

DISCLOSURE DOCUMENT

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

1. The Document has been filed with the Board 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 services in a manner to assist and enable the investors in making informed decisions for engaging InvestValue Capital Private Limited (hereinafter referred as the "Portfolio Manager") as a Portfolio Manager.
3. The necessary information about the Portfolio Manager required by an investor before investing is disclosed in the Disclosure Document. Investors should carefully read the entire document before making a decision and should retain it for future reference.

4.

Name of the Portfolio Manager:	InvestValue Capital Pvt Ltd
Registered Address:	303, A Wing, Gokul Arcade, Near Garware House Sahar Road, Ville Parle (E) Mumbai - 400057
Place of Business:	320, A Wing, Gokul Arcade, Near Garware House Sahar Road, Ville Parle (E) Mumbai - 400057
Telephone No:	+91 9260147880
Email ID:	aditya@investvalue.ai

5. Mr. Aditya Agarwala, shall be the Principal Officer as designated by the Portfolio Manager is, details of whom are as under:

Principal Officer	
Name	Mr. Aditya Agarwala
Address	303, A Wing, Gokul Arcade, Near Garware House Sahar Road, Ville Parle (E) Mumbai - 400057
Phone	9833575667
E-Mail	aditