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## Ashima Capital Management Limited

(A Wholly Owned Subsidiary of Ashima Limited)

Regd. Office : Texcellence Complex, Khokhara Mehmedabad, Rajpur Gomtipur, Ahmedabad - 380 021, India.  
Phone No. 079-29918188 • CIN No : U66309GJ2024PLC151485 • E-mail : [info@ashimacapital.com](mailto:info@ashimacapital.com)

### FORM C

#### SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020

#### (Regulation 22)

Name of the Portfolio Manager	: Ashima Capital Management Limited
CIN	: U66309GJ2024PLC151485
Registered Office Address	: Texcellence Complex, Khokhara, Mehmedabad, Rajpur Gomtipur Ahmedabad – 380021 Telephone No.079-2991 8188 Email id: <a href="mailto:info@ashimacapital.com">info@ashimacapital.com</a>

Ref: SEBI Registration No. - **INP000009153**

We confirm that:

- The Disclosure Document forwarded to the Securities and Exchange Board of India ("Board") is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- The disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management Product(s).
- The Disclosure Document has been duly certified by independent Chartered Accountant, Mr. Parth S. Dadawala (Membership Number: 134475), a partner of M/s. Dhirubhai Shah & Co LLP (FRN: 102511W/W100298) on April 16, 2025.

**For Ashima Capital Management Limited**

**KRISHNACHIN**

**TAN C PARIKH**

**Krishnachintan Chintan Parikh**  
**Principal Officer**

Texcellence Complex, Khokhara,  
Mehmedabad, Rajpur Gomtipur  
Ahmedabad – 380021

Date: April 16, 2025

Place: Ahmedabad

Digitally signed by KRISHNACHIN TAN C PARIKH  
DN: cn=KRISHNACHIN TAN C PARIKH, o=Ashima Capital Management Limited, ou=Ahmedabad, email=krishnachintan@ashimacapital.com, c=IN  
C=IN, E=krishnachintan@ashimacapital.com, OU=Ahmedabad, O=Ashima Capital Management Limited, CN=KRISHNACHIN TAN C PARIKH  
Date: 2025.04.16 17:19:08 +05:30





To,  
The Board of Directors,  
Ashima Capital Management Limited,  
Texcellence Complex, Khokhara, Mehmedabad  
Rajpur Gomtipur,  
Ahmedabad - 380021  
Gujarat

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

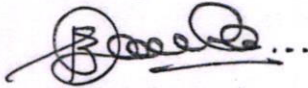
1. You have requested us to provide a certificate on the Disclosure document for Portfolio Management services ("the Disclosure Document") of Ashima Capital Management Limited ("the Company") having SEBI Portfolio Managers registration No. INP000009153. We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India (the SEBI).
2. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the SEBI Regulation") and the Guidelines issued by SEBI dated February 13, 2020 is the responsibility of the management of the Company. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
3. In respect of the information given in the Disclosure document, we state that:
  - i. The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the Company.
  - ii. The Promoters and Director's qualifications, experience, and ownership details are as declared by them and have been accepted without further verification.
  - iii. We have relied on the representations given by the management of the Company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
  - iv. We have relied on the representation made by the management regarding the Assets under management of Rs. 142.48 Crores as on March 31, 2025.
  - v. We have relied solely on the representation made by the management in relation to the investment objective and policies/investment philosophy.



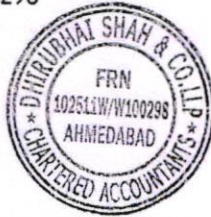


4. Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated April 16, 2025 are true and fair in accordance with the disclosure requirements laid down in Regulation 22 read with Schedule V to the SEBI Regulations.
5. A management certified copy of the disclosure document is enclosed herewith. The enclosed document is stamped and initiated/ signed by us for the purpose of identification. This certificate is intended solely for the use of the management of the Company for the purpose as specified in paragraph 2 above.

For Dhirubhai Shah & Co LLP  
Chartered Accountants  
Firm Reg. No: 102511W/W100298



Parth S. Dadawala  
Partner  
M. No.: 134475  
UDIN: 25134475BMIVUM7067



Date: April 16, 2025

Place: Ahmedabad

Encl: Disclosure Document



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### DISCLOSURE DOCUMENT

[As per the requirement of Fifth Schedule under Regulation 22 of the Securities Exchange Board of India (Portfolio Managers) Regulations, 2020]

- 1) The Disclosure Document (hereinafter referred to as "the Document") has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the specified format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- 2) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investor in making informed decisions for engaging Ashima Capital Management Limited as a Portfolio Manager.
- 3) The Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and the investor may be advised to retain the Document for future reference.
- 4) The name, phone number, e-mail, address of the Principal Officer so designated by the Portfolio Manager is:

Name	Mr. Krishnachintan Chintan Parikh
Phone	+91 99099 27343
Email	<a href="mailto:krishna.parikh@ashimacapital.com">krishna.parikh@ashimacapital.com</a>
Address	Texcellence Complex, Khokhara, Mehmedabad, Rajpur Gomtipur, Ahmadabad City, Ahmedabad, Gujarat – 380021





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### INDEX

1. Disclaimer Clause: .....	1
2. Definitions: .....	1
3. Description: .....	5
4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority. ....	8
5. Services offered .....	8
6. Risk factors .....	12
7. Client Representation .....	15
8. Financial Performance of the Portfolio Manager.....	16
9. Performance of Portfolio Manager for the last three years .....	16
10. Audit Observations.....	16
11. Nature of expense .....	16
12. Taxation .....	18
13. Accounting Policies.....	28
14. Investor Services.....	29
15. Details of Investments in the Securities of related parties of the Portfolio Manager.....	30
16. Details of diversification policy of the Portfolio Manager.....	31
17. General .....	31



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### 1. Disclaimer Clause:

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with the SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document. This Document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

The investor is advised to retain the copy of the Disclosure Document for future reference.

### 2. Definitions:

- i. **"Act"** shall mean The Securities and Exchange Board of India Act, 1992.
- ii. **"ACML" or "The Company"** shall mean Ashima Capital Management Limited ("the Company")
- iii. **"Account" or "Assets of Account" or "Portfolio" or "Assets under Management (AUM)"** shall mean the Securities and other investments and funds held in the name of the Client and managed by the Portfolio Manager (or as otherwise permissible under the SEBI Regulations).
- iv. **"Applicable Law"** shall mean and include any applicable statute, law, bye-law, enactment, regulation, ordinance, policy, treaty, rule, notification, direction, directive, guideline, requirement, license, rule of common law, order, decree, judgment, or any restriction or condition including any similar form of decision, or determination, application or execution by, or interpretation or pronouncement having the force of law of any Governmental authority having jurisdiction over the matter in question.
- v. **"Application"** means the Application made by the Client to the Portfolio Manager to invest its monies and/or Securities as mentioned therein with the Portfolio Manager for PMS. Upon execution of the PMS Agreement by the Portfolio Manager with the Client, the Application shall be deemed to form an integral part of the PMS Agreement. In case of any conflict between the contents of the Application and provisions of the PMS Agreement, provisions of the PMS Agreement shall prevail.
- vi. **"Bank Account"** shall mean one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or pool accounts opened in the name of portfolio manager to keep the funds of all the clients, where the funds of all the clients will be separately identified as a sub-account for the purpose of portfolio management services to be provided by the portfolio manager.
- vii. **"Client/Investor"** shall mean the person who enters into an Agreement with the Portfolio Manager for managing its Portfolio and/or its Funds.





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- viii. **"Custodian"** shall mean a Custodian registered with SEBI in accordance with the provisions of SEBI (Custodian of Securities) Regulations, 1996 appointed by the Portfolio Manager for safe keeping of the Assets of Account.
- ix. **"Depository"** means Depository as defined in Depositories Act, 1996.
- x. **"Depository Account"** shall mean one or more omnibus accounts opened, maintained and operated by the Portfolio Manager for the purpose of managing custody of Securities, whether listed or unlisted on behalf of the Client with any Depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- xi. **"Discretionary Portfolio Management Services (DPMS)"** shall mean the portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in this Agreement and in accordance with the various provisions of the SEBI Act, SEBI Rules and SEBI Regulations and/or other Applicable Laws in force and amendments made thereto from time to time where the Portfolio Manager exercises discretion as to the investment and the management of the Assets of Account of the Client entirely at the Client's risk, in such manner as the Portfolio Manager may deem fit in accordance with the terms of this Agreement.
- xii. **"Discretionary Portfolio Manager"** shall mean a Portfolio Manager who exercises or may exercise, under a contract relating to portfolio management, any degree of discretion as to the investments or management of the Portfolio of Securities or the funds of the Client, as the case may be.
- xiii. **"Foreign Account Tax Compliance Act (FATCA)"** shall mean Foreign Account Tax Compliance Act that seeks to identify U.S. taxpayers having accounts at Foreign Financial Institutions (FFIs) and attempts to enforce reporting of those accounts through withholding.
- xiv. **"Fund Manager"** shall mean the individual(s) appointed by the Portfolio Manager who manage(s), advise(s) or direct(s) or undertake(s), on behalf of the client, the management or administration of a portfolio of securities or the funds of the Clients, as the case may be.
- xv. **"High Water Mark"** shall mean the higher of either "Corpus Investment Value" or Highest NAV (before charging Performance Fee) on which client has paid a Performance Fee to the Portfolio Manager and has to be read in conjunction with the SEBI Regulations.
- xvi. **"Hurdle Rate"** shall mean the rate of return or benchmark return above which the Performance Fee will be charged as per the terms of the Agreement.
- xvii. **"Investment Guidelines"** shall mean investment objectives, policies, guidelines and restrictions as set out in Clause 5 of the PMS Agreement.





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- xviii. **"Management Fees"** shall mean the fees payable to the Portfolio Manager as set out in Clause 9 read with Schedule IV of the PMS Agreement.
- xix. **"Performance Fees"** shall mean the fees payable to the Portfolio Manager as set out in Clause 9 read with Schedule IV of the PMS Agreement.
- xx. **"Net Asset Value" or "NAV"** for any given day in respect of any Client Account will be calculated by aggregating the following:
- a) The total market value of all Securities in client's account as at the end of the day,
  - b) Cash/Bank balance in client's account as at the end of the day,
  - c) All income (dividend, interest, etc.) accrued on the investments in the Client's account up to the day,
  - d) All receivables and payables due from / to the Client as at the end of the day;
- And reducing from the aggregate all the charges, fees, expenses, statutory levies and other costs payable by the Client as per the Fee Schedule.
- xxi. **"NISM"** shall mean the National Institute of Securities Market established by the SEBI.
- xxii. **"NRI"** shall mean Non-Resident Indian as defined in Section 2(30) of the Income Tax Act, 1961 (IT Act).
- xxiii. **"Person"** includes an individual, a Hindu Undivided Family, a corporation, company (as defined in section 2(20) of the Companies Act, 2013 ), a body corporate as defined in section 2 (11) of the Companies Act, 2013, a partnership, a limited liability partnership (LLP) , a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other type of entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
- xxiv. **"PMS Agreement"** shall mean the contract entered between the Portfolio Manager and the Client for the management of funds or securities of the Client.
- xxv. **"PMLA"** shall mean Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.
- xxvi. **"Portfolio"** shall mean total holdings of Securities and/or funds belonging to the Client.





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**xxvii. "Portfolio Manager"** shall mean Ashima Capital Management Limited, who will obtain certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, vide Registration no. **INP000009153**.

**xxviii. "Power of Attorney"** shall mean:

- a. the Power of Attorney to be executed by the Client in favour of the Portfolio Manager in the form required by the Portfolio Manager; and
- b. such other Power of Attorney as the Portfolio Manager may require the Client to execute from time to time, pursuant to or in connection with this Agreement.

**xxix. "Principal Officer"** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

**xxx. "PMS"** shall mean Portfolio Management Services offered by Portfolio Manager.

**xxxi. "Related Party/Parties"** as defined in the SEBI (Portfolio Manager) Regulations, 2020 in relation to a Portfolio Manager, means:

- 1) a director, partner or his relative;
- 2) a key managerial personnel or his relative;
- 3) a firm, in which a director, partner, manager or his relative is a partner;
- 4) a private company in which a director, partner or manager or his relative is a member or director;
- 5) 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;
- 6) 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;
- 7) 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;

- 8) 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
  - c) subsidiary;
  - d) an investing company or the venturer of the portfolio manager;

Explanation—For the purpose of this clause, "investing company or the venturer of a 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.





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- 9) a related party as defined under the applicable accounting standards;
- 10) 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 of:
    - i) twenty per cent or more; or
    - ii) ten per cent or more, with effect from April 1, 2023;
- xxxii. 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
- xxxiii. "SEBI/Board" shall mean The Securities and Exchange Board of India.
- xxxiv. "SEBI Regulations" shall mean The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as may be amended from time to time and any circulars/notifications issued thereunder.
- xxxv. "SEBI Rules" shall mean The Securities and Exchange Board of India (Portfolio Managers) Rules, 2020, as may be amended from time to time.
- xxxvi. "Securities" shall mean Securities as defined under Section 2(h) of The Securities Contracts (Regulation) Act, 1956, as may be amended from time to time. Provided that it shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the SEBI Regulations or other Applicable Law, for the time being in force.
- xxxvii. "Tax" means all forms of taxes and statutory levies, and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, advance tax, minimum alternate tax, self-assessment tax, goods and service tax and all penalties, charges, costs and interest relating thereto.

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meaning assigned to them in regulations governing Portfolio Management Services.

### 3. Description:

#### i. History, Present business and background of the portfolio manager

Ashima Capital Management Limited is a Company incorporated under the Companies Act, 2013, having its Registered office at Texcellence Complex, Khokhara, Mehmedabad, Rajpur Gomtipur, Ahmadabad City,





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Ahmedabad- 380021, Gujarat. The Company is proposing to register itself as a Portfolio Manager as per the regulations of Securities and Exchange Board of India (Portfolio Managers) 2020.

The directors of the Company are Mr. Chintan Navnitlal Parikh, Mr. Krishnachintan Chintan Parikh and Mrs. Vanita Mathur. Mr. Krishnachintan Chintan Parikh will be the portfolio manager and principal officer of the Company. Mr. Krishnachintan Chintan Parikh is an experienced Portfolio Manager with an experience of over 7 years. He has also cleared exam of NISM series XXI-B Portfolio Managers Certification Examination. He has a rich experience in managing proprietary fund of Alcazar Associates LLP and treasury division portfolio of Ashima Limited. Currently managing the treasury portfolio for Ashima Ltd. with an impressive XIRR of 34.92% since 2021, consistently outperforming market benchmarks such as Nifty and Nifty 500. He focuses on long-term, fundamental value investing strategy that is risk-neutral and uses a buy-and-hold rebalancing approach.

### ii. Promoters of Portfolio Manager, Directors and their background

#### Ashima Limited – Promoter

Ashima Limited is the holding company of Ashima Capital Management Limited. Ashima Limited was incorporated on June 17, 1982 under the Companies Act, 2013, having CIN L99999GJ1982PLC005253. Its registered office is situated at Texcellence Complex, Near Anupam Cinema, Khokhara-Mehmedabad, Ahmedabad - 380021. It's a public company and its shares are listed on the Bombay Stock Exchange (BSE Limited) and the National Stock Exchange (National Stock Exchange of India Limited) in India. The Company is engaged in real estate development business and investment activity.

#### Directors

##### Krishnachintan Chintan Parikh

Mr. Krishnachintan Chintan Parikh will serve as the Portfolio Manager and Principal Officer of the Company. Mr. Krishnachintan Chintan Parikh will be the portfolio manager and principal officer of the Company. Mr. Krishnachintan Chintan Parikh is an experienced Portfolio Manager with an experience of over 7 years. He has also cleared exam of NISM series XXI-B Portfolio Managers Certification Examination. He has a rich experience in managing proprietary fund of Alcazar Associates LLP and treasury division portfolio of Ashima Limited. Currently managing the treasury portfolio for Ashima Ltd. with an impressive XIRR of 34.92% since 2021, consistently outperforming market benchmarks such as Nifty and Nifty 500. He focuses on long-term, fundamental value investing strategy that is risk-neutral and uses a buy-and-hold rebalancing approach.

##### Chintan Navnitlal Parikh

Mr. Chintan N. Parikh, Chairman and Managing Director of Ashima Limited, started his career as a first-generation entrepreneur in 1981 and has about 43 years of experience in the field of textiles and real estate. He has led the company since its incorporation in 1982, guiding its successful expansion into the real estate sector, which has shown strong performance under his leadership and vision. He was a Member of the Board of Governors of IIM, Ahmedabad during April 2007 to April 2016. He was specially appointed as the President





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of Gujarat Chamber of Commerce and Industry (GCCI) for the year 2010-11, by the Empowered Committee of GCCI.

### Vanita Mathur

Ms. Vanita Mathur holds a Masters in Business Administration with specialization in finance from S.P. University and has been with the Ashima Group for 29 years. Throughout her tenure, she has taken on various roles across various functions, gaining expertise in finance, operations, management control systems, and other functions. Currently, she is responsible for corporate-level finance and strategic management, and she oversees the real estate vertical for the group in leadership role.

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

Sr. No.	Name of the Company / LLP / Firm
1	Ashima Limited
2	Subahu Enterprises LLP
3	Saumya Construction Private Limited
4	Alcazar Associates LLP
5	Adventrix Technologies (India) Private Limited
6	Stutya Enterprises LLP
7	Sumel Enterprises LLP
8	Miomo Apparels LLP

iv. **Details of the services being offered**

### Discretionary Portfolio Management

The Portfolio Manager is offering Discretionary Portfolio Management, which means that the Portfolio account of the Client will be managed at the absolute discretion of the Portfolio Manager. Thus, the choice and timing of investment rests solely with the Portfolio Manager. The Portfolio Manager's decision, taken in good faith, in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the tenure of the agreement or any time thereafter except on ground of mala fide action, fraud and conflict of interest. This right of the Portfolio Manager shall be exercised in accordance with the relevant Acts, Regulations, guidelines and notifications in force from time to time. The portfolio of each client may differ from that of the other client in the same product as per discretion of the Fund/Portfolio Manager depending on the investment horizon.





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#### 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 SEBI or the directions issued by SEBI under the SEBI Act or Rules or Regulations made thereunder.	None
ii.	The nature of the penalty/direction.	Not Applicable
iii.	Penalties/fines imposed for any economic offense 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. Investment Objective & Policies

The Investment objective is to maximize the value of the Client's investments. The Portfolio Manager will adopt a strategy to deliver capital appreciation in the long term to Clients from a risk-neutral portfolio that predominantly invests in equity and equity related instruments across various market capitalization. Though reasonable endeavors will be made to achieve the objectives, there is no guarantee or assurance that the investment objective will be achieved. No guaranteed returns are being offered under these services.

##### Discretionary Portfolio Management

The Portfolio account of the Client is managed at the full discretion and liberty of the Portfolio Manager. Thus, the choice and timing of investment rests solely with the Portfolio Manager. The Portfolio of each Client may differ from that of the other Client in the same product as per discretion of the Portfolio Manager depending on the investment horizon.



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### Types of Securities

The Portfolio Manager shall have the sole and absolute discretion to invest the Client's funds in such Securities, capital and money market instruments, debt Securities or fixed income Securities or Securities of any description, by whatever name called including:

- a. equity, stock and preference shares of Indian companies;
- b. debentures, bonds and secured premium notes, including tax exempt bonds or Indian companies and corporations;
- c. government securities and trustee securities;
- d. units of mutual funds only through direct plan;
- e. bank deposits;
- f. commercial papers, trade bill, treasury bills, certificate of deposit and usance bill;
- g. options, futures, swaps and such other derivatives as may be permitted from time to time;
- h. warrants of listed securities;
- i. private placements, arrangements, contracts or agreements for facilitating acquisition and/ or disposing of investments, as the case may be, provided that the portfolio shall not be leveraged by the use of derivatives or otherwise;
- j. and such other permitted Securities as may be allowed under SEBI (Portfolio Managers) Regulations, 2020 from time to time.

### Investment Approach/ Investment Strategy:

#### Long Heritage Value Fund

This Fund is long term oriented and below is the Investment approach.

#### a. Investment Objective:

The primary objective is to generate alpha returns for the Clients through a risk neutral, buy and hold strategy and selecting 5-15 stocks using a fundamental value approach.

#### b. Types of Securities:

Predominantly invest in equity and equity related instruments. Additionally, the funds may be deployed into liquid mutual funds, fixed income instruments, liquid instruments, ETFs and bank balances for the purpose of liquidity management.

#### c. Basis of selection of such type of securities:

- The Portfolio Manager selects equity and equity related Securities of companies from listed space across market capitalization.
- The Portfolio Manager will have a buy and hold, risk neutral allocation between 5-15 stocks.





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- The Portfolio Manager intends to invest in Securities mostly with a three to five-year perspective. However, the Portfolio Manager has complete discretion to liquidate when stocks have achieved objectives or if our thesis is no longer working.
- The Portfolio Manager would follow a bottoms-up fundamental research approach for selection of long-term value Securities using a risk-neutral, buy and hold strategy.
- Detailed research of intermarket analysis, macro growth prospects, fundamental analysis of business, valuations and technical factors will be carried out by the Portfolio Manager for selection of Securities.
- Focus on stocks of companies that offer profitable growth and longevity at a reasonable price.

### d. Allocation of Portfolio:

Type of Security	Indicative allocations (% of portfolio value)
Equity & Equity related instruments	Up to 100%
Money market funds/ Liquid Mutual funds product/ fixed income instruments/ liquid instruments/ ETFs and bank balance	As per Portfolio Manager's discretion

The allocation of the Portfolio will be focused on listed equities. In most market conditions, listed equities allocation will be the predominant allocation in the Portfolio. However, the allocations percentages can vary substantially depending upon the perception of market conditions of the Portfolio Manager.

### e. Benchmark and basis of benchmark selection:

The Portfolio Manager will benchmark the performance of the Long Heritage Value Fund against the **S&P BSE 500 TRI**. The **S&P BSE 500 TRI** is a broad-based index that aligns well with the multi cap universe of stocks which will form the basis of our selection. The composition of the benchmark is such that it is most suited for comparing performance of the Portfolio managed by the Portfolio Manager.

[Date of Change in Benchmark: 3<sup>rd</sup> March 2025]

### f. Indicative Tenure or investment horizon:

Investment in Securities with an ideal horizon of three to five years perspective. The Portfolio Manager has complete discretion to liquidate when stocks have achieved objectives or if our thesis is no longer working.

### g. Risks associated with the investment approach: Please refer to clause 6 on Risk Factors

### h. Minimum Investment:

The minimum value of funds/investments which will be accepted towards initial corpus under Long Heritage Value Fund would be decided by the Portfolio Manager from time to time and the minimum investment





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amount shall not be less than Rs. 50,00,000 (Rupees Fifty Lakhs) or any other amount as may be stipulated by the SEBI Regulations from time to time. The Portfolio Manager may call the entire minimum investment amount upfront or call for the same in tranches by issuing written notices at least 15 (fifteen) days prior to the date on which the amount as per the tranches is payable. However, at any time the aggregate investment amount of the Client would not be less than Rs. 50,00,000 (Rupees Fifty Lakhs) or any other amount as may be stipulated by the SEBI Regulations.

The un-invested amounts forming part of the Client's Portfolio may be held in cash or deployed in liquid fund schemes, exchange traded index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits and other short-term avenues for investment at the discretion of the Portfolio Manager.

**i. Lock in period:**

Investments managed under Long Heritage Value Fund shall be not be subject to any lock-in-period.

**j. Exit Loads:**

Exit load shall be levied in following manner – (i) 3% of AUM withdrawn if investments are withdrawn within 1 year from the date of investment, (ii) 2% of AUM withdrawn if investments are withdrawn between 1 to 2 years from the date of investment, and (iii) 1% of AUM withdrawn if investments are withdrawn between 2 to 3 years from the date of investment.

No exit load shall be charged in case investments are withdrawn after 3 years.

**k. Redemption/Partial Withdrawal:**

Partial withdrawal/ Redemption shall be allowed only to such extent that Portfolio value after recovery of fees, charges, exit loads (if any) and payment of withdrawal amount is not less than the minimum investment specified by SEBI and the Portfolio Manager.

**ii. The Policies for investments in associates/group entities of the Portfolio Manager and the maximum percentage of such investments therein subject to the Applicable Laws/Regulations/guidelines:**

Portfolio Manager will before investing in the Securities of Associate / Group Companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio. The investments in securities of the associate and related parties would be within the limits specified under SEBI (Portfolio Managers) Regulations, 2020 read with SEBI Circular dated August 26, 2022 and other applicable regulations.





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### iii. Direct on-boarding of Clients:

The Portfolio Manager will engage the services of Distributors for business / client acquisition purpose. However, the Client has an option for direct on-boarding without intermediation of persons engaged in distribution services. At the time of on-boarding of Clients directly, no charges except statutory charges shall be levied for the on-boarding. Clients can directly approach us by sending email on [info@ashimacapital.com](mailto:info@ashimacapital.com)

### 6. Risk factors

- i. Securities investments are subject to market risks and there can be no assurance or guarantee that the objective of investments will be achieved. The past performance of the Portfolio Manager does not indicate its future performance.
- ii. The Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.
- iii. The Net Asset Value of the Assets of Account may be affected by changes in settlement periods and transfer procedures.
- iv. As with any investment in Securities, the Net Asset Value of the Assets of Account can go up or down depending upon the factors and forces affecting the markets.
- v. There are inherent risks arising out of investment objectives, Investment Approach, asset allocation and non-diversification of portfolio.
- vi. Risks related to index linked Securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the index provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
- vii. The value of the Assets of Account will react to the stock market movements. The Client could lose money over short periods due to fluctuations in the value of the Assets of Account in response to factors such as economic and political developments, changes in interest rates and perceived trends in stock market movements and over longer periods during market downturns.
- viii. Although Securities are listed on the recognized stock exchange(s), there can be no assurance that the said Securities purchased will be consistently active/traded on such recognized stock exchanges.
- ix. Trading in Securities on the market may be halted because of market conditions or where the market authorities or SEBI, consider that trading in a particular security is not advisable. In addition, trading in Securities is subject to trading suspensions caused by extraordinary market volatility and pursuant to the





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'circuit filters' prescribed by the recognized stock exchange(s). There can be no assurance that the requirements of the market, necessary to maintain the listing of any Securities will continue to be met or will remain unchanged.

- x. Any changes in the trading regulations by the recognized stock exchange or SEBI may prevent the Assets of Account from achieving its stated objectives.
- xi. The returns from the types of Securities in which the Portfolio Manager invests, may under-perform the returns of the various general Securities markets or different asset classes. Different types of Securities tend to go through cycles of out-performance and under performance in comparison to the general securities markets.
- xii. Frequent rebalancing of the relevant Assets of Account will result in higher brokerage and transaction costs. In addition, because the allocation to other Securities can vary from 0% to 100%, there can be a vast difference between the performance of the Assets of Account and the returns generated by the underlying Securities.
- xiii. Changes in interest rates may affect the returns or Net Asset Value of the units of mutual funds in which the Portfolio Manager may invest from time to time. Interest rate movements in the debt market can be volatile leading to the possibility of movements up or down in the Net Asset Value of the units of mutual funds.
- xiv. Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.
- xv. In case of investments in mutual fund, the Client shall bear the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
- xvi. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer an opportunity loss and the Portfolio Manager shall not be held liable for the same.
- xvii. Credit risk refers to the risk that an issuer of security may default or may be unable to make timely payments of principal and interest. The Net Asset Value of units of liquid schemes are also affected by perceived levels





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of credit risk as well as actual events of default.

- xviii. Re-investment risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from re-investment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- xix. Operational and IT Risk: There may be risks related to the exposure to loss due to human error or fraud, or from a system of internal controls that fails to adequately derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative record, monitor and account for transactions or positions. There may also be risks related to hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, cyclones or floods and other force majeure events, more specifically stated in Clause 31 of the PMS Agreement.
- xx. As and when the Portfolio Manager trades in the derivatives market there are risk factors and issues concerning the use of derivatives that 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 interest but also of the derivative instrument 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 a portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the Assets of Account as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing 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.
- xxi. Risk arising out of non-diversification: The Investment Guidelines could result into concentration on a specific asset/asset class/ sector/ issuer etc., which could expose the Assets of Account to undesired diversification/non-diversification.
- xxii. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructuring may make it less profitable.
- xxiii. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.





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xxiv. Investment in schemes of mutual funds is subject to risk factors defined in the offer document of the respective schemes.

xxv. The Portfolio Manager may, subject to prior authorization by the Client in writing, participate in Securities lending. The Portfolio Manager may not be able to self-lend out Securities, which can lead to temporary illiquidity. There are risks inherent in Securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the Securities deposited by the lender and the possible loss of corporate benefits accruing thereon. Securities lending activity, if any, undertaken by the Portfolio Manager on behalf of the Client will involve the possibility of causing drastic falls in collateral values in times of strong downward market trends or due to exposure to tainted or forged Securities, resulting in reduced collateral values until rectified by the provision of additional security. This, along with a simultaneous fall in the value of collateral could cause a potential loss to the Assets of Account. There is also a risk that the stock will not be available for sale during the period for which the stock is lent.

### 7. Client Representation

i. Details of Numbers of clients and fund managed:

ACML got registered as a Portfolio Manager on January 6, 2025 and commenced the PMS Operations in March 2025.

(Rs. In crores)		
Categories of Client	No. of Clients	Asset under Management (AUM)
Associates / Group Companies (as on 31.03.2025)	3	142.48
Others (as on 31.03.2025)	-	0
Total	3	142.48

ii. Disclosure in respect of transactions with related parties as per the standards specified by Institute of Chartered Accountants of India.

Ashima Limited, the holding company and Promoter of ACML, has subscribed to 100% equity share capital of ACML amounting to Rs. 6.00 Crores on 9<sup>th</sup> May, 2024. ACML has not undertaken any other transactions with any related party till date.





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### 8. Financial Performance of the Portfolio Manager

ACML is a newly incorporated entity, and the first Financial Year of the company is 2024-25. Here the financial performance for F.Y. 2024-25 will be disclosed after the accounts are audited.

### 9. Performance of Portfolio Manager

ACML got registered as a Portfolio Manager on January 6, 2025 and commenced the PMS Operations in March 2025.

Performance (in CAGR)	Since Inception (03.03.2025)
Strategy (Long Heritage Value Fund)	11.82 %
Benchmark (S & P BSE 500 TRI)	7.32%

### 10. Audit Observations

The ACML is a newly incorporated entity, incorporated during FY 2024-25, so no financials are drawn up. Hence, this requirement is not applicable.

### 11. Nature of expense

The following are indicative types of fees, costs and expenses for Clients availing the Portfolio Management Services through the Portfolio Manager. Any taxes (including GST), cess or levies by government authorities in respect of portfolio management fees and charges shall be borne and paid by Client from time to time.

#### i. Investment management fees

The Investment management fees will be charged for managing the Portfolio of the Client. The fee may be a fixed Management Fees or a Performance Fees or a combination of both, as agreed by the Client in the PMS Agreement. The fee structure may differ from client to client in the same product. The Performance Fees shall be charged based on High Water Mark Principle. The Fees may be charged at the end of the specified tenure agreed between the Client and the Portfolio Manager.

#### ii. Custodian Fees

Custodian/Depository services are outsourced. Fees relating to Custodian/depository charges, opening and operation of dematerialized accounts, custody and transfer charges for Securities, dematerialization and other charges in connection with the operation and management of the Depository Accounts are borne by Client. The Custodian fees shall be charged at actuals.



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### iii. Fund Accounting Charges

Fund Accounting services are outsourced. The fund accounting charges shall be charged at actuals.

### iv. Registrar and transfer agent fee

Charges payable to registrar and transfer agents in connection with effecting transfer of Securities, including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges, etc. shall be charged at actuals to the Client.

### v. Exit Load for early exit

Investors making full/partial withdrawal of stock(s) or funds before completion of three years from the date of commencement shall pay exit load as detailed above in investment approach and in PMS Agreement.

### vi. Brokerage and transaction cost

The brokerage charges and other charges like Goods and service tax (GST), securities transaction tax, service charges, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments shall be charged at actuals to Clients as expense (plus applicable GST or any other charges).

### vii. Goods and Services tax or any other statutory levy:

Goods and Services tax or any other statutory levy as applicable from time to time, shall be charged over and above all fees and charges shall be billed to Clients.

### viii. Commission to Distributor

In case the Client is on-boarded through a Distributor, any fees or commission shall be paid on trail basis. Further, any fees or commission paid shall be only from the fees received by the Portfolio Manager.

### ix. Any other incidental and ancillary charges

All incidental and ancillary expenses viz. stamp duty, service tax, GST, postal stamps, accounting fee, audit fee, certifications, attestation, documentation, opening and operation of bank accounts, courier charges, notary charges, legal and professional fees etc. not recovered above but incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client.

No upfront fees shall be charged to the Clients by the Portfolio Managers, either directly or indirectly except the statutory charges applicable for execution of the PMS Agreement and related documents for account opening.





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**Note: The operating expenses excluding brokerage, over and above the fees charged from the Client for Portfolio Management Services shall be capped as 0.50% per annum of the Client's average daily Assets under Management (AUM).**

### 12. Taxation

THE INFORMATION SO STATED IS BASED ON THE PORTFOLIO MANAGER'S UNDERSTANDING OF SUCH TAX LAWS IN FORCE AS OF THE DATE OF THIS DOCUMENT. PROVISIONS OF INCOME TAX ACT, 1961 UNDERGOES CHANGES FREQUENTLY. INVESTOR IS ADVISED TO CONSULT WITH HIS OR HER OWN TAX CONSULTANT WITH RESPECT TO THE SPECIFIC TAX IMPLICATIONS OF HIS OR HER TRANSACTIONS. THE PORTFOLIO MANAGER IS NOT RESPONSIBLE FOR ASSISTING OR COMPLETING THE CLIENT'S TAX OBLIGATION.

#### i. Dividend

Income by way of dividends distributed by domestic companies and income received in respect of units of a mutual fund registered with SEBI, held in the Portfolio, shall be taxed in the hands of the investors at the applicable tax rates depending upon the status and slab of investors.

#### Provisions regarding Bonus Share

As per sec 94(8) Where-

- (i) Any Person buys or acquires any units within a period of three months prior to the record date;
- (ii) Such Person is allotted additional units without any payment on the basis of holding such units on such date;
- (iii) Such Person sells or transfers all or any of the units referred to in clause (a) within a period of nine months after such date, while continuing to hold all or any of the additional units referred to in clause (b) then, the loss, if any, arising to him on account of such purchase and sale of all or any of such units shall be ignored for the purposes of computing his income chargeable to tax and notwithstanding anything contained in any other provision of this Act, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such additional units referred to in clause (b) as are held by him on the date of such sale or transfer.

#### ii. Advance tax installment obligations

It shall be the Client's responsibility to meet the advance tax obligation installments payable on the due dates under the Income-tax Act.

#### iii. Gains arising on transfer of securities of Portfolio Entities

Gains arising from the transfer of securities held in the Portfolio Entities may be treated either as 'capital gains' or as 'business income' for tax purposes, depending upon whether such securities were held as a capital asset or trading asset.





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Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gains'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.

Regarding characterization of income from transactions in listed shares and securities, the CBDT had issued a clarification vide Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as business income from transfer of its trading assets. However, as regards the securities sold within 12 months there is a risk that the tax authorities could characterize the said income as 'business income'.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ ITA-II dated May 2, 2016 stating that income arising from transfer of unlisted shares would be considered under the head 'Capital Gains' irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian tax authorities would take appropriate view in such situations.

**a. If the gains are characterized as capital gains:**

As per section 45 of the ITA, any profits or gains arising from the transfer of capital assets are chargeable to income tax under the head 'Capital Gains'. Section 48 of the ITA provides that income chargeable as capital gains would be computed as the difference between the full value of the consideration received or accrued on the transfer of the capital asset and the cost of acquisition / indexed cost of acquisition (as applicable) of such asset plus expenditure incurred wholly and exclusively in connection to such transfer.

The capital gains would be classified as long term or short term, depending upon the period of holding of the assets.

**Period of Holding:**

Capital assets are classified as long-term capital assets ("LTCA") or short-term capital assets ("STCA") based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the shares and securities are held, the gains would be taxable as short-term capital gains ("STCG") or long-term capital gains ("LTCG"). This is discussed below:





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Type of instrument	Period of holding	Characterization
Listed securities (other than a unit) / Unit of equity-oriented fund / Zero Coupon Bonds	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset
Unlisted shares (including those offered through offer for sale as part of an initial public offer)	More than 24 months	Long Term Capital Asset
	24 months or less	Short Term Capital Asset
Other securities (including unit of a debt-oriented fund)	More than 24 months	Long Term Capital Asset
	24 months or less	Short Term Capital Asset

### Note:

As per the amendments in the Finance Act 2023, capital gains on redemption / transfer of Specified Mutual Fund (i.e. a mutual fund where not more than 35.00% is invested in equity shares of an Indian company) 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, irrespective of the period of holding. However, as per the amendments in the Finance (No. 2) Act, 2024, with effect from the 1st day of April, 2025, capital gains on redemption / transfer of Specified Mutual Fund (i.e., a mutual fund where more than 65.00% of its total proceeds is invested in debt and money market instruments or in units of such fund) shall be deemed to be the capital gains arising from the transfer of a short-term capital asset.



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Capital gains should be taxed in the hands of the resident Contributors as per the ITA as provided below. Further below rates are exclusive of surcharge and HEC. Refer Para I above for the surcharge and HEC rates:

Nature of Income	Tax rate for Contributors who are resident companies	Tax rate for resident Contributors who are resident firms, co-operative societies or local authorities	Tax rate for any other resident Contributors
Short-term capital gains on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund or (iv) units of a business trust and on which STT has been paid.	20.00% (without indexation)	20.00% (without indexation)	20.00% (without indexation)
Other short-term capital Gains including unlisted bonds and debentures (Refer Note iii)	30%/25%/22% (without indexation)	30%/22% (without indexation)	30% (without indexation)
Long term capital gains on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which applicable STT has been paid or (iv) units of a business trust, exceeding INR 1 lakh 25 thousand	12.50% (without indexation)	12.50% (without indexation)	12.50% (without indexation)
Long-term capital gains on transfer of listed bonds or listed debentures	12.50% (without indexation)	12.50% (without indexation)	12.50% (without indexation)
Long-term capital gains on transfer of listed securities other than units of mutual funds, listed bonds and listed	12.50% (without indexation)	12.50% (without indexation)	12.50% (without indexation)





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debentures and on which STT has not been paid			
Long-term capital gains on transfer of units of mutual fund (listed) other than equity-oriented fund	12.50% (without indexation)	12.50% (without indexation)	12.50% (without indexation)
Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	12.50% (without indexation)	12.50% (without indexation)	12.50% (without indexation)

### Notes:

- i. The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust w.e.f. 1 April 2018. With effect from 01.04.2024 the long-term capital gains above INR 1.25 lakhs on the following transfers shall be taxable at 12.50% (excluding surcharge and cess):

- listed equity shares [STT paid on acquisition and transfer]
- units of equity oriented mutual fund [STT paid on transfer]; and
- units of business trust [STT paid on transfer]

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains and the cost of acquisition of equity shares, equity oriented mutual fund or units of business trust shall be higher of:

- Actual cost of acquisition; and
- Lower of:
  - Fair market value ('FMV') as on 31 January 2018; and
  - Value of consideration received upon transfer

The Finance Act, 2018 has also amended that in such case where the equity shares were unlisted on 31 January 2018 and listed at the time of transfer, the FMV would be after considering indexation benefit on the original cost of acquisition.

The CBDT has issued a circular to specify the transactions, where the condition of payment of STT on acquisition would not apply, for applying tax rate of 12.50% on transfer of listed equity shares.

- ii. As per the amendment in the Finance Act 2023, capital gains on redemption / transfer of Specified Mutual Fund (i.e. a mutual fund where not more than 35.00% is invested in equity shares of an Indian company) 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, irrespective of the period of holding. However, as per the amendments



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in the Finance (No. 2) Act, 2024, with effect from the 1st day of April, 2025, capital gains on redemption / transfer of Specified Mutual Fund (i.e., a mutual fund where more than 65.00% of its total proceeds is invested in debt and money market instruments or in units of such fund) shall be deemed to be the capital gains arising from the transfer of a short-term capital asset.

- iii. As per the amendment in the Finance (No. 2) Act, 2024, capital gains on transfer of unlisted bonds or unlisted debentures shall be deemed to be short-term capital gains which are transferred or redeemed or matures on or after the 23rd day of July, 2024.





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**b. If the gains are characterized as business income:**

If the gains arising from the transfer of securities held in the Portfolio Entities are categorized as business income of Fund / Scheme, the whole of the income of Fund / Scheme (net of eligible expenses) shall be taxable at MMR i.e. 30.00% plus highest surcharge rate (refer Para I above) and HEC. While arguably, such capital gains arising to the Fund/ Scheme should be chargeable at concessional tax rates, the possibility of tax/ appellate authorities taking a contrary view cannot be ruled out. In the event of transfer of securities by the Fund / Scheme, the applicable tax liability would arise irrespective of whether proceeds on transfer of securities are distributed or re-invested by the Fund / Scheme.

**iv. Gains arising on buy-back of shares by company**

Vide amendments in the Finance (No. 2) Act, 2024, with effect from 1 October 2024, gross proceeds received on buy back of shares shall be taxed in the hands of shareholder as "deemed dividend". No deduction (including the cost of shares or any other expenditure) shall be allowed against the deemed dividend income.

Further, the cost of shares bought back shall be considered as "capital loss" in the hand of the shareholder and it shall be eligible for set-off and carry forward against capital gains. Period of holding to be considered from date of acquisition/allotment unit date of buy back.

**v. Tax deduction at source**

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 behalf.

Dividend income distribution on securities and units is taxable in the hands of the receiver. TDS is deductible on interest income and would be deducted by the issuer of such security.

**vi. Interest Income**

Interest income earned if any on the investments, shall be chargeable to tax at the applicable rates in force.

**vii. Tax on Income from business in Securities**

For those carrying on business in securities, the profit from such dealings is taxable, though such dealing may be liable to securities transaction tax (STT). STT is deductible while computing business income, for the transactions on which STT is paid.

**viii. Special Provisions for Non-Resident Investors (NRI)**

**a. Exchange Rate Fluctuation**

As per the first proviso to section 48 of the Income Tax Act, 1961, when a non-resident sells shares or debentures of an Indian company, the capital gain thereon shall be computed by converting the cost of





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acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the sale consideration to the same currency that was initially utilized to purchase the shares or debentures, calculating the gain thereon and re-converting the gain into Indian Rupees for the purpose of taxation. The benefit of adjusting the cost of acquisition with the cost inflation index is not available in this case.

### b. Benefit of Double Taxation Avoidance Agreement

As per the provisions of Section 90(2) of the Income Tax Act, the provisions of the Double Taxation Avoidance Agreement ("DTAA") or the Income Tax Act, whichever are more beneficial to the assessee shall apply. Accordingly, if the Investor is a resident of a treaty country, the provisions of the DTAA or of the Income Tax Act, whichever are more beneficial to the Investor, shall apply.

### Chapter XIIA benefits

The provisions of Chapter XIIA of the Income Tax Act, 1961 provide for beneficial tax treatment for investment income of Non-resident Indians, from investment in specified assets purchased in convertible foreign exchange. Specified assets inter alia include:

- a. Shares in an Indian Company
- b. Debentures issued by an Indian Company (other than a private company)
- c. Deposits with an Indian company which is not a private company.
- d. Any security of the central Government.
- e. Any other notified Assets (No asset has been notified as yet) Investment Income (other than dividends declared by an Indian company) [as defined] is taxable at 20% (as increased by the applicable surcharge and education cess and Secondary and Higher Education cess) and specified long-term capital gains are chargeable to tax at 12.5% (as increased by the applicable surcharge and education cess and secondary and higher education cess).

The Investor has the option to be governed either by the provisions of Chapter XIIA or the normal provisions of the Income Tax Act.

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income Tax Rules, 1962, which require Indian financial institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our unit holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institution such as withholding agents for the purpose of ensuring appropriate withholding from the folio(s) or any proceeds in relation thereto.

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 14 days.

Please note that you may receive more than one request for information if you have multiple relationships with us or our group entities. Therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information.





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If you have any questions about your tax residency, please contact your tax advisor.

It is mandatory to supply a TIN or functional equivalent if the country in which you are a tax resident issues such identifiers. If no TIN is yet available or has not yet been issued, please provide an explanation and attach this to the form.

### ix. Minimum Alternate Tax

The Income Tax Act, 1961 provides for levy of Minimum Alternative Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the Income Tax Act, 1961. Corporate assessee operating in International Financial Services Centre ('IFSC') shall be charged at the concessional rate of 9%.

The Finance Act, 2020 has provided that all the domestic companies opting for lower tax regime u/s 115BAA or 115BAB will not be required to pay MAT under section 115JB of the Income Tax Act, 1961. Further, the provisions regarding MAT credit will also not apply to companies opting for these sections.

If MAT is held to be applicable to the Client, then income receivable by such Client from their investment in the Fund shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

### x. Alternative Minimum Tax

The Income Tax Act, 1961 provides for levy of Alternative Minimum Tax ('AMT') under Section 115JC of the IT Act, on non-corporate assessee having adjusted total income exceeding INR 20 lac. If the tax payable as per Section 115JC at 18.5% of the adjusted total income exceeds the regular income-tax payable, then the assessee is liable to pay AMT. Further, non-corporate assessee operating in International Financial Services Centre ('IFSC') shall be charged AMT at the concessional rate of 9%.

The Finance Act, 2020 has provided that assessee opting for lower tax regime u/s 115BAC will not be required to pay AMT. Further, the provisions regarding AMT credit will also not apply to assessee opting for this section.

### xi. Withholding at a higher rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ('PAN'), then the tax is required to be deducted by the payer at higher



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of the following i.e., rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

1. Name, e-mail id, contact number;
2. Address in the country or specified territory outside India of which the deductee is a resident;
3. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
4. Tax identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.





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### 13. Accounting Policies

The following Accounting Policies will be applied for the investments of Clients:

- a. **Recognition:** The Portfolio Manager shall follow accrual-based accounting policies in compliance with generally accepted accounting principles and the accounting standards applicable to fund management in India.
- b. **Client Accounts:** The investments under the Portfolio Management Service (PMS) are made on behalf of and in the respective names of the Clients. Hence separate bank accounts and demat accounts will be opened in the name of the Clients which are operated by the Portfolio Manager duly authorized for this purpose by a Power of Attorney. As the amount received under PMS and the corresponding investments are made on behalf of the Clients, they are not reflected in the balance sheet of the Portfolio Manager.
- c. **Income Accrual:** Dividends on shares and units in mutual funds shall be accounted on ex-dividend date, interest, stock lending fees earned etc., shall be accounted on receipt basis. The interest on debt instruments shall be accounted on receipt basis.
- d. **Cost of Investments:** Purchase/Sale consideration will be calculated by applying the "First-In-First-Out" method. The cost of investments acquired or purchased shall include brokerage, stamp charges, and any other charge 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.
- e. **Portfolio Management Fees:** Portfolio management fees could include a fixed management fee and a variable performance fee. The amount of fixed and variable fees will be as agreed with the client and defined in the Agreement. Issues related to the frequency at which fees are charged and how they are calculated will also be as defined in the Agreement with each individual client. The fixed management fee will be as specified in the Agreement. The performance fees as agreed with the client in the Agreement will be based on returns over a Hurdle Rate as agreed in the Agreement, with a High Water Mark. Performance fees will be charged on performance over the Hurdle Rate, management fee and any costs of trading.
- f. **Contribution to Portfolio** - Investments introduced by the Clients in his Portfolio are booked at the previous day closing price.
- g. **Portfolio investments** - Portfolio investments are stated at market/fair value prevailing as on year end and the difference as compared to book value is recognized as accrued gain/loss in the statement of affairs for the year.
- h. Investments in listed equity and debt instruments will be valued at the closing quoted price on National Stock Exchange (NSE) and if the securities are not listed on NSE then the security will be valued at the closing price quoted as on Bombay Stock Exchange (BSE). In case of the Securities that are not traded on the valuation





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date, the last available traded price shall be used for the valuation of Securities. Investments in units of mutual funds shall be valued at the repurchase price of the previous day or at the last available repurchase price declared for the relevant scheme on the date of the report.

- i. ACML do comply with the Indian Accounting Standards (IND AS), to the extent applicable to it, issued by the Ministry of Corporate Affairs (MCA).

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

#### 14. Investor Services

- i. Details of the investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:

Mr. Satish Mishra  
Compliance Officer  
Ashima Capital Management Limited

Texcellence Complex, Khokhara, Mehmedabad,  
Rajpur Gomtipur, Ahmadabad City,  
Ahmedabad, Gujarat – 380021  
Mobile No: 079-29918188  
Email id: [compliance@ashimacapital.com](mailto:compliance@ashimacapital.com)

The investor relations officer mentioned above will ensure prompt redressal of investor queries and grievances and shall be empowered by the Portfolio Manager with necessary authority, means and independence to do so.

#### ii. Investor Grievance Redressal Procedure:

ACML will ensure timely and prompt redressal of the grievances and disputes of its Clients.

ACML will promptly respond to any query or concern of the Client.

ACML will endeavor to address all complaints regarding service deficiencies or causes for grievances for whatever reason, in a reasonable manner. If the Client remains dissatisfied with the remedies offered or the stand taken by Portfolio Manager, the Client and the Portfolio Manager shall abide by the following mechanisms. The Client has the option to register its complaints as below:





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### SEBI Scores Platform

SEBI has launched a centralized web-based complaints redress system (SCORES), which enables investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form. However, such complaints would be scanned and uploaded in SCORES for processing.

