

# AQEELUDDIN AND ASSOCIATES.

(Chartered Accountants)

(UDIN: **26269820UGYQLL9670**)



## CHARTERED ACCOUNTANT CERTIFICATE

We have been requested by **Guardian Asset Management Private Limited** ("Company") to certify the contents and information provided in the disclosure document required to be filed with the **Securities and Exchange Board of India (SEBI)** as per **Regulation 22, Schedule V of SEBI (Portfolio Managers) Regulations, 2020**.

We have verified the data from the respective documents provided by the management. We have relied on various representations made to us by the management of the Company wherever necessary.

Based on our verification of the records and information provided to us, we certify that the contents and information provided in the Disclosure Document as of January 08<sup>th</sup>, 2026 are true, fair, and adequate as required under **Regulation 14 and Schedule V of SEBI (Portfolio Managers) Regulations, 1993**.

**FOR AQEELUDDIN AND ASSOCIATES,**

Chartered Accountants.,

(FRN: 026119S)

**MOHAMMAD AQEELUDDIN**

M.NO: 269820

UDIN: **26269820UGYQLL9670**

Place: HYDERABAD

Date: 08-01-2026.



## **Guardian Asset Management Private Limited**

**Portfolio Management Services  
DISCLOSURE DOCUMENT  
As of 08<sup>th</sup> January 2026**

**Guardian Asset Management Private Limited**

**Portfolio Management Services - Disclosure Document**  
**(As required under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)**

- i. The Disclosure Document (hereinafter referred as this "Document") has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and has been filed with Securities and Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- ii. This Document serves the purpose of providing essential information about the portfolio services in order to assist and enable the investors in making informed decision for engaging Guardian Asset Management Private Limited (hereinafter referred as the "Portfolio Manager").
- iii. This Document contains the necessary information about the Portfolio Manager required by an investor before investing. The investor is advised to retain this Document for future reference.
- iv. The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager and Custodian are as follows:

<b>Name of the Portfolio Manager</b>	GUARDIAN ASSET MANAGEMENT PRIVATE LIMITED
<b>Name of the Principal Officer</b>	Mr. Kartik Damodar
<b>Name of Compliance Officer</b>	Ms. CA Rajput Durga
<b>Phone</b>	91- 7075040022
<b>E-mail</b>	<a href="mailto:gamops@gampms.in/rajput.durga@gampms.in">gamops@gampms.in/rajput.durga@gampms.in</a>
<b>Registered Office</b>	8th Floor, Phoenix Lithop Building, Plot No.573 (D3, E3 & F3), Road Number 1, Jubilee Hills, Hyderabad, Telangana, India-500033
<b>Custodian Details</b>	Orbis Financial Corporation Limited 4A, Ocus Technopolis Sector 54, Golf Club Road, Gurgaon, Haryana-122002

Date: January 8<sup>th</sup>, 2026

Place: Hyderabad

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## 1. Disclaimer Clause

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

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

## 2. Definitions

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

1. **"Act"** means the Securities and Exchange Board of India, Act 1992 (15 of 1992).
2. **"Accreditation Agency"** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
3. **"Accredited Investor"** means any person who is granted a certificate of accreditation by an accreditation agency who:
  - i. in case of an individual, HUF, family trust or sole proprietorship has:
    - a) annual income of at least two crore rupees; or
    - b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
    - c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
  - ii. in case of a body corporate, has net worth of at least fifty crore rupees;
  - iii. in case of a trust other than family trust, has net worth of at least fifty crore rupees;
  - iv. in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation

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

4. **"Advisory Services"** shall mean the non-binding investment advisory services rendered by the Portfolio Manager to the Client. The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the Client and shall not be responsible for the investment / divestment of Securities.
5. **"Agreement"** means the agreement between Portfolio Manager and its Client and shall include all schedules and annexures attached thereto.
6. **"Applicable Law/s"** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.

7. **"Assets Under Management" or "AUM"** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
8. **"Associate"** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
9. **"Benchmark"** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **"Board" or "SEBI"** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992
11. **"Business Day"** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **"Client(s)" / "Investor(s)"** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **"Custodian(s)"** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **"Depository"** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **"Depository Account"** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **"Direct on-boarding"** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **"Disclosure Document" or "Document"** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **"Distributor"** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **"Eligible Investors"** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **"Fair Market Value"** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
21. **"Foreign Portfolio Investors" or "FPI"** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **"Financial Year"** means the year starting from April 1 and ending on March 31 in the following year.
23. **"Funds" or "Capital Contribution"** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the



assets, so long as the same is managed by the Portfolio Manager.

24. **"Group Company"** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary
25. **"HUF"** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
26. **"Investment Approach"** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. **"IT Act"** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
28. **"Large Value Accredited Investor"** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
29. **"Non-resident Investors" or "NRI(s)"** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
30. **"NAV"** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. **"NISM"** means the National Institute of Securities Markets, established by the Board.
32. **"Person"** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. **"Portfolio"** means the total holdings of all investments, Securities and Funds belonging to the Client.
34. **"Portfolio Manager"** means **GUARDIAN ASSET MANAGEMENT PRIVATE LIMITED**, a company incorporated under the Companies Act, 2013 registered with SEBI as a portfolio manager bearing registration number INP000006563 and having its registered office at 8th Floor, Phoenix Lithop Building, Plot No.573 (D3, E3 & F3), Road Number 1, Jubilee Hills, Hyderabad, Telangana, India-500033
35. **"Principal Officer"** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
  - i. the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
  - ii. all other operations of the Portfolio Manager
36. **"Regulations" or "SEBI Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
37. **"Related Party"** means –
  - i. a director, partner or his relative;
  - ii. key managerial personnel or his relative;
  - iii. a firm, in which a director, partner, manager or his relative is a partner;
  - iv. a private company in which a director, partner or manager or his relative is a member or director;
  - v. a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
  - vi. any body corporate whose board of directors, managing director or manager is accustomed to act in

- accordance with the advice, directions or instructions of a director, partner or manager;
- vii. any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- viii. any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;
- ix. a related party as defined under the applicable accounting standards;
- x. such other person as may be specified by the Board Provided that,
  - a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
  - b) any person or any entity, holding equity shares:
    - i. of twenty per cent or more; or
    - ii. of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;

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

### 3. Description

#### I. History, Present Business and Background of the Portfolio Manager:

- **History** – Guardian Asset Management Private Limited, incorporated on 21st of December, 2018 as a Private Limited Company under the Companies Act, 2013 having its CIN: U65990TG2018PTC127028 to offer services in financial management, portfolio management, investment strategies. Guardian Asset Management Private Limited is presently registered as a portfolio manager with SEBI under the Regulations bearing registration number INP000006563 dated April 04, 2019 and provides discretionary portfolio management services, non-discretionary portfolio management services and advisory services to its clients.
- **Present Business** – To carry on the business of providing portfolio management, investment strategies, publication and distribution of newsletters, journals, magazines and other modules through print, audio, video and other communication media in the area of financial management, portfolio management, investment strategies and related fields, buying stocks, bonds, mutual funds and derivatives.

#### II. Directors of the Portfolio Manager:

- **Rohini Abraham**, Director
- **Anil Kumar Gupta**, Director
- **Kartik Damodar**, Director
- **Aseem Gupta Sen**, Director
- **Background of Board of Director:**

**Kartik Damodar**, has over 13+ years of experience in the finance industry—including, investment banking, business strategy, operational consulting, wealth management, project management, valuations of securities and derivatives. He has an MBA from the University of British Columbia, Canada in finance and accounting—he has a B Com Honors, from the University of Windsor, Canada in finance and economics. He is a SEBI registered Portfolio Manager who is highly passionate about value investing.

Some of his career highlights include—being part of the prestigious BusinessTransformations team at American Express, based out of New York and Gurgaon. The role involved financial strategy and internal operational consulting—sought to put business practices in place that reduced costs and increased revenue. Prior to working at American Express, he worked at Dundee Securities, an investment bank in Toronto, Canada. He was a part of the research team, where he developed various financial models—



researched companies for investment purposes. He has also advised on a portfolio of US securities for clients from 2010 onwards—the results of the portfolio over five year period has been greater than 20% CAGR.

