRR) method. Performance figures are net of all fees and expenses.*



## 15. AUDIT OBSERVATIONS

The following are the details of the PMS operations related audit observations made by auditors for the preceding years:

Financial Year	Audit Observations
2024-25	We have observed that the Portfolio Manager needs to ensure that any person or entity engaged in the distribution of its services has obtained registration with APMI, in accordance with the criteria laid down by APMI. However, the portfolio Manger hold the distribution fees of the distributor till they registered with APMI. Subsequently, Portfolio Manager ensured compliance with SEBI's PMS distributor requirement on certification: the distributor had cleared the NISM-Series XXI-A (PMS Distributors) examination and satisfied our empanelment due-diligence.





16. INVESTMENTS IN SECURITIES OF RELATED PARTIES

The details of investment of clients' funds by the Portfolio Manager in the securities of its related parties or associates are as under:

Investment Approach	Name of Related Party	Investment Amount	% of AUM
All Strategies	Nil	Nil	Nil



Date: 27<sup>th</sup> January, 2026

For AMALTAS ASSET MANAGEMENT LLP

C. D. V.

Partner

Chaitanya Shah (Director)  
Principal Officer and CIO

Place: Mumbai

For AMALTAS ASSET MANAGEMENT LLP

Chandni Shah

Partner

Chandni Shah (Director)  
Compliance Officer

**FORM C**

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

**Amaltas Asset Management LLP**  
Address: 303, 3<sup>rd</sup> floor, BGTA Ganga CHS,  
Wadala Truck Terminal Road, Antop Hill,  
Mumbai – 400037  
Email id: [chaitanya@amaltascapital.in](mailto:chaitanya@amaltascapital.in)

We confirm that:

- (i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- (ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management.
- (iii) The Disclosure Document has been duly certified by an independent chartered accountant on 27<sup>th</sup> January, 2026 having its office at A-502/504, 5th floor, Vatsal- H. Rishabraj S.V.Road, Next to BOB, Kandivali (West), Mumbai- 400067 having its Firm Registration Number vide certificate issued dated 27<sup>th</sup> January, 2026 to the effect that disclosure made in the document are true, fair and adequate to enable the investors to make a well informed decision. The details are as follows:

Name of the Firm	:	Mehta Sanghvi & Associates
Partner	:	Khushali Thakkar
Membership No.	:	175156
Address	:	A-502/504, 5th floor, Vatsal- H. Rishabraj, S.V.Road, Next to BOB, Kandivali (West), Mumbai- 400 067

For **Amaltas Asset Management LLP**

**For AMALTAS ASSET MANAGEMENT LLP**

*C.D.S.*

Chaitanya Shah

**Partner**

Managing Partner and Principal Officer

Date: 27<sup>th</sup> January, 2026

Place: Mumbai