Link: <http://scores.gov.in>

The Client can register his or her grievance through SCORES post which complaints can be raised for online resolution of disputes through Online Dispute Resolution Portal ("ODR Portal"). The Client shall first take up his or her grievance by lodging a complaint directly with the Portfolio Manager. If the grievance is not redressed satisfactorily, the Client may, in accordance with the SCORES guidelines, escalate the same through the SCORES portal in accordance with the process laid out therein. After exhausting these options for resolution of grievance, if the Client is still not satisfied with the outcome, he or she can initiate dispute resolution through the ODR portal. Alternatively, the Client can initiate dispute resolution through the ODR portal if the grievance lodged with the Portfolio Manager or at any stage of the subsequent escalations mentioned above (prior to or at the end of such escalation/s) was not satisfactorily resolved. The Portfolio Manager may also initiate dispute resolution through the ODR Portal after having given due notice of at least 15 calendar days to the Client for resolution of the dispute which has not been satisfactorily resolved between them. The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration or not pending before any arbitral process, court, tribunal or consumer forum. The Client and the Portfolio Manager hereby agree to adhere to SEBI circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 updated on August 11, 2023, titled "Master Circular for Online Dispute Resolution" and shall undertake online conciliation and/or arbitration in case of unresolved disputes and escalations in the manner specified under the said circular.

All the legal actions and proceedings are subject to the exclusive jurisdiction of court in Ahmedabad only and are governed by Indian laws. All disputes, differences, claims and questions whatsoever arising between the Client and ACML and/or their respective representatives shall be settled in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. A sole arbitrator will be appointed by mutual consent of the Portfolio Manager and the Client and the place of arbitration shall be Ahmedabad and proceeding shall be conducted in English language.

### 15. Details of Investments in the Securities of related parties of the Portfolio Manager





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ACML is a newly incorporated company and has yet not commenced its business, hence this information is not relevant.

### **16. Details of 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, the Portfolio Manager may also choose to invest in money market instruments, units of mutual funds, Equity and Equity related instruments (including Mutual Funds), ETFs or other permissible securities/products from time to time 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.

### **17. General**

#### **Prevention of Money Laundering**

Prevention of Money Laundering Act, 2002 ('PML Act') came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its circular No. ISD/CIR/RR/AML/1/06 dated January 18, 2006 and Master Circular dated December 31, 2010 has mandated that all intermediaries including Portfolio Managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a "Know Your Customer" (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by Clients. SEBI has further issued circular no. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the PML Act requiring inter alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND). SEBI has further strengthened the KYC and client risk assessment requirements under its circular no. CIR/MIRSD/1/2014 dated March 21, 2014. The PML Act, Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transaction, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended and modified from time to time, the guidelines/circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as 'PML Laws'.





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The Client(s), should ensure that the amount invested through the services offered by the Portfolio Manager is through legitimate sources only and does not involve and not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under.

To ensure appropriate identification of the Client(s) under its KYC policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record Client's telephonic calls and video calls and/or obtain and retain documentation for establishing the identity of the Client, proof of residence, source of funds, etc. The Client agrees to provide all information and submit to the Portfolio Manager, or its agent, all documents as may be required to verify the Client's identity and comply with its KYC and PML policies. The Portfolio Manager may re-verify identity and obtain any additional information for this purpose, including through the use of third-party databases, personal visits, or any other means as may be required by the Portfolio Manager to satisfy themselves of the Client's identity, address and other relevant information.

The Client(s) and their attorney(ies), if any, shall produce reliable, independent source documents such as photographs, certified copies of Aadhar Card, passport/driving license/PAN Card/ration card, etc. and/or such other documents or produce such information as may be required by the Portfolio Manager from time to time for verification of the personal details of the Client(s) including inter alia identity, residential address(es), occupation and financial information. The Portfolio Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND (and any other competent authorities and self-regulating bodies) that it believes are suspicious in nature within the preview the PML Laws and/or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise Clients or distributors of such reporting. The KYC documentation requirements shall also be complied with by the persons becoming the Client by virtue of operation of law e.g. transmission, etc.

The Portfolio Manager will not seek fresh KYC from the Clients who are already KRA compliant and in case of the Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and taken or record or uploaded on relevant platforms, as may be required.

The KYC requirements shall also be applicable for all joint holders, legal representatives, legal heirs, estates and nominees of the Client. The KYC documentation requirements shall also be complied with by person(s) becoming beneficial owner of the account by virtue of operation of law, like transmission cases and nominees/legal heirs on the death of the Client.

The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the client account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with provisions of the PML Laws and KYC policy and/or where the Portfolio Manager believes that transaction is suspicious in nature within the preview of the PML Laws and/or for reporting the same to FIU-IND.





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### Client Information

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources/manner and the Client is duly entitled to invest the said fund.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client is holding the funds/Securities in his name is legally authorized/entitled to invest the said funds through the services of the Portfolio Manager, for the benefits of the beneficiary.

Notwithstanding anything contained in this Document, the provisions of the Regulation, PML Laws and the guidelines thereunder shall be applicable. Clients are advised to read the Document carefully before entering into an Agreement with the Portfolio Manager.

The client hereby authorizes the Portfolio Manager to use their information in any manner whatsoever in relation to the services to be rendered by the Portfolio Manager and usage of the information shall be in accordance with the applicable law, as amended from time to time.

### Foreign Account Tax Compliance Act (FATCA):

India has entered into Inter Governmental Agreement ("IGA") with USA on 9<sup>th</sup> July 2015 and has notified Income Tax Rules for compliance with FATCA regulations. Further, India has also signed a multilateral agreement on 3<sup>rd</sup> June, 2015, to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters under the Common Reporting Standard (CRS). The Portfolio Manager intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations. In order to comply with its FATCA/CRS obligations, the Company will be required to obtain certain information from its clients so as to ascertain their tax status. If the Client is a specified person, or does not provide the requisite documentation, the Portfolio Manager may need to report information on these clients to the appropriate tax authority, as far as legally required. If a Client or an intermediary through which it holds its interest in the Portfolio Manager either fails to provide the Portfolio Manager, its agents or authorized representatives with any correct, complete and accurate information that may be required for the company to comply with FATCA/CRS, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the Portfolio Manager or, in certain situations, the investor's interest in the Portfolio Manager may be sold involuntarily. The Portfolio Manager may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Portfolio Manager deems appropriate or necessary to comply with FATCA/CRS, subject to this being legally permitted under the IGA or the applicable Indian regulations. The Portfolio Manager also intends to comply with such other similar tax legislation that may apply to the Portfolio Manager although the exact parameters of such requirements are not yet fully known. As a result, the Portfolio Manager may need to seek information about the tax status of the Clients under such other country's laws for disclosure to the relevant governmental authority. The Clients should consult their own tax advisors regarding the FATCA/CRS requirements with respect to their own situation. In particular, the Clients who hold the Securities through intermediaries with respect to





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**General:**

For and on behalf of

KRISHNACHIN  
TAN C PARIKH

[illegible]

Date: April 16, 2025  
Place: Ahmedabad