In 2015, he left American Express to start his own investment advisory firm—Guardian Capital Investment Advisors was incorporated in 2016. His focus has always been client education—he believes that informing and education the client on finance and investments is the key to client satisfaction. Starting from a team of 2, the company grew to a team of 17 within two years.

**Aseem Sen Gupta**, his educational qualifications include an MBA in General Management from Indian Institute of Management, Lucknow, and a B.E. in Electronics & Communication from MIT, Manipal. He has more than 12 years of professional experience across industries -Food Tech (Zomato), E-Commerce (Snapdeal), financialservices (American Express) & consulting (Bristlecone) including sales, strategy & operations, financial planning & consulting. Prior to joining Guardian Asset Management, he was a VP at Zomato heading sales & supply management for their food delivery business.

**III. Group Companies on basis of Turnover is as follows. – (Based on Audited Financial Statement as on March 31, 2024):**

Sr.No.	Name of the Group Companies
1	Guardian Holdings Pvt Ltd
2	Guardian Capital Investment Advisors Pvt Ltd
3	Guardian Consultancy Services Pvt Ltd

**IV. Details of the services being offered:**

**Discretionary Services:** Under these services the Portfolio Manager shall have the sole and absolute discretion to invest the Client's assets in any type of securities as per executed Agreement and make such changes in the investments and invest some or allof the Client's funds in such manner and in such markets as it deems fit and would benefit the Client. The Securities invested/disinvested by the Portfolio Manager for Clients in the same product may differ from Client to Client.

The Portfolio Manager will provide Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. and any other benefits that accrues to the Client's Portfolio, for an agreed fee structure and fora definite period as described in the Products from time to time, entirely at the Client's risk.

The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' assets is absolute and final and cannot be called in question or be open to review at any time during the continuity of the agreement or anytime thereafter except on the groundof malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, with regard to the Client's assets and accretions thereto. Account consistingof investments, accruals and monetary and non-monetary corporate action & benefits if any.

**Non-Discretionary Portfolio Management Services:** shall mean service wherein portfolio manager shall manage the funds in accordance with the directions of the Client under written consents/ instructions.

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

i. All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made there under relating to Portfolio Management Services.	<b>None</b>
ii. The nature of the penalty/direction.	<b>None</b>
iii. Penalties imposed for any economic offence and/or for violation of any securities laws relating to Portfolio Management Services.	<b>None</b>
iv. Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.	<b>None</b>
v. Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency in relation to Portfolio Management Services for which action may have been taken or initiated.	<b>None</b>
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 Regulations made thereunder relating to Portfolio Management Services.	<b>None</b>

**5. Services offered**

- I. Investment objectives and strategies may vary from client to client. The investment objectives of the client are understood and captured from the application form and the client agreement. The application form/client agreement captures the client's expectation of returns and risk tolerance and other terms. Further, depending on the individual client requirements and specifications, the portfolio can be tailor made.
- II. The Portfolio Manager offers the following types of Investment Approaches/Strategies:

**5.II.1. Guardian Multi Cap**

- **Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in 'listed securities' in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive valuations. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to historical average price earning valuation.
- **Portfolio composition:** The portfolio composition would consist of primarily listed securities (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time. The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity.
- **We seek to:**



- Maintain a balanced portfolio of select company agnostic to benchmark
- Ensure alpha generation is a function of stock selection understand, monitor and contain residual factor risks that are by-product of stock selection
- **Salient features:** The portfolio will be invested in companies across market capitalizations, with higher focus on companies with market capitalization higher than Rs 2,500 crores.
- **Portfolio Benchmark:** S&P BSE 500 TRI
  - As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.
- **Investment Horizon:** 4-5 Years

#### 5.II.2. Guardian Multi Asset

- **Investment Objective:** To predominantly make investments into listed securities, equity mutual funds, debt mutual funds, listed bonds and NCD's etc.
- **Portfolio Composition:** Listed securities, equity mutual, debt mutual funds and any other security as required.
- **Other Salient features:** Investment Approach is typically for clients wanting to invest the surplus money to be diversified across various asset classes rather than just on the listed security.
- **Portfolio Benchmark:** S&P BSE 500 TRI
- **Investment Horizon:** 4-5 Years

#### 5.II.3. Guardian Multicap Strategy- Passive

- **Investment Objective and Strategy:** The objective of the strategy is to have a passive fund to safeguard against market volatility and outperform the BSE-500. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive valuations. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to historical average price earning valuation.
- **Portfolio composition:** The portfolio composition would consist of listed securities as per certain filters to BSE-500 companies but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time. The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, Liquidity and may also be dependent on market capitalization
- **We seek to:**
  - Ensure alpha generation is a function of stock selection
  - Understand, monitor and contain residual factor risks that are by-product of stock selection
- **Salient features:** The portfolio will be invested in companies which form part of BSE 500
- **Portfolio Benchmark:** S&P BSE 500 TRI
  - As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.
- **Investment Horizon:** 4-5 Years

#### 5.II.4. Guardian Bond PMS

- **Investment Objective and Strategy:** The objective of this fund will be to invest in listed fixed income securities which have at minimum an investment grade credit rating so as to ensure overall safety of capital invested by reducing the risk of loss of capital due to default and credit risk likely to occur during the tenure of the investment. The fund will adopt a bottom's up approach and undertake necessary underwriting steps for investment selection as outlined in our

strategy. Rather than seeking outsized returns our prime focus will be on preserving capital through monitoring of asset quality and other underlying metrics and generating a return in excess of the benchmark in place.

- **Portfolio composition:** The portfolio composition would consist primarily of listed Bonds (forming at minimum 80% of the portfolio) but the Portfolio Manager may invest in other fixed income securities (primarily other Bonds and NCD's) after assessing the relevant fundamental and asset quality metrics of the underlying instrument in accordance with the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time. The portfolio construction will be a function of Credit Quality Metrics (such as Ratings/Loss Ratios/ Net Interest Margins etc.), Yields (%) and maturity period targeted after assessing the overall strength of the underlying business and strength of the instrument.
- **We seek to:**
  - Ensure returns generated is a function of the underlying asset quality and business fundamentals.
  - Understand, assess and evaluate various underlying factors affecting bonds and continuously monitor the same against established benchmarks.
  - Generate significant alpha after weighing in necessary risks.
- **Salient features:** The portfolio will be invested in listed and unlisted bonds issued by Banks/NBFC's/Domestic Issuers after assessing their overall safety and asset quality metrics.
- **Portfolio Benchmark:** CRISIL Composite Bond Fund Index
- **Investment Horizon:** 3 years

#### 5.II.5. Guardian Multi Asset -NDPMS:

- **Investment Objective:** To predominantly make investments into listed securities, equity mutual funds, debt mutual funds, listed bonds and NCD's etc.
- **Portfolio Composition:** Listed securities, equity mutual, debt mutual funds, Unlisted securities upto 25% and any other security as required.
- **Other Salient features:** Investment Approach is typically for clients wanting to invest the surplus money to be diversified across various asset classes rather than just on the listed security.
- **Portfolio Benchmark:** S&P BSE 500 TRI
- **Investment Horizon:** 4-5 Years

### III. Policies for investments in associates/group companies of the portfolio manager -NA

#### 6. Risk Factors

##### I. General Risks Factors

1. Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
2. The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
3. Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.
4. The names of the Investment Approach do not in any manner indicate their prospects or returns.
5. Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.



6. When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
7. Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
8. The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
9. The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

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

10. Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.
11. Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
12. Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others. Risk associated with debt and money market securities

## **III. Risk Associated with Debt**

13. Interest Rate Risk - Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.
14. Liquidity or Marketability Risk - The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.
15. Credit Risk - Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

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

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

17. The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.
18. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

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

19. Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
20. As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
21. Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
22. The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.
23. The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
24. The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
25. While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
26. The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.



## VI. Risk arising out of Non-diversification

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

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

28. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
29. The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
30. The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

## 7. Nature of expenses

### I. Portfolio Management Fees:

- Portfolio Management Fees relates to the fee payable by the Client for the Portfolio Management Services offered to the Clients by the Portfolio Manager. This fee is (as a percentage) related to the Net Realizable Value\* or NRV of the Portfolio under investment management and may be fixed, variable or a combination of both, as set out in the Agreement. Brief details of the fees are given below:
  - Fixed management fees:** The Fixed Fees are charged to the Client at the end of every calendar Quarter at pre-defined fixed rate on daily weighted average NRV. In the event Client makes any partial or complete withdrawal(s), the Client shall be liable to pay the Fixed Fees thereon on pro rata basis calculated up to and until the date of such withdrawal(s).
  - Performance Fee:** Frequency of charging Performance Fee varies from 1 year to 3 year and is generally charged on the Client's anniversary date
- Performance fee is subject to the Portfolio Manager achieving a minimum investment return over and above the hurdle rate (with High water mark principles). In the first instance hurdle rate is applicable on starting NRV and thereafter on the High Water Mark. Performance fee is calculated as below,
  - Where hurdle is % Performance Fee = fee % \* (Return-Hurdle) (Where in the first instance: Return = NRV (as on the date of calculation of fees)-starting NAV ; and thereafter: Return = NRV (as on the date of calculation of fees)-High water mark).
  - Where hurdle is Nifty Performance Fee = fee% \* (X - Y), Where X = Return of the Portfolio, and Y = Notional Nifty Return Where in the first instance,
  - Return of the portfolio = NRV (as on the date of calculation of fees) - Starting NRV and Thereafter:
  - Return of the portfolio = NRV (as on the date of calculation of fees)- High Water Mark]

- In the event Client makes any partial or complete withdrawal(s), the Client shall be liable to pay
- The Performance Fees thereon on pro rata basis calculated up to and until the date of such withdrawal(s) and the Hurdle rate shall be applicable pro rata.
- The hurdle rate shall be applicable pro rata in respect of any further sums placed by the Client from the date of such placement till the date of calculating performance fee.
- "Net Realizable Value" or "NRV" means the net realizable value of the Assets and shall be aggregate of (i) the amount of cash in the Bank Account and (ii) the value of the Client Securities calculated as per the Securities Valuation Policy of the company on the end of any day, net of the liabilities accrued in the Portfolio.
- **Exit fee:**
  - Applicable on any withdrawal(s) from the Portfolio before the completion of the specified period as per Agreement.
  - This fee is charged on partial and full withdrawals
  - On partial withdrawal, fee is charged on the day of corpus withdrawal.
  - On full withdrawal, fee is charged on the date when account is marked as closed.

**II. Depository & Custodian charges:**

- These charges relate to opening and maintenance of Depository Accounts (wherever required), dematerialization of scrips and their transfer charges in connection with the operation and management of the Client's Portfolio account.
- These charges are accrued and charged to Clients at actuals on monthly basis.
- The Custodians charge the Portfolio Manager based on rates negotiated with them .
- The indicative rates are given in the table below.

**III. Brokerage and transaction costs:**

- These costs relate to charges payable to the broker for execution of transactions on the stock exchange or otherwise on purchase and sale of shares, bonds, debentures, units, and other instruments.
- These charges are on actual basis as charged by the broker.
- The brokers charge the Portfolio Manager on each transaction and the same is passed on to the Client as a part of transaction cost and is included in cost of investment.
- The indicative rates are given in the table below
- Registrar and transfer agent fee: NIL

**IV. Miscellaneous Expenses:**

- Expenses in connection with, operation of bank accounts, documentation, Auditing and certification such as stamp duty attestations, notary, legal services, goods and service tax, insurance charges and any other outsourcing/administrative charges, etc. All charges are on an actual basis
- The indicative rates are given in the table below, an approximate range of fee and expenses that may be charged to Clients are indicated below. It may be noted that the exact charge may vary depending upon the time and the exact nature of the services that is provided to Clients.

**Portfolio Management Fees:**

Nature of Fee	Frequency	Approximate Range of Fee
Fixed fees	End of every calendar quarter OR on withdrawal whichever is earlier	0% to 2.5% p.a



Performance Fee	Varies from 1 year to 3 years and is generally charged on Client's anniversary date and on complete withdrawal	Between 15% to 25%, subject to the Portfolio Manager achieving a minimum investment return over and above the hurdle rate (with High water mark principles)
Exit Fees	Applicable on partial and complete withdrawal	1st year of investment – up to 3% of redeemed value 2nd year of investment – up to 2% of redeemed value 3rd year of investment – up to 1% of redeemed value > 3 years – NIL

**Brokerage charges (excluding STT charges and Other Transaction charges):**

These costs are charged at actuals and which is currently in the range of 0.10% of market rate. STT charges and other charges as collected by stock exchanges such as stamp duty, transaction charges etc shall be charged at actuals.

**Operating expenses excluding Brokerage**

Nature of Fee (Indicative)	Frequency of Charge	Approximate Range of Charges
<b>Applicable to all categories of Clients</b>		
Custody charges	Monthly	Upto 0.055% p.a calculated on the daily average holding value in demat account plus taxes
Activation charges	One time at signing of agreement and amendments	Franking & Notary expenses upto Rs 600*
Audit charges	Annual	Upto Rs 2000 plus taxes
<b>Applicable to Non-Resident Indian (NRI's) Clients</b>		
Transaction Charges	Transaction based	Rs 50 for each transaction plus taxes
CA Certification Charges	Monthly	Rs. 500 per transaction or maximum 7500 per month (on Sell transactions) - whichever is lower plus taxes
PIS Approval charges	One time at time of PIS approval	Upto Rs 3,000/- plus taxes
Market Transaction Charges (if any)		0.02% of transaction value subject to minimum Rs 100/- for rights issue application, IPO, Open offers, etc.

\*Subject to revision of the provisions of the underlying applicable laws.

Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

- The Portfolio Manager shall deduct all such fees and expenses directly from the Cash Account of the Client or require the Client to make the payments separately to the Portfolio Manager, at the option of the Portfolio Manager. Other expenses which could be attributable to the Portfolio Management Services would also be directly deducted and the Client would be provided details of the same. B
- The fees charged for rendering Portfolio Management Services subject to the limits prescribed by SEBI from time to time and do not guarantee or assure, either directly or indirectly, any return on the investment made by the Client.
- The exact fees charged to the Client relating to each of the above services will vary depending upon the exact nature of the services to be provided. These shall be annexed to the Agreement depending upon the services to be provided by the Portfolio Manager to the Client at the time of execution of the Agreement with the Client.

## 8. Taxation

### I. General

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

### II. Tax deducted at source

- In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.
- In the case of non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the IT Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.
- The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income.

### III. Long term capital gains

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

#### Period of Holding:

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

Securities	Position up to 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term capital asset
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
Unlisted shares of a company	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset



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

• **Definition of Specified Mutual Fund:**

Before 1st April 2025:

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

On and after 1st April 2025:

- **“Specified Mutual Fund”** means, —
  - a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or
  - b) a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).

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

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

• **Definition of Market Linked Debenture:**

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

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

- The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of equity oriented fund or business trust.
- As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.
- Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, is also taxed at a rate of 10%. This benefit is available to all

assesses. This tax rate is increased from 10% to 12.5%.

- The long term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to “step up” the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.
- Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognized stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.
- The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.
- No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

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

- Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.
- As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

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

- Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.
- Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

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

- Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of



the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

#### **IV. Short term capital gains**

- Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.
- Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.
- The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

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

- If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.
- Interest income arising on Securities could be characterized as 'Income from other sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

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

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

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

- GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:
- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.
- In such cases, the tax authorities are empowered to reallocate the income from such arrangement,

or recharacterize or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Recharacterising equity into debt, capital into revenue, etc.
- The GAAR provisions would override the provisions of a treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the Income-tax Rules, 1962. The Income tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.
- On 27 January 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:
- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB) in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

#### **VIII. FATCA Guidelines**

- According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May. The reporting financial institution is expected to maintain and report the following information with respect to each reportable account:
  - a) the name, address, taxpayer identification number and date and place of birth;
  - b) where an entity has one or more controlling persons that are reportable persons:
    - i. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
    - ii. the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
  - c) account number (or functional equivalent in the absence of an account number);
  - d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
  - e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.
- Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and other reportable accounts (i.e. under CRS).

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

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

### **9. Accounting Policies**

#### **I. Client Accounting**

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



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

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

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

## **III. Valuation of portfolio investments**

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

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

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

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

## 10. Investors Services

Investor relation officer who shall attend to the investor queries and complaints.

- (i) Name of the investor relation officer : Rajput Durga  
Address and telephone number : 8th Floor, Phoenix Lithop Building,  
Plot No.573 (D3, E3 & F3), Road Number 1  
Jubilee Hills, Hyderabad, Telangana,  
India-500033  
[gamops@gampms.in](mailto:gamops@gampms.in), 7075040022
- (ii) Grievance redressal and dispute settlement mechanism:
- For any grievance / dispute please contact Guardian Asset Management Private Limited  
Compliance Officer: Rajput Durga at the address or email id: [rajput.durga@gampms.in](mailto:rajput.durga@gampms.in) and Phone No. +91-7075040022.
  - Investors can approach SEBI for redressal of their complaints. On receipt of complaints, SEBI takes up the matter with the concerned PMS provider and follows up with them. e. Investors may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

## 11. Diversification policy of the portfolio manager

- The Portfolio Manager has a diversification policy in place, which covers the following considerations in managing of Client's funds and mitigating risk that could arise from non-diversification.
  - Portfolio construction basis Investment Approach objectives.
  - Number of securities and level of concentration of securities basis percentage, sector/industry.
  - Adhering with limits of investment prescribed under the applicable Regulation
  - Client's guidance on limits/restriction for investment in securities
  - Nature of securities viz. equity, debt, liquid, and market capitalization/sector/industry etc.
  - Liquidity nature of the securities

## Part II – Dynamic Section

### 12. Client Representation

I.

Category	Mar-25	Mar-24	Mar-23	Mar-22	Discretionary / non-discretionary
Number of Associate /Group Clients	0	0	0	0	NA
Number of Other Clients	62	29	27	24	discretionary
Funds Managed (INR CR)	110.97	87.5	57.34	30.54	-

### II. Related Parties to the Portfolio Manager during the year

Sr No	Name of related party	Nature of relationship	Nature of transaction
1	Damodar Yadati	Relative of KMP	Client Agreement
2	Kartik Damodar	KMP	Director Remuneration
3	Guardian Capital Investment Advisors Pvt Ltd	Fellow Subsidiary	Distributor also Advance taken/Loan given

### III. Details of related party transactions:

NAME OF PARTY	Designation	As on March31, 2025 (INR Lakhs) (Audited)	As on March31, 2024 (INR Lakhs)	As on March31, 2023 (INR Lakhs)
Damodar Yadati	Relative of KMP	3.3	256.25	51.34
Kartik Damodar	KMP	382.56	0	3.60
Guardian Holding Pvt Ltd	Holding Company	308.71	0	-
Guardian Capital Investment Advisors PvtLtd	Fellow Subsidiary	40.09	51.44	39.00
Guardian Consulting Pvt Ltd	Fellow Subsidiary	0.8	0	0
Rohini Abraham	Relative of KMP	33.99	0	0
Anil Kumar Gupta	Relative of KMP	7.2	0	0



### 13. Financial Performance of the Portfolio Manager

Particulars	For last 12 months ending (Audited)	For Twelve months Ending (Audited)	
		Mar-24	Mar-23
INR (Amount in Rs'00)	Mar-25		
Total Income	289,465	1,33,723	52,542
Total expenses (incl. depreciation, interest and tax)	63.06	93,741	40,856
Profit after tax	187.43	6,723	11,686
Equity capital	3,26,381	3,26,381	307,356
Reserves	3,95,478	2,08,048	147,128

### 14. Performance of the Portfolio Manager

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

Date	Portfolio Performance	BSE 500 TRI
31st March 2025	1.99%	6.38%
31st March 2024	8.05%	23.84%
31st March 2023	23.71%	42.24%

### 15. Audit Observations

The details of observations made during 3 previous year audit conducted under Regulations 30(2) are as follows:

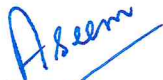
Financial Year	Audit Observations
FY 2023-24	Nil Observation
FY 2022-23	Nil Observation
FY 2021-22	Nil Observation

### 16. Investments in the securities of related parties of the portfolio manager-NA

For and behalf of GUARDIAN ASSET MANAGEMENT PRIVATE LIMITED



**KARTIK DAMODAR**  
Director  
DIN: 07215157



**ASEEM GUPTA SEN**  
Director  
DIN: 08101874

**Date: 08-01-2026**  
**Place: Hyderabad**