

DISCLOSURE DOCUMENT

Disclosure Document for Portfolio Management Services

Being offered by
Value Prolific Investments & Consulting Private Limited

In accordance with the Regulation 22 of Securities and Exchange Board of India
(Portfolio Managers) Regulations, 2020

I. Declaration:

- a) This Disclosure Document (hereinafter referred as this “**Document**”) has been filed with the Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the specified format in accordance with Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (“**Regulations**”).
- b) The purpose of this Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making an informed decision for engaging ‘Value Prolific Investments & Consulting Pvt. Ltd’ (hereinafter referred as the “**Portfolio Manager**”) as the portfolio manager.
- c) This Document contains the necessary information about the Portfolio Manager required by an investor before investing and the investor may also be advised to retain this Document for future reference.
- d) The name, phone number, e-mail address of the principal officer so designated by the Portfolio Manager (“Principal Officer”) along with the correspondence address of the Portfolio Manager are as follows:

PRINCIPAL OFFICER	PORTFOLIO MANAGER
Name: Anshuman Khanna	Name: Value Prolific Investments & Consulting Pvt. Ltd
Phone number: 01146001000	Address: F-3 Bhagat Singh Market New Delhi-110001
E-Mail : anshuman.khanna@valpro.co.in	

Dated: 16.02.2026

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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 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"** 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 Value Prolific Investments & Consulting Private Limited incorporated under the Companies Act, 1956, registered with SEBI as a portfolio manager bearing registration number INP100007189 and having its registered office at F-3 Bhagat Singh Market New Delhi - 110001.
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:

Value Prolific Investments and Consulting Private Limited, is a company incorporated under the Companies Act, 1956, on 04.12.1992, having its Registered Office at f-3, Bhagat Singh market, new Delhi-110001 ('Company').

The Company is registered with SEBI as Portfolio Manager under the Regulations. The Company has obtained a license from SEBI for offering Portfolio Management Services on 1st April 2021

(ii) Promoters of the Portfolio Manager, directors and their background:

a. Promoters:

The Portfolio Manager has been promoted by the ANG Group which is a business house having diverse business interests ranging from Real Estate development, Natural stone, Travel and Investment Banking. Apart from the foregoing the ANG Group also invests its proprietary funds in various asset classes ranging from listed and unlisted equities, bonds, real estate, art and commodities.

b. Particulars of Directors:

Sr. No	Name of Director(s) Address & Qualification	Experience	Date of Appointment (DOA) & Previous Position held	Other Directorships in companies
01	Santosh Gadia, 76 Vasant Vihar, New Delhi CA, CS	Over 40 years of experience in finance and capital markets	28.09.2017	Annexure-1
02	Anshuman Khanna B34 Sarvodaya Enclave, New Delhi CA, LLB	Over 15 years experience in financial services and capital markets	11.11.2004	Annexure-1
03	Chaitanya Gadia 76 Vasant Vihar, New Delhi CA	Over 10 years experience in financial services and capital markets	09.08.2010	Annexure-1
04	Neha Khanna 100 Anand Lok, New Delhi CA, MBA	Over 10 years experience in financial services and capital markets	28.09.2017	Annexure-1

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis as of March 31, 2020:

The shareholding of the Portfolio Manager is equally split among the four directors, i.e., 25% share is held by Mr. Santosh Gadia, Mr. Anshuman Khanna, Mr. Chaitanya Gadia and Ms. Neha Khanna.

(iv) Details of the services being offered: Discretionary, Non- Discretionary and Advisory:

The Portfolio Manager primarily focuses on providing discretionary portfolio management services and if opportunity arises thereafter, it wishes to render non-discretionary portfolio management services and advisory services. The key features of all the said services are provided as follows:

(a) Discretionary Services:

Under the discretionary PMS, the Portfolio Manager shall individually and independently manage the assets of each Client. The Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client in accordance with the needs of the Client. The Securities invested or disinvested by the Portfolio Manager for Clients may differ from Client to Client based on the Portfolio Manager's assessment of the risk appetite and investment goals of the specific Client. 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 except on the ground of fraud, malafide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws in force from time to time, including the Regulations. Periodical financial statements in respect of the Client's assets under management shall be duly sent to the respective Clients.

(b) Non-Discretionary Services:

The Portfolio Manager will provide Non-discretionary PMS as per express prior instructions issued by the Client from time to time, in the nature of investment consultancy/management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so as to ensure that all benefits accrue to the Client's Portfolio, for an agreed fee structure entirely at the Client's risk.

Under the non-discretionary PMS, the Capital Contribution of the Client shall be invested in listed and/or unlisted securities (provided that investment in unlisted securities shall not exceed 25% of the assets under management of such Client) and managed in consultation with the Client. Under the non-discretionary PMS, the investments/assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager inter alia manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client.

(c) Advisory Services:

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the portfolio strategy and investment and divestment of individual securities on the Client's Portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk; to all eligible category of Investors who can invest in the Indian market. The investment advisory services may be provided for investment in unlisted securities upto 25% of the assets under management of such Client. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment / divestment of Securities and / or any administrative activities on the Client's Portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the Client, from time to time, in this regard.

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

- i. **All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder.**

None

- ii. **The nature of the penalty/direction.**

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 shall be clearly and concisely stated in this Document for easy understanding of the potential investor.**

(a) Present Investment Objective:

The investment objective of the Portfolio Manager under its PMS is to deliver to the Clients superior and consistent risk adjusted returns. The Portfolio Manager aims to generate capital appreciation as well as returns on Client's capital by such investments.

(b) Type of securities in which Portfolio Manager will invest

The Portfolio Manager may invest Capital Contributions in Securities and any other permissible securities/instruments/products as per the Applicable Laws, in such manner and through such markets as it may deem fit in the interest of the Client. The investment in Securities shall primarily comprise of:

- listed equity and preference shares of Indian companies including index positions,
- listed debentures, bonds and secured premium notes, including tax exempt bonds of Indian companies and corporations;
- units and other instruments of mutual funds, REITs and InvITs;
- money market instruments such as government securities, commercial papers, trade bill, treasury bills, certificate of deposit and usance bill;
- listed options, futures, swaps and such other derivatives as may be permitted from time to time;
- Shares of unlisted companies including startups/SMEs
- Commodities
- such other securities/instruments as specific by SEBI from time to time.

Under the non-discretionary PMS, the Capital Contribution of the Client shall be invested in listed and/or unlisted securities (provided that investment in unlisted securities shall not exceed 25% of the assets under management of such Client) and managed in consultation with the Client.

II. Investment Approach of the Portfolio Manager:

Our Investment Approach is as follows:

1. A fundamental analysis of entities is a first step in our investment exercise. This involves giving high weightage to aspects such as:
 - a. Promoter profile;
 - b. Competitive advantage of the business/Moat, reflected in long term CAGR;
 - c. High Return on Equity meriting high earnings multiple.
2. The fundamental analysis is followed by eliminating companies which are not worthy of investment owing to factors such as:
 - a. Regulatory uncertainty;
 - b. Disruption or technological obsolescence;
 - c. Promoter record or adverse legal proceedings.
3. The timing of investment is considered after taking into account factors such as:
 - a. Overall market sentiment;

- b. Macro headwinds; and
 - c. Arbitrage opportunity
4. The portfolio is balanced based on the risk profile and investment goals of the Client with appropriate combination of:
- a. Listed and unlisted equities;
 - b. Hedging through futures & options;
 - c. Debt instruments; and
 - d. Liquid funds.

At the end of the day we are aware that the portfolio is a sub-set of the overall market and macro-economic performance. We attempt to outperform the benchmark and are aware that the portfolio may not show superlative returns at all time and is more a function of relative performance than absolute.

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.

The Portfolio Manager will not be making investments in associates/group companies, except with prior written confirmation of the Client.

6. Risk factors:

General Risk:

- Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.
- The Portfolio Manager has a previous experience/track record in the field of portfolio management services and has obtained a new license to function as a portfolio manager only on 1st April 2021.
- Without prejudice to the above, the past performance of the Portfolio Manager does not indicate its future performance.
- Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act, save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.
- The Client is not being offered any guaranteed or assured returns either of principal or appreciation on the Portfolio.
- The Client Portfolio may be affected by settlement periods and transfer procedures.
- The portfolio management service is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity(s). The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy and macroeconomic factors.
- For non-discretionary PMS, the Client should read the disclosure document and terms and conditions of the Product carefully before making any investment decision.
- All the transactions of purchase and sale of securities by the Portfolio Manager and its employees who are directly involved in investment operations shall be disclosed in the event there is any conflict of interest with the transaction in any of the Client Portfolio.
- The portfolio strategies of the Portfolio Manager or its group companies could create conflict with the transactions and strategies employed in managing the PMS and affect the prices and availability of the securities, currencies and instruments in which the Portfolio Manager will invest through the PMS. A detailed section on 'Conflicts of Interest' has been included in the Agreement as Annexure 'B'.
- The Portfolio Investments are vulnerable to movements in the prices of Securities invested, which could have a material bearing on the overall returns from the Portfolio. The value of the Portfolio Investments, may be affected generally by factors affecting securities markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments or pandemics which may have an adverse bearing on individual Securities, a specific sector or all sectors including equity and debt markets.

Other risks arising from the investment approach, investment objectives, investment strategy and asset allocation are stated as under:

Risks associated with investments in equity and equity linked securities:

- Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related

securities.

- In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
- The value of the Portfolio, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
- Client may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

Risk factors associated with investments in derivatives:

- 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 such strategies to be persuaded by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments.
- As and when the Portfolio Manager on behalf of the Client would trade in the derivatives market there are risk factors and issues concerning the use of derivatives that the Client should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. 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 or interest rate movements correctly. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the 'counter party') to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

Management and Operational Risk:

Reliance on the Portfolio Manager

- The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time.
- The investment decisions made by the Portfolio Manager may not always be profitable.
- Investments made by the Portfolio Manager are subject to risks arising from the investment approach, investment objectives, investment strategy and asset allocation.

Inter-se different activities: The Portfolio Manager and its affiliates are involved in a variety of

advisory, management and investment-related activities and may also get involved in management of alternative investment funds and intend to continue to do so in the future. The Investment Manager and any of its affiliate/group entities may, from time to time, act as investment managers or advisers to entities, companies or funds apart from the portfolio management activities under the PMS. It is therefore possible that the Portfolio Manager and its affiliates may in the course of their business have potential conflicts of interest inter-se different activities.

Exit Load: Client may have to pay a high exit load or Termination Fee to withdraw the funds or Portfolio (as stipulated in the Agreement with the Client). In addition, they may be restricted or prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments, however, the Portfolio Manager will attempt to maintain a diversified portfolio in order to minimize this risk.

No Guarantee: Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

India-related Risks:

Political, economic and social risks: Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Legal and Tax risks:

Tax risks: Changes in state and central taxes and other levies in India may have an adverse effect on the cost of operating activities of the Portfolio Entities. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes.

Bankruptcy of Portfolio Entity: Various laws enacted for the protection of creditors may operate to the detriment of the PMS if it is a creditor of a Portfolio Entity that experience financial difficulty. For

example, if a Portfolio Entity becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Portfolio Investment to other creditors. If the PMS/Client holds equity securities in any Portfolio Entity that becomes insolvent or bankrupt, the risk of subordination of the PMS's/Client's claim increases.

Change in Law and or Regulation: Any change in the Regulations and or the other Applicable Laws or any new direction of SEBI may adversely impact the operation of the PMS.

Risks pertaining to Investments:

Investment in Securities/Instruments

- The Client Portfolio may comprise of investment in Securities, including any listed fixed income securities, debt securities/products and in case of such securities, the Portfolio Manager's ability to protect the investment or seek returns or, liquidity may be limited.
- In case of in-specie distribution of the securities by the Portfolio Manager upon termination or liquidation of the Client Portfolio, the same could consist of such securities for which there may not be a readily available public market. Further, in such cases the Portfolio Manager may not be able to transfer any of the interests, rights or obligations with respect to such securities except as may be specifically provided in the agreement with Portfolio Entities. If an in-specie distribution is received by the Client from the Portfolio Manager, the Client may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.
- The Portfolio Manager will invest in Securities listed with the stock exchange. In connection with such listing, the Portfolio Manager may be required to agree not to dispose of its securities in the Portfolio Entity for such period as may be prescribed under the Applicable Law, or there may be certain investments made by the Portfolio Manager which are subject to a statutory period of non-disposal and hence Portfolio Manager may not be able to dispose of such investments prior to completion of such prescribed regulatory tenures and hence may result in illiquidity.
- The Client Portfolio will be invested in listed securities and as such may be subject to the market risk associated with the fluctuations of the capital market.

Risks associated with investments in fixed income Securities or Products:

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

- **Interest Rate Risk:** As with all debt securities, changes in interest rates affects the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of portfolios.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is a characteristic of the Indian fixed income market.
- **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Due to this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and

generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Rating risks:** Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.
- **Price volatility risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these securities may be less liquid than that for other higher rated or more widely followed securities.

Investment Risks: Since the Portfolio may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the PMS.

Identification of Appropriate Investments: The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

7. Nature of expenses

The following are the general costs and expenses to be borne by the Client availing the services of the Portfolio Manager. The below mentioned costs and expenses are indicative in nature. However, the exact nature of expenses relating to each of the following services is annexed to the Agreement in respect of each of the services provided.

i. Management fee:

The management fee relates to the portfolio management services offered to the Clients. The fee shall be the aggregate of the Performance Fee and Termination Fee.

ii. Performance fee:

The performance fee relates to the share of profits charged by the Portfolio Manager and is not subject to any hurdle rate and/ or high-water mark principle.

iii. Termination fee:

The Portfolio Manager may charge early withdrawal fee a percentage of the value of the Portfolio /withdrawn Portfolio as per the terms and conditions of a particular Product.

iv. Other charges and expenses:

Custodian fees, costs associated with investor servicing & fund accounting, registrar and transfer agent fees, depository charges, franking, notarization charges, brokerage, any taxes including but not limited to goods and services tax, security transaction tax & other statutory levies, audit fees and legal fees would be charged from the Client Portfolio, based on actuals.

8. Taxation

A. General

This summary on Indian tax matters contained herein is based on existing law as on the date of this memorandum. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect.

The following is a summary of certain relevant provisions of the Income-tax Act, 1961 ("ITA") as amended by the Finance Act 2025 ('**Finance Act**') read along with Income-tax Rules, 1962, ('IT Rules') and various circulars and notifications issued thereunder from time to time.

The summary is based on laws, regulations, rulings and judicial decisions now in effect, and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of Portfolio Manager to induce any client, prospective or existing, to invest in the portfolio management schemes of the Portfolio Manager. Implications of any judicial decisions/ double tax avoidance agreements etc. are not explained herein.

In view of the nature of tax consequences, each client is advised to consult their own tax advisor with respect to the specific tax consequences arising to them from participation in any of the investments.

It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the securities.

The Portfolio Manager accepts no responsibility for any loss suffered by any Investor as a result of current taxation law and practice or any changes thereto.

B. Tax deduction at source

Section 206AA of the ITA

Section 206AA of the ITA provides that where a recipient of income (who is subject to withholding provisions) does not furnish its Permanent Account Number ('PAN'), then tax is required to be deducted by the payer at the higher of the following i.e.,

1. rates specified in the relevant provisions of the ITA; or
2. rates in force; or
3. 20%.

In the case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents. The CBDT had issued a notification granting certain relaxations from deduction of tax at a higher rate in the case of non-resident investors or a foreign company. The provisions of section 206AA of the ITA does not apply in respect of payments to be made which are in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, provided the deductee furnishes certain details and specified documents to the deductor.

In case the aforesaid section is applicable, tax shall be deducted at higher of the followings rates:

1. twice the rate specified in the relevant provision of the ITA; or
2. twice the rate or rates in force; or
3. the rate of five per cent.

The Finance Act 2025 omitted section 206AB of the ITA.

Withholding tax on purchase of goods

Section 194Q of the ITA provides that any person (i.e. buyer) who is responsible for paying any sum to any resident (i.e. seller) for the purchase of any goods (likely to include shares and securities) of the value or aggregate of such value exceeding INR 50 lakhs in any previous year, shall deduct an amount equal to 0.1% of such sum exceeding INR 50 lakhs. The buyer shall be required deduct such tax at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier.

Further, the term 'buyer' has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the financial year immediately preceding the financial year in which the purchase of goods is carried out. The section further provides that if any sum is credited to any account, whether called "suspense account" or by other name, in the books of the buyer liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee (i.e. seller) and the provisions of this section shall apply accordingly.

However, the provisions of section 194Q of the ITA shall not apply to transactions on which:

- (a) tax is deductible under any of the provision of the ITA; and
- (b) tax is collectible under the provisions of ITA

The CBDT, in order to clarify on the applicability of the provisions of section 194Q of the ITA on transactions carried through various stock exchanges, issued a circular dated 30 June 2021. Per the said circular, it was clarified that the provisions of section 194Q should not be applicable to transactions in securities traded through recognized stock exchange or cleared and settled by the recognized clearing corporation.

The said circular further clarified that the provisions of section 194Q of the ITA shall not apply to a non-resident whose purchase of goods from seller resident in India is not effectively connected with the permanent establishment of such non-resident in India. For this purpose, "permanent establishment" shall mean to include a fixed place of business through which the business of the enterprise is wholly or partly carries on.

The CBDT further issued guidelines to address various issues arising on applicability of the provisions of section 194Q of the ITA.

C. Long term capital gains

The ITA provides for a specific mechanism for computation of capital gains. Capital gains are computed by deducting from the sale consideration, the cost of acquisition and certain other expenses. The tax payable on capital gains would depend on whether the capital gains are long-term or short-term in nature.

Period of Holding

Depending on the period for which the securities are held, capital gains earned by the Investors would be treated as short term or long-term capital gains. The taxability of capital gains is discussed below:

Type of instrument	Period of holding	Characterisation
Listed Securities (other than a unit), units of equity-oriented mutual funds, units of Unit Trust of India and Zero- Coupon bonds	More than 12 months	Long-term Capital Asset
	12 months or less	Short-term Capital Asset
Shares of a company (other than shares listed on a recognised stock exchange)	More than 24 months	Long-term Capital Asset
	24 months or less	Short-term Capital Asset
Other securities (other than Market Linked Debentures and unit of a Specified Mutual Fund)	More than 24 months	Long-term Capital Asset
	24 months or less	Short-term Capital Asset

Capital gains on redemption/ transfer/ maturity of Specified Mutual Fund acquired on or after 1 April 2023 or Market Linked Debentures shall be deemed to be capital gains arising from a Short-Term Capital Asset (STCG), irrespective of the period of holding.

“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).

“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.

Taxability of long-term capital gains under the ITA (without considering the benefits under the tax treaties for non-resident investors) should be as follows:

Sr. No	Particulars	Resident investors	Non-resident investors	FPI
		Tax rate (%) excluding applicable surcharge and health and education cess		
1	Long-term capital gains on transfer of: listed equity shares on which STT has been paid both at the time of acquisition and sale of such shares; and units of equity oriented mutual fund on which STT has been paid on transfer [Note 2] (Section 112A)	12.5% [on income in excess of INR 1.25 lakh]	12.5% [on income in excess of INR 1.25 lakh]	12.5% [on income in excess of INR 1.25 lakh]
2	LTCG on transfer of unlisted shares and other securities (except, MLDs, specified mutual fund, unlisted bonds debentures)	12.5%	12.5%	12.5%

D. Short term capital gains

Taxability of short-term capital gains under the ITA (without considering the benefits under the tax treaties for non-resident investors) should be as follows:

Sr. No	Particulars	Resident investors	Non-resident investors	FPI
		Tax rate (%) excluding applicable surcharge and health and education cess		
1	STCG on transfer of listed equity shares on a recognized stock exchange, to be listed equity shares sold through offer for sale or units of equity oriented mutual fund, and on which Securities Transaction Tax (“STT”) has been paid (Section 111A)	20%	20%	20%

2	Any other short-term capital gains	30% [Note 1]	30% (in case of firms/ LLP/ foreign non-corporates [Note 1] / 35% (in case of foreign company)	30%
3	Income from Market Linked Debentures(MLDs), specified mutual fund, unlisted bonds and debentures	30% [Note 4]	30% (in case of firms/ LLP/ foreign non-corporates [Note 4] / 35% (in case of foreign company)	30%

Note 1:

Assuming highest slab rates for individual investors.

In case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2023-24 (Assessment Year 2024-25), the applicable tax rate would be 25%.

Further, the tax rates for domestic companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections subject to a cap of 15% for capital gains earned under section 111A or 112A or 112 of the ITA.

As per section 115BAC of the ITA, resident Individual and HUF will have an option to pay tax on its total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.

The rates provided under section 115BAC(1A) of the ITA shall be applicable unless an option is exercised under section 115BAC(6) to opt out of the regime. Further, the option of opting back to the regime under section 115BAC(1A) of the ITA can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year. Under this regime, the rate of surcharge shall be capped at 25% (instead of 37%). This section is also applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person.

Note 2:

The cost of acquisition of equity shares or units of an equity oriented mutual funds acquired before 1 February 2018, shall be higher of:

a) the actual cost of acquisition; and

Lower of:

- i) Fair market value as on 31 January 2018, determined in the prescribed manner; and
- ii) Value of consideration received or accruing upon transfer.

The CBDT issued a notification dated 1 October 2018, wherein the list of transactions has been specified in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the ITA shall not apply i.e. payment of STT on acquisition of equity shares.

Note 3:

As per section 50CA of the ITA, where the consideration received or accruing on account of transfer of unlisted shares is less than the fair market value of such share, determined in the prescribed manner, the fair value as determined should be deemed to be the full value of consideration for the purpose of computing capital gains.

Note 4:

Section 50AA of the ITA which provides that the income arising on transfer / redemption / maturity of units of a Specified Mutual Fund (acquired on or after April 1, 2023) or Market linked Debentures ("MLDs")/ unlisted bonds/unlisted bonds/unlisted debentures which are held as capital asset shall be deemed to be the capital gains arising from the transfer of a short-term capital asset (irrespective of the period of holding), capital gains shall be full value of consideration received or accruing as a result of the transfer or redemption or maturity of said capital asset as reduced by

- (i) the cost of acquisition of the debenture or unit; and
- (ii) the expenditure incurred wholly and exclusively in connection with such transfer or redemption or maturity,

Further, such gains shall be chargeable to tax at the applicable rates.

For the purpose of this section,

"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).

"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.

Consideration with respect to Foreign Portfolio Investors

As per section 2(14) of the ITA, any investment in securities made by FPIs in accordance with the regulations made under the Securities and Exchange Board of India is treated as a capital asset. Consequently, any income arising from transfer of securities by FPIs are to be treated as capital gains. Under section 115AD of the ITA, long-term capital gains arising from transfer of securities shall be taxable at the rates mentioned in paragraph above.

Under section 115AD of the ITA, interest and dividend income earned by FPIs should be taxable at 20% (plus applicable surcharge and cess), unless a lower rate is specified in the relevant tax treaty.

As per section 196D of the ITA, no deduction of tax shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD which is payable to an FPI. However, tax shall be deducted under section 196D of the ITA with respect to interest income (other than referred to in section 115AD of the ITA) and dividend income at the rate of 20%.

E. Profits and gains of business or profession

If the gains are characterised as business income, then the same should be taxable on net income basis at the rate of 30% for resident investors. In case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2023-24 (Assessment Year 2024-25), the applicable tax rate would be 25%. Kindly note, we have assumed highest rate for resident individual investors. Further, the tax rates for domestic companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

If the gains are characterised as business income, then the same should be taxable on net income basis at

35% for foreign company if it has a business connection/ permanent establishment in India, and such income is attributable to the business connection/ permanent establishment of the non-resident in India. Further, for non-resident investors (other than a foreign company) a tax rate of 30% should be levied.

F. Losses under the head capital gains/business income

In terms of section 70 read with section 74 of the ITA, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. 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 for set-off against capital gains during the subsequent 8 assessment years, subject to tax return filing being undertaken with the prescribed due dates.

Business loss can be set off against the income from any other source under the same head or income under any other head (except income from salary) in the same assessment year. Further, if such loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business, within the period of eight subsequent assessment years.

G. General Anti Avoidance Rules (GAAR)

The GAAR regime as introduced in the ITA shall be effective from 1 April 2017. GAAR may be invoked by the 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 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 ITA;
- 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 re characterise or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or re characterising 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;
- Reallocating and re-characterizing equity into debt, capital into revenue, etc.

Disregarding or treating any accommodating party and other party as one and the same person;
or

Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The GAAR provisions would override the provisions of a tax 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 the IT Rules. The IT Rules 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) 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:

The name, address, taxpayer identification number [('TIN') (assigned in the country of residence)] and date and place of birth ['DOB' and 'POB'(in case of an individual)]

- a. where an entity has one or more controlling persons that are reportable persons;
- b. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
- c. the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
- d. account number (or functional equivalent in the absence of an account number);
- e. 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
- f. the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.
- g. 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).

Furthermore, section 271FAA of the Act provides that if there is any inaccuracy in the statement of financial transactions submitted by a prescribed reporting financial institution and such inaccuracy is due to false or inaccurate information submitted by the account holder, a penalty of INR 5000 shall be imposable on such institution, in addition to the penalty leviable on such financial institution in the said section, if any. This penalty shall be levied by the income tax authority prescribed under section 285BA of the Act. The reporting financial institution may recover the amount so paid on behalf of the account holder or retain out of any money that may be in its possession or may come to it from every such reportable account holder.

I. Others

1. Tax Rates

The tax rates stated in this tax chapter are exclusive of surcharge and health and education cess (unless stated otherwise).

The tax rates are applicable for the financial year 2025-26 (Assessment year 2026-27). The rate of surcharge and health and education cess are as under:

Surcharge rates are provided below:

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)				
	If income is up to INR 50 lakhs	If income exceeds INR 50 lakhs but less than INR 1 Crore	If income exceeds INR 1 Crore but less than INR 2 Crores	If income exceeds INR 2 Crores but less than INR 5 Crores	If income exceeds INR 5 Crores
Individuals, HUF, AOP, BOI (Resident and NonResident)	Nil	10%	15%	25%	37%

Note 1: In case where the total income includes dividend income (only residents) or any income referred to in section 111A or section 112 or section 112A of the ITA, surcharge on such income shall not exceed 15%.

Note 2: In case where the total income of foreign portfolio investor ('FPI') includes any short term capital gains or long-term capital gains or dividend income, surcharge on such income shall not exceed 15%.

Note 3: The rates provided under section 115BAC(1A) of the ITA shall be applicable unless an option is exercised under section 115BAC(6) to opt out of the regime. Further, the option of opting back to the regime under section 115BAC(1A) of the ITA can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year. Under this regime, the rate of surcharge shall be capped at 25% (instead of 37%). This section is also

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)		
	If income does not exceed 1 crore	If income exceeds INR 1 crore but less than INR 10 crores	If income exceeds INR 10 crores
Partnership firm	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company, including FPIs	Nil	2%	5%

applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person.

Note 1: The applicable surcharge rate on income chargeable to tax under sections 115BAA or 115BAB of the ITA shall be 10% irrespective of the income threshold.

Health and education cess

In addition to the above, health and education cess at the rate of 4% is leviable on aggregate of tax and surcharge.

In this tax chapter, we have used the term 'applicable slab rates' at many places. The slab rate which are applicable for individuals/HUF/AOP/BOI are as follows:

Alternate 1: Old Tax Regime

Total Income	Tax rates (refer below) notes
Up to INR 2,50,000	Nil
From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 10,00,000	20%
INR 10,00,001 and above	30%

Note 1: Section 87A of the ITA provides for a rebate on tax on total income of up to INR 5,00,000 for resident individual assessee.

Note 2: In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR 3,00,000.

Note 3: In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR 5,00,000.

Alternate 2: New Tax Regime

The new tax regime under section 115BAC of the ITA is the default tax regime unless an option is exercised to opt out of this regime as provided under section 115BAC(6) of the ITA.

Total Income	Tax rates
Up to INR 4,00,000	Nil
From INR 4,00,001 to INR 8,00,000	5%
From INR 8,00,001 to INR 12,00,000	10%
From INR 12,00,001 to INR 16,00,000	15%
From INR 16,00,001 to INR 20,00,000	20%
From INR 20,00,001 to INR 24,00,000	25%
Above INR 24,00,000	30%

Note 1:

The Finance Act 2025 amended the Section 87A of the ITA where the resident individual apply for lower slab rates provided under section 115BAC(1A) and the total income:

- does not exceed INR 12,00,000, a rebate shall be provided on tax to the extent of an amount equal to 100% of such income-tax or an amount of INR 60,000 (whichever is less);
- exceeds INR 12,00,000 and the income-tax payable on such total income exceeds the amount by which the total income is in excess of INR 12,00,000, the assessee a rebate shall be provided on tax of an amount equal to the amount by which the tax payable is in excess of the amount by which the total income exceeds INR 12,00,000.

Further, such rebate of income-tax shall not be available on tax on incomes chargeable to tax at special rates.

An assessee having income other than income from a business or profession can opt for the old tax scheme every year. In other words, he has the option to opt out of the old tax regime every year if he has opted for it in the preceding year.

Where an assessee earning income from a business or profession has opted for the old tax regime, he can withdraw from the old tax regime only once for a previous year other than the year in which it was exercised. Once such an option has been exercised, the assessee shall never be eligible to exercise such an option again, except where such person ceases to have any income from business or profession.

Note 2: The option to pay tax under this regime shall be available only if the total income of assessee is computed without claiming specified exemptions or deductions specified under the ITA.

Note 3: Section 115BAC is also applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person.

2. Tax Deductions, liability and payments

It will be the responsibility of the investors to meet the advance tax obligation payable on a quarterly basis as prescribed under the ITA.

