Portfolio Management Services
Disclosure Document

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

This Disclosure Document sets forth concisely the essential information that a prospective investor ought to know about portfolio management services, to assist and enable the prospective investor before engaging a portfolio manager. Prospective investors should carefully read the Disclosure Document before making a decision of appointing a Portfolio Manager.

The particulars of this Disclosure Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and as amended till date.

No person has been authorized to give any information or to make any representations not set out in this Disclosure Document, in connection with this Disclosure Document, and any information or representations not contained herein must not be relied upon as having been authorized by.

The following are the Details of the Portfolio Manager

Name of the Portfolio Manager	Fincos Technology Solutions Private Limited
SEBI Registration Number	IN000008668
Registered Office Address	412, 4th Floor, Antriksh Bhawan, 22 K.G Marg, Connaught Place New Delhi-110001
Phone	01120915125
Website	www.fincossolutions.com
Email	office@fincossolutions.com

The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Name of the Principal Officer	Vinod Dixit
Registered Office Address	412, 4th Floor, Antriksh Bhawan, 22 K.G Marg, Connaught Place New Delhi-110001
Phone	01120915125
Email	info@fincossolutions.com

Please retain this Disclosure Document for future reference.
This Disclosure Document is dated 31st March'2026, the financial details are effective dated 31st March'2025 and was certified by Auditor and approved by the Board of Directors of Fincos Technology Solutions Private Limited on 22nd Sep2025.

Sixteen parameters of Disclosure document

Part-I Static section:

Sl. No.	Parameter
1	Disclaimer clause
2	Definitions
3	Description
4	Penalties, pending litigation or proceedings, findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority.
5	Services offered
6	Risk factors
7	Nature of Expenses
8	Taxation
9	Accounting policies
10	Investors services
11	Details of the diversification policy of the portfolio manager

Part-II Dynamic Section:

Sl. No.	Parameter
12	Client Representation
13	Financial performance
14	Performance of Portfolio Manager
15	Audit Observations (of the preceding 3 years)
16	Details of investments in the securities of related parties of the portfolio manager

PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT

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.

"**Portfolio Manager**" means [Name of the Portfolio Manager], [a company / limited liability partnership] incorporated under [the Companies Act, [2013/1956] / the Limited Liability Partnership Act, 2008], registered with SEBI as a portfolio manager bearing registration number INP000008668 and having its registered office at 412, 4th Floor, Antriksh Bhawan, 22 K.G Marg, Connaught Place, New Delhi-110001, "**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

34. "**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.

35. "**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:

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

(ix) Anybody 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;

(x) a related party as defined under the applicable accounting standards;

(xi) 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;

"**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 - Fincos Technology Solutions Private Limited.

Fincos Technology Solutions Private Limited was incorporated under Companies Act **2013** on 12th July, 2021 having CIN 66190DL2021PTC383560 By (ROC Delhi -II) with Objective to provide financial solutions with the object to Create Wealth of Clients. The company is managed by leading Professionals in the Field of Finance, and Investments who has experience of more than Three Decade in the field of Wealth creation through alternative options available in the Market by Analyzing and evaluating scheme for selecting financial product. Company is doing the business with full of vision, mission, and ethics to build the trust among the investors and customers/ Clients. Fincos has become a light house for investors in the Capital Market. Fincos recommendations and impartial guidance based directly on the needs of Client / investors. The team of Fincos is backed with very Experienced Professionals Known in the Industry. Fincos provide services to the Management in the following area:

- Portfolio Management Services
- Portfolio evaluation
- Wealth Creation
- Investment Advisory Service
- Fund Raising
- Private Equity Services
- Merger and Amalgamation
- Acquisition and Takeover
- Valuation of Shares and Business
- Capital Restructuring

As an independent financial services firm, we can access many different products so that client can get the right products and Right services. Every successful financial strategy starts with an excellent client relationship. Our mission is to Create Clients Wealth through Right Investments.

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

Name	Designation, Age (yrs.), Qualification	Experience
Vinod Dixit	Director/ Promoter 64 years M.com, LLB	Mr. Vinod Dixit is Director and Managing the entire Company Especially Portfolio and Fund Raising activities of the company. He is having very rich experience about more than 3 decades in the financial market and Capital Market. His last employment was with Escorts Securities Ltd, a leading financial house incorporated, in the year 1994 and they have all Licenses related to capital Market such as Share Broking (SEBI Registration No. INZ000292638 Depository Participant IN-DP-NSDL-8199, Merchant Banking-INM00010726, Portfolio Management - INP000001454, Escorts Asset Management Ltd - and Mutual Fund MF/028/96/4, also having licenses of MCX, NCDEX, During his tenure as Managing Director and CEO of the Company he had handled all activities such as share broking, depository, Portfolio Management and Merchant Banking, and Asset Management of Mutual fund. He was also holding the position of Escorts Finance ltd as Director, a subsidiary of Escorts ltd. In the past he has worked with Oswal Agro Ltd., Delhi, LML Ltd Kanpur and Allied Computer technique Pvt Ltd registered as a registrar of share transfer agent. He was first associated with Escorts Group in Secretarial & Legal department of Escorts Ltd as Associate Vice President and worked for a period of more than 27 years and manage the large Shareholders/Investor family comprising more than one Lac shareholder and one lac debenture holder and also manage the public issue, right issue, preferential issue, QIP Issue and dealt with stock exchange NSE, BSE, NSDL, CDSL, Depository, SEBI, RBI, Bankers, HNI Investors. He is having very vast experience related to listing, Merger, Demerger, Capital Restructuring, Portfolio Management, Fund Raising and Management of Family office etc.
2. Suneeta Dixit	Director/ Promoter MA LLB	Mrs Suneeta Dixit is Director of the Company and managing Portfolio monitoring, wealth creation and Compliances, Investor grievance and office administration activity of the company. She is having Professional degree in Law and Masters in Social Science. She is having about 30 years of experience in the Capital market and advising the investment in Mutual Fund, ETF, IPO and Stocks and Unlisted Stocks. She is well versed with the Financial Management and portfolio building, analyzing Annual Report, Corporate Governance, Capital Restructuring, Amalgamation, Merger and Economic and Socio happening in India and abroad. During her employment carrier she managed the IPO activity, right issue, investor grievance and compliance management.
3. Sourabh Dixit	Director/ Promoter BTech MS	Sourabh Dixit is Director of the company having professional qualification of B.Tech and Master in Science from University College Dublin (UCD), Ireland. He is well versed with Portfolio Management and Analyzing the Balance sheet and Annual Report. He is associated with the company from inception as Director and having role of technical analysis of various financial product and monitoring the progress of Company and bringing the Investment ideas for the clients. He is also doing analytical analysis with the help of Artificial Intelligence (AI) for investment in stocks. He is well versed with the impact of AI while creating the various documents related to research reports of stocks, analyzing of Industrial Sector growth and IPO economics etc...

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

The Portfolio manager do not have any Group Company at present and the company do not

invest in Group Companies /firms of the portfolio manager.

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

Fincos Technology Solutions Private Limited is providing Discretionary, Non- discretionary PMS Services and Advisory Services.

4. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS, FINDINGS OF INSPEC TIONS OR INVESTGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY.

i) **All cases of penalties imposed by SEBI or the directions issued by SEBI under the Act or Rules or Regulations made thereunder**.

No penalties have been imposed on the Portfolio Manager by SEBI and no directions have been issued by SEBI under the Act or Rules or Regulations made thereunder.

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

Not Applicable

iii**) Penalties/fines imposed for any economic offence and/ or for violation of any securities Laws.**

There are no penalties imposed on the Portfolio Manager for any economic offences and/or for violation of any securities laws.

iv) **Any pending material litigation/legal proceedings against the portfolio manager/key personnel (in its capacity as Portfolio Managers) with separate disclosure regarding pending criminal cases, if any:**

There are no pending material litigation/legal proceedings against the Company portfolio manager/key personnel (in its capacity as Portfolio Managers).

There are no pending criminal cases against the Company / portfolio manager/key personnel (in its capacity as Portfolio Managers).

v) Any deficiency in the systems and operations of the Portfolio Manager (in its capacity as Portfolio Manager) observed by SEBI or any regulatory agency:

Not Applicable

vi) Any enquiry/adjudication proceedings initiated by SEBI 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 there-under.

No enquiry/adjudication proceedings initiated by SEBI under the Act or Rules or Regulations made there-under.

5. **Services Offered**

(i) The present investment objectives and policies

Investment objective of Fincos is to create wealth for investors with secure investor with very low risk. While investing into the capital market either equity or debt side, Fincos ensure safety of investor money and liquidity available the market. Most of the investments are invested in listed stock and has potential to create value for investment in the long term with safety Net of capital employed. The Investment policy of the company considered the following point while selecting the investment.

- Company is reputed and long experience in the business.
- Promoter's creditability and past record and their presence
- Product competitiveness in the market.
- Product acceptability and demand
- Business Growth in CAGR Terms, Profit margin and cash flow, loan book of the company, Capex deployment for innovation.

5.1 Discretionary PMS Services:

A. Under the Discretionary portfolio management services, the Portfolio Manager will have the sole and absolute discretion to deploy the assets brought in by a client (the "Client") in any type of security as per the PMS Agreement and make such changes in the investments and invest some or all of the Client's account in such manner as it deems fit, subject to the investment objectives and other restrictions laid down in the Client-member agreement and/or in this Disclosure Document.

B. The securities invested / disinvested by the Portfolio Manager for Client in the same Portfolio product may differ from Client to Client.

C. The management of the portfolio is of a discretionary nature, although the Client would be allowed to request reasonable restrictions; however, the final decision will rest with the Portfolio Manager.

D. The decision of Portfolio Manager (with due care and in good faith) in deployment of the Clients' Portfolio is absolute and final and cannot be called in question or be open to review at any time during the course of the agreement or any time thereafter except on the ground of conflict of interest, fraud, malafide intent, or gross negligence by the Portfolio Manager.

E. Investment Approach of Portfolio Manager

Fincos Emerging India Fund:

Strategy:

A) Basis of selection of stock:

- **Value Strategy**
- **Unique Product**
- **Potential to become large Cap**
- **Quality Stock at Discount**
- **Special Situation**
- **Promoters**

B) **Objective:** The aim is to provide medium to high return by investing in equity instruments. The scheme is not restricted to any cap sizes and is flexible enough to switch from one scrip to another whenever find opportunity in the market. This is our core equity portfolio strategy that has a mix of mostly small-cap and mid-cap

stocks along with a selected large-cap stocks, special situations and fixed income securities. The objective is to provide high absolute rate of return over a business cycle while minimizing risk of capital loss. The strategy is to buy businesses run with strong management team at valuations below intrinsic value that are likely to result in substantial gain over a three to five years period.

The Portfolio Manager offers the option of direct on-boarding to clients under the Discretionary Services. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied for the on-boarding.

5.2 **Non-Discretionary PMS Services:**

Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client. Under this service, the Assets will be managed as per express prior instructions issued by the Client from time to time. The Client will have complete discretion to decide on the investment (Stock 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 entirely at the Client's risk.

5.3 Advisory Services:

The Portfolio Manager will also provide advisory services as is envisaged under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time. The Portfolio Manager's responsibility includes advising on the portfolio strategy and investment and divestment of individual securities, AIFs, MFS, ETFs and other financial instruments in the Clients' portfolio, for an agreed fee structure and a period hereinafter described, entirely at the Client's risk.

5.4 Types of Securities where Investments may be made by Portfolio Manager

A) Equity & Equity Related Instruments:

Equity and Equity related instruments including convertible bonds, convertible debentures, warrants, convertible preference shares, etc.

- Equity or indices linked instruments such as ETFS.
- Equity Derivatives including Futures and Options.
- Exchange Traded Commodity and Derivatives
- Unlisted Shares
- SME Shares
- InviITs

B) Debt & Money Market Instruments:

- Certificate of Deposits (CDs)
- Fixed Deposits with Banks
- Commercial Papers (CPs)
- Treasury Bills (T-Bills)
- Collateralised Borrowing and Lending Obligations (CBLO)

• Government Securities

• Non-Convertible Debentures as well as bonds or securities issued by companies / institutions promoted/owned by the Central or State Governments and statutory bodies

• Securitised Debt including Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS)

• Debt derivative instruments including Interest Rate Swaps and Forward Rate Agreement

C) Units of Schemes of mutual funds registered with SEBI.

D) Any other eligible mode of investment within the meaning of the Regulations issued by SEBI and amended thereto from time to time.

E) The portfolio manager may lend the securities through an approved intermediary, for interest.

5.5 Minimum Investment Amount:

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

5.6 **The investment objective** is to generate steady returns for the client over a period of time by investing in good companies. As a policy, investments are generally made with a time frame of three months and above so that day-to-day fluctuations in the market do not affect the investments. The approach to investment is based on fundamental analysis. Macro factors like state of the economy, interest rates, global trends are studied, and based on these industries that are likely to perform well are chosen. Diversification is achieved by adopting a judicious mixture of investments in different sectors. Within the sectors companies are carefully chosen keeping in mind the quality of management, past track record, future growth plans, investor's relations and the liquidity of the stock in the market. Investments are churned fairly actively depending on events that may have considerable influence on the market.

5.7 **The policies for investment in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.**

Presently, the Portfolio Manager do not have any associate/ Subsidiaries.

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6 RISK FACTORS

A. General Risks Factors

(1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.

(2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The

investments may not be suitable to all the investors.

(3) Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.]

(4) The Approach of names of the Investment -do not in any manner indicate their prospects or returns.

(5) Approach of Appreciation in any of the Investment can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.

(6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.

(7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.

(8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.

(9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavor to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

B. Risk associated with equity and equity related instruments

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

(11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio

Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.

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

C. Risk associated with debt and money market securities

(13) Interest Rate Risk

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

(14) Liquidity or Marketability Risk

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

(15) Credit Risk

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

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

D. Risk associated with derivatives instruments

(16) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager

involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.

(17) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

E. Risk associated with investments in mutual fund schemes

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

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

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

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

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

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

(24) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes

may vary which may lead to the returns of this portfolio being adversely impacted.

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

F. Risk arising out of Non-diversification

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

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

(27) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.

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

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

7. Nature of expenses

(i) Investment management and advisory fees.
(ii) Custodian fee.
(iii) Registrar and transfer agent fee.
(iv) Brokerage and transaction cost.

A brief explanation shall be given to assist the investor in understanding the various costs and expenses that an investor may have to bear directly or indirectly.
Additionally, appropriate cross-references may be given to the relevant sections of the offer document for more complete description in this regard.

8. Taxation

A. General

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

B. Tax deducted at source

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

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

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

C. Long term capital gains

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

a) Period of Holding

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

Securities	Position upto 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than (12) twelve months	More than twelve (12) months	Long- capital term asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long- capital term asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long- capital term asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long- capital term asset
	36 months or less	Any period	Short-term capital asset

***Definition of Specified Mutual Fund*:**

Before 1st April 2025:

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

On and after 1st April 2025:

*"**Specified Mutual Fund**" means, —*

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

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

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

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

- **Definition of Market Linked Debenture:**

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

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

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

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

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

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

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

  The CBDT has clarified that 10% withholding tax will be applicable only on dividend

income distributed by mutual funds and not on gain arising out of redemption of units.

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

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

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

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

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

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

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

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

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

D. Short term capital gains

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

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

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

E. Profits and gains of business or profession

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

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

F. Losses under the head capital gains/business income

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

G. General Anti Avoidance Rules (GAAR)

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain

a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

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

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

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

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

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

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

H. FATCA Guidelines

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

(a) the name, address, taxpayer identification number and date and place of birth;

(b) where an entity has one or more controlling persons that are reportable persons:

(i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and

(ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.

(c) account number (or functional equivalent in the absence of an account number);

(d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and

(e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

I. <u>Goods and Services Tax on services provided by the portfolio manager</u>

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

9. Accounting policies

<u>Following accounting policies are followed for the portfolio investments of the Client:</u>

A. Client Accounting

(1) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.

(2) The books of account of the Client shall be maintained on an historical cost basis.

(3) Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.

(4) All expenses will be accounted on due or payment basis, whichever is earlier.

(5) The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.

(6) Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

(7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.

(8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

(9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.

(10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

(11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

(12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.

(13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

C. Valuation of portfolio investments

(14) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

(15) Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.

(16) Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.

(17) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.

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

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

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

10. Investors services

(i) Name, address and telephone number of the investor relation officer who shall attend to the investor Grievances.

Name	**Designation**	**Address**	**Phone No./mail ID**
Mr Vinod dixit	Principal Officer	Fincos Technology Solutions Private Limited 412, 4th Floor, Antriksh Bhawan, 22 K.G Marg, Connaught Place, New Delhi-110001.	Tel: 01120845125 Email: info@fincossolutions.com
Ms. Kamlesh Patial	Compliance Officer	Fincos Technology Solutions Private Limited 412, 4th Floor, Antriksh Bhawan, 22 K.G Marg, Connaught Place, New Delhi-110001.	Tel: 9870408627 Email: office@fincossolutions.com

(ii) **Grievance Redressal & dispute settlement mechanism:**

Fincos Technology Solutions Private Ltd endeavors to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable time and manner. Fincos realizes that quick and effective handling and resolution of customer's complaints is essential to. provide excellent customer service.
To achieve this Company has a clearly documented policy for redressal of customer grievances. Through this policy, the company shall ensure that a suitable mechanism exists for receiving and addressing complaints from its customers with specific emphasis on resolving such complaints fairly and expeditiously.

The Policy seeks to ensure that:
Grievance, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism of the Portfolio Manager and in compliant to the SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time.

• Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the resolution needs time, an interim response, acknowledging the complaint shall be issued.
The Compliance Officer shall give monthly report of the client's complaint to the Directors with the details as Name of the Client, Nature of the Complaint, Date of Receipt of the Complaint and Status of resolving the same. For complaints remaining unresolved for a period of more than 15 days from the date of receipt, the Compliance Officer shall provide the justification to the Directors.

• The Compliance Officer shall also keep proper records of all the grievances/ complaints received and resolved.
• All employees at the customer facing channels and other support departments will be periodically trained in handling of complaints.
• The quality of customer service rendered by the Portfolio Manager shall be reviewed / examined by Company's Top Management at regular intervals.

Grievance Redressal Mechanism
The Client can approach the office of FINCOS for the redressal of their Grievances/Complaints to Ms Kamlesh Patial, she can be contacted at:

Fincos Technology Solutions Private Limited
412, 4th Floor, Antriksh Bhawan, 22 K.G Marg,
Connaught Place, New Delhi-110001,
Mob: 9870408627
Email: office@fincossolutions.com

All client complaints will be directed to the Investor Relations Officer who is responsible for coordinating and ensuring responses to all client complaints.

• On receiving a complaint, the Investor Relations Officer will be required to look into the matter and respond as soon as possible unless the complaint is of a serious nature. The Compliance Officer will be consulted to determine whether a complaint is serious in nature or not.

•On completion of investigation, a reply will be sent to the concerned investor.

Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the complaint is of a serious nature and the resolution needs time, an interim response, acknowledging the complaint shall be issued.

• All complaints will be logged in and a record of the complaint and the disposition or resolution is maintained in a register.

If the client remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, he/she can contact Mr. Vinod Dixit, Principal Officer at:

Fincos Technology Solutions Private Limited
B-412, 4th Floor, Antriksh Bhawan, 22 K.G Marg,
Connaught Place, New Delhi-110001,
Tel No**.** Tel: 01120915125
Email: info@fincossolutions.com

11. Details of the diversification policy of the portfolio manager:

Diversification is achieved by adopting a judicious mixture of investments in different sectors within the sectors. Companies are carefully chosen keeping in mind the quality of management, past track record, future growth plans, investors relations and the liquidity of the stock market. Investments are churned fairly actively depending on the events that may have considerable influence on the market. The investment according to investment objectives of the portfolio may result in concentration of investments in a specific Security /Sector /issuer, which may expose the portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector /industry would be exposed to risk associated with such sector/industry and its performance of such sector/ Industry.

The Portfolio Manager has a diversification policy in place which covers the following considerations in managing the client's funds.

- Number of Securities and Exposure to any single sector/ Industry on percentage basis.
- Adhering with limits of Investment prescribed under applicable regulation.
- Client's guidance on limits/ restriction for investment in securities.
- Allocation shall be based on the investment strategy and client risk profile

Part-II- Dynamic Section

12. Client Representation

Category of clients	No. of clients	Funds managed (Rs. Cr.)	Discretionary / Non Discretionary (if available)
Associates / group companies (Last 3 years)	2	2.35	Discretionary
Others (last 3 years)	NIL	NIL	NIL
Total	2	2.35	Discretionary

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

The Portfolio Manager is not involved in related party transaction other than those mentioned below:

Name of the related Party	**Relation**
Vinod Dixit	Director

Financial Performance

The Financial Performance of the portfolio manager based on audited financial statements and in terms of procedure specified by the Board for assessing the performance.

Capital Structure (Rs. in Crore)

	31st March'2025	31st March' 2024	31st March'2023
(a) Paid-up capital	2.56	2.56	.05
(b) Free reserves (excluding revaluation reserves)	3.02	2.72	.053
(c) Total (a) + (b)	5.58	5.28	.10

Major Sources of Income: (Rs. In Crore)

	31st March'2025	31st March' 2024	31st March' 2023

Income	.83	.28	.165

Net Profit(Rs. in Crore)

	31st March'2025	31st March' 2024	31st March'2023
Net Profit	.29	.16	(- .20)

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.

	31st March'2025	31st March' 2024	31st March'2023
Portfolio Return	-11.70	Not Applicable	Not Applicable
Benchmark Return (S&P BSE 500 Total Return Index)	-6.78	Not Applicable	Not Applicable

1. Audit Observations

There are no Qualification by the Auditor on accounts preceding three years. Therefore, audit report for all the three years are non-qualified.

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

The details of investment of client's funds by the portfolio manager in the securities of its related parties or associates. NIL

For and on behalf of
Fincos Technology Solutions Private Limited

Sd-
Vinod Dixit
Director

Sd-
Suneeta Dixit
Director

Date: 23rd July, 2026
Place: New Delhi