As prescribed under the ITA, investors shall understand the liability of payment of TDS, if any, on the management fee/ other fees charged by the Portfolio Manager and will deposit the same as per prevailing IT Rules and provide TDS certificate to the Portfolio Manager within the requisite time period. Investor who wishes to register under the GST information should provide their written request along with the copy of GST Certificate at the time of onboarding or before the beginning of the new quarter for any prospective changes in invoicing

a) It is envisaged that the investor, including FPIs, could earn the following streams of income from investments made in the portfolio investments:

- i) Dividend income; Interest income;
- ii) Gains on sale of securities; and
- iii) Gains on buy-back of shares.

The tax implications of each stream of income are provided below:

Dividend income on shares

As per section 115-O of the ITA, the Indian company declaring dividend would not be required to pay any dividend distribution tax on dividend distributed/paid/declared to its shareholders. The dividend income would be taxable in the hands of the shareholders under the ITA at applicable rates. Further, the shareholder can claim a deduction of interest expenditure incurred for the purpose of earning such dividend income and such deduction would be restricted to 20% of the gross dividend income.

Further, as per section 80M of the ITA, any Indian company which receives dividend from another Indian company and the dividend is distributed by the first mentioned Indian company to its shareholders before the specified due date (i.e., one month prior to the date of filing tax return under section 139 of the ITA), then the first mentioned Indian company can claim a deduction of the dividend received by it from the other Indian company.

The Indian Company declaring dividend would be required to deduct tax at 10% in case of payment to resident investors (provided amount exceeds INR 10,000) and at 20% or rates in force, in case of payment to non-resident investors. In case, the dividend income is paid to FPIs, the rate of tax deduction at source as per section 196D of the ITA is 20% (plus applicable surcharge and cess), unless a lower rate is specified in the relevant tax treaty.

Accordingly, the dividend income (net of deductions, if any) will be taxable at the following rates:

Resident Investors

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	30%
Firms / Limited Liability Partnerships (LLPs)	30%
Others (Refer Note 3)	As per applicable slab rates, maximum being 30%

Note 1: In case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2023-24 (Assessment Year 2024-25), the applicable tax rate would be 25%.

Note 2: The tax rates for domestic companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

Note 3: The rates provided under section 115BAC(1A) of the ITA shall be applicable unless an option is exercised under section 115BAC(6) to opt out of the regime. Further, the option of opting back to the regime under section 115BAC(1A) of the ITA can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year. Under this regime, the rate of surcharge shall be capped at 25% (instead of 37%). This section is also applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person. At present, the highest slab rate has been captured.

Non-resident investors

As per section 115A(1)(a)(i) of the ITA, the dividend income would be taxable at the rate of 20% (plus applicable surcharge and health and education cess) in case of non-resident shareholders, subject to beneficial tax rate under the relevant tax treaty.

Taxation of dividend income in the hands of FPI has been discussed separately.

3. Interest income on debt securities

Resident investors

Interest income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	30%
Firms / LLPs	30%
Others (Refer Note 3)	As per applicable slab rates, maximum being 30%

Note 1: In case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2023-24 (Assessment Year 2024-25), the applicable tax rate would be 25%.

Note 2: Further, the tax rates for domestic companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

Note 3: The rates provided under section 115BAC(1A) of the ITA shall be applicable unless an option is exercised under section 115BAC(6) to opt out of the regime. Further, the option of opting back to the regime under section 115BAC(1A) of the ITA can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year. Under this regime, the rate of surcharge shall be capped at 25% (instead of 37%). This section is also applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person. At present, the highest slab rate has been captured.

Non-resident investors

As per the provisions of the ITA, in case of taxability of non-resident who is a tax resident of a country with which India has a tax treaty for granting relief of tax, the provisions of the ITA shall apply to the extent they are more beneficial.

The interest income earned by the non-resident investors (being corporate entity/ noncorporate entity) shall be generally (unless certain conditions are satisfied) taxable at the rate of 35%/ as per slab under the provisions of the ITA.

Taxation of interest income in the hands of FPI has been discussed separately.

4. Proceeds on buy-back of shares by a domestic company

Amount received on buyback of shares (undertaken in accordance with provisions of section 68 of the Companies Act 2013) shall be taxable as dividend in the hands of the shareholder as per section 2(22)(f) of the ITA. Further, no deduction for expenses shall be available against such deemed dividend income (i.e., on account of buy-back of shares) under section 57 of the ITA.

Further, section 46A of the ITA is also amended to provide that the sale consideration of such shares bought back shall be considered as nil and cost of acquisition of such shares bought back shall be treated as capital loss. The said loss shall be available for set-off and carry forward purposes in accordance with the provisions of the ITA.

5. Non-resident investors (including FPI):

A non-resident investor would be subject to taxation in India only if;

- a) it is regarded a tax resident of India; or
- b) being a non-resident in India, it 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 in India in terms of the provisions of the ITA.

As per Section 6 of the ITA, a foreign company will be treated as a tax resident in India if its place of effective management ('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 are, in substance made. In case, the foreign company has a POEM in India, it would qualify as resident of India for tax purposes and consequently, its worldwide income would be taxable in India.

6. Tax treaty Benefits for Non-Resident investors

As per Section 90(2) of the ITA, the provisions of the ITA, would apply to the extent they are more beneficial than the provisions of the tax treaty between India and the country of residence of the non-resident investor (subject to General Anti Avoidance Rules ('GAAR') provisions discussed below and to the extent of availability of tax treaty benefits to the non-resident investors).

As per, section 90(1) of the ITA, the Central Government may enter into a tax treaty for granting relief in respect of income tax, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit of residents of any other country or territory).

Having said the above, it may be noted that no assurance can be provided that the tax treaty benefits will be available to the non-resident investors or the terms of the tax treaty will not be subject to amendment or reinterpretation in the future.

In order to claim tax treaty benefits, the non-resident investor has to furnish the Tax Residency Certificate ('TRC') issued by the foreign tax authorities. Further, the non-resident

investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT vide its notification dated 1 August 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC

The tax authorities may grant tax treaty benefit (after verifying the TRC) based on the facts of each case. This chapter does not discuss the tax implications applicable to the nonresidents under a beneficial tax treaty, which would need to be analysed separately based on the specific facts.

The taxability of such income of the non-resident investors, in the absence of tax treaty benefits or from a country with which India has no tax treaty, would be as per the provisions of the ITA.

7. Deemed income on investment in securities

Section 56(2)(x) of the ITA provides that if any assessee receives any property (including securities) without consideration or for inadequate consideration in excess of INR 50,000 as compared to the fair market value, fair market value in excess of such consideration shall be taxable in the hands of the recipient as 'Income from Other Sources'. The above rate would be subject to availability of benefits under the tax treaty, if any in case of non-resident assessee.

The CBDT has issued rules with mechanism for computation of FMV for the purpose of section 56(2)(x) of the Act.

8. Multilateral Convention to implement tax treaty related measures to prevent Base Erosion and Profit Shifting

Once MLI evolves and is implemented in future, one would need to analyse its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Tax authorities and applied.

9. Minimum Alternate Tax

MAT at the rate of 15% plus surcharge and cess shall be levied on domestic companies. As per the ITA, if the income-tax payable on total income by any company is less than 15% (excluding applicable surcharge and health and education cess) of its book profits, the company will be required to pay MAT which will be deemed to be 15% of such book profits (excluding applicable surcharge and health and education cess). Further, MAT provisions shall not be applicable to a foreign company if such company is a resident of a country or a specified territory with which India has a tax treaty and the company does not have a permanent establishment in India. Also, MAT provisions are not applicable if the company is a resident of a country or a specified territory with which India does not have a tax treaty, but the company is not required to seek registration under any law in relation to companies.

Further, the MAT credit is allowed to be carried forward up to 15 assessment years. The

ITA provides for the framework for computation of book profit for Indian Accounting standards ('IndAS') compliant companies in the year of adoption and thereafter

In case where the domestic company opts to be taxed as per the rates and manner prescribed under section 115BAA and 115BAB of the ITA, then MAT provisions shall not be applicable to such domestic companies. Also, MAT credit (if any) shall not be allowed to be carried forward once the company exercises the option to avail reduced tax rates as mentioned above.

10. Alternate Minimum Tax

As per the ITA, if the income-tax payable on total income by any person other than a company is less than the alternate minimum tax, the adjusted total income shall be deemed to be the total income of that person and he shall be liable to pay income-tax on such total income at the rate of 18.5% (excluding applicable surcharge and health and education cess). Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the ITA.

11. Expenditure incurred in relation to income not includible in the total income

Per the provisions of section 14A of the ITA read with Rule 8D of the IT Rules, if any income of the taxpayer does not form part of the total income or is exempt under the provisions of the ITA, then any expenditure

incurred by the taxpayer, directly or indirectly, in relation to such income will not be allowed as deduction for the purpose of calculating the total taxable income of the taxpayer. Further, it is also provided that this section shall always apply in a case where exempt income has not accrued or arisen or has not been received during the previous year relevant to an assessment year and the expenditure has been incurred during the said previous year in relation to such exempt income.

12. Goods and Services Tax

From 1 July 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST should be applicable on services provided by the Portfolio Manager to Clients. GST rate on such services is currently 18%.

J. Changes in Law

As an overall basis, it should be borne in mind that income tax positions in the Alternative Investment Fund sector are in an evolutionary phase. Given this, while the comments outlined in this section factor in the prevalent general industry practices and current interpretations of tax laws, such positions may not have been specifically addressed or endorsed by the revenue/ judicial authorities and could be subject to scrutiny. Further, there can be no assurance that there will not be future legislative, judicial, or administrative changes in the law or interpretations thereof. Any such changes, which could be retroactive, could adversely affect the consequences, including the tax consequences, of an investment in the Fund.

A new Income-tax Act 2025 has been recently enacted with the objective of making the existing ITA concise, lucid, easy to read and understand. At this stage, the new Income-tax Act 2025 is fairly nuanced in nature, and therefore, it is not possible to comment on the changes that are envisaged to the ITA and consequently, no views are being expressed in this regard. A detailed analysis is warranted to understand the implications of the potential amendments for the Fund and its investments in light of the newly introduced Income-tax Act 2025.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE INCOME TAX ACT. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, PARTNER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

9. Accounting policies:

Following key accounting policies shall be followed:

- All investments will be marked to market. Returns will be calculated using the 'time-weighted' method, in accordance with Global Investment Performance Standards (GIPS).
- In determining the holding cost of investments and the gains or loss on sale of investments, the 'first in first out' method shall be followed.
- The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's contract note.
- Accounting norms prevalent in the portfolio management services industry and as may be prescribed/applicable from time to time

10. Investors services

- (i) **Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints ('Investor Relation Officer'):**

Name	Pratap Singh
Address	A-125 Neeti Bagh, New Delhi – 110049
Telephone No	+91-11-46001023
Email id	pratap.singh@valpro.co.in

- (ii) **Grievance redressal and dispute settlement mechanism:**

The Investor Relation Officer of the Portfolio Manager shall attend to and address any client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle client complaints.

The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the client. Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. **Quick action-** As soon as the grievance arise we intend to identify and resolve the same. . This will lower the detrimental effects of grievance.
2. **Acknowledging grievance-** The Investor Relation Officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
3. **Gathering facts-** The Investor Relation Officer shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
4. **Examining the causes of grievance-** The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
5. **Decision-making-** After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
6. **Review-** After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Mr. Pratap Singh and subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. The Compliance Officer will endeavor to address such grievance in a reasonable manner and time. The coordinates of the Compliance Officer are provided as under:

Name	Pratap Singh
Address	F-3 Bhagat Singh Market, New Delhi 110001
Telephone No	011-46001000
Email id	pratap.singh@valpro.co.in

If the Client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be referred to an arbitral tribunal, comprising of a sole arbitrator, appointed with the consent of both the parties. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Such arbitration proceedings shall be held at New Delhi and the language of the arbitration shall be English. The courts of New Delhi shall have exclusive jurisdiction to adjudicate upon the claims of the parties.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same. SCORES is available at <http://scores.gov.in>.

11. Details of the diversification policy of the portfolio manager

Portfolio diversification is a strategy of risk management used in investing, which allows to reduce risks by allocating the funds in multiple asset types. It helps to mitigate the associated risks on the overall investment portfolio.

The Portfolio Manager shall focus through a collection of core holdings and may or may not seek diversification across the various sectors of the equity market. Securities shall be chosen amongst a wide spectrum of market capitalizations, from SME to large capitalization equities. However, from time to time on opportunistically basis, may also choose to invest in money market instruments, units of 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.

Currently, the Portfolio Manager does not have any Associates. However, in the event such relationships are established in the future, the following investment limits shall apply.

For investments in securities of Associates/ Related Parties, the Portfolio Manager shall comply with the following:

Security	Limit for investment in single associate/related party (as percentage of Client's AUM)	Limit for investment across multiple associates/related parties (as percentage of Client's AUM)
Equity	15%	25%
Debt and hybrid securities	15%	25%
Equity + Debt + Hybrid securities*	30%	

The Portfolio Manager shall invest up to a maximum of 30% of the Client's AUM in the securities of its Associates/Related parties. The Portfolio Manager shall ensure compliance with the following limits:

*Hybrid securities includes units of Real Estate Investment Trusts (REITs), units of Infrastructure Investment Trusts (InvITs), convertible debt securities and other securities of like nature.

The aforementioned limits shall be applicable only to direct investments by Portfolio Manager in equity and debt/hybrid securities of its Associates/Related parties and not to any investments in the Mutual Funds. With respect to investments in debt and hybrid securities, the Portfolio Manager shall ensure compliance with the following:

- Under discretionary portfolio management services, the Portfolio Manager shall not make any investment in unrated and below investment grade securities.
- Under non-discretionary portfolio management services, the Portfolio Manager shall not make any investment in unrated and below investment grade listed securities.

However, Portfolio Manager may invest up to 10% of the assets under management of such clients in unlisted unrated securities of issuers other than associates/related parties of Portfolio Manager. The said investment in unlisted unrated debt and hybrid securities shall be within the maximum specified limit of 25% for investment in unlisted securities as per the PMS Regulations.

Part-II-Dynamic Section

12. Client Representation:

(i) Client Representation of last 3 years:

Number of Clients					
Year Ending	Associates / group companies	Others			Total
	Advisory	Discretionary	Non-Discretionary	Advisory	
Mar-23	-	11	-	-	11
Mar-24	-	10	-	-	10
Mar-25	-	10	-	-	10

Funds Managed (Rs. In Crores)					
Year Ending	Associates / group companies	Others			Total
	Advisory	Discretionary	Non-Discretionary	Advisory	
Mar-23	-	63.15	-	-	63.15
Mar-24	-	101.82	-	-	101.83
Mar-25	-	126.56	-	-	126.56

(ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

Not applicable

13. Financial Performance

The Portfolio Manager has prior experience in the field of portfolio management services. The latest audited financial statements of the Portfolio Manager shall be provided to the Client on request.

Particulars	31 st March 2025	31 st March 2024	31 st March 2023
	Audited	Audited	Audited
Total Income (Net)	54.51	64.98	49.45
Profit After Tax	9.62	21.48	11.73
Paid Up Capital	309.60	309.60	309.60
Free Reserves	244.88	235.26	213.78
Deferred Expenditure	7.36	7.45	7.52
Net worth	547.12	537.42	515.85

14. Performance of Portfolio Manager

Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

Investment Approach under Discretionary PMS	FY 24-25	FY 23-24	FY 22-23	SI*
ValPro Alpha A PMS	5.41%	45.60%	-9.26%	13.13%
ValPro Balanced B PMS	2.17%	37.12%	-25.63%	3.12%
ValPro Conserve C PMS	3.87%	37.11%	-9.17%	6.42%
Firm Return	5.35%	45.15%	-9.59%	12.76%
Nifty50	5.34%	28.61%	-0.6%	12.31%

*Since Inception return (Annualized TWRR Return) as on 31st Jan 2026

15.Audit Observation

The Portfolio Manager is recently registered with SEBI as a Portfolio Manager and has previous experience/track record in the field of portfolio management services. However, there are no audit observations.

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

The Portfolio Manager will not invest in any security(ies) of Associate and/or group companies.

Sr No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
NIL					

FORM C

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

Name of Portfolio Manager : Value Prolific Investments & Consulting Private Limited
Address : F-3, Bhagat Singh Market, New Delhi-110001
Telephone No. : 011 46001000
Email ID : pms@valpro.co.in

Dear Investor,

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 through the Value Prolific Investments & Consulting Private Limited (Portfolio Manager);
- iii. the Disclosure Document has been duly certified by an independent chartered accountant Shiv Mahajan, Membership Number 516229 on 16.02.2026;

(Enclose is a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision).

Signature of the Principal Officer:



Mr Anshuman Khanna

F-3, Bhagat Singh Market,
New Delhi – 110001

Date: 16.02.2026
Place: New Delhi

Certificate

Value Prolific Investments & Consulting Private Limited
F-3, Bhagat Singh Market,
New Delhi, 110001

We have been requested by **Value Prolific Investments & Consulting Private Limited** the Portfolio Manager (**Reg. No. INP100007189**) having office at **F-3, Bhagat Singh Market, New Delhi, 110001**, to certify the contents and information provided in the Disclosure Document required to be filed with the Securities and Exchange Board of India (SEBI) as per Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the Regulations').

We have examined the Disclosure Document dated January 31, 2026 for portfolio management services prepared by the Portfolio Manager in accordance with model disclosure document as per *SEBI Circular No. SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 09, 2025 and Regulation 22 of the Regulations*.

Based on our examination of the Disclosure Document, audited financial statements of the Portfolio Manager for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, respectively and other relevant records and information furnished to us by the Portfolio Manager and based on the Management Representation Letter shared with us, we certify that the disclosures made in the attached Disclosure Document for the Portfolio Manager are true, fair and adequate to enable the investors to make a well-informed decision.

We have solely relied on the representation given by the Portfolio Manager about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document.

This certificate has been issued for onward submission to the Securities and Exchange Board of India (SEBI) for the sole purpose of certifying the contents of the Disclosure Document for the portfolio management and should not be used or referred to for any other purpose without our prior written consent.

The enclosed document is signed by us for the purpose of identification.

For GSSK & Co
Chartered Accountant
Firm Registration No. 001547C

Shiv Mahajan
Partner
Membership No. 16229



Place: New Delhi
Unique Document Identification Number: 26516229NQBCAI2290
Date: February 16, 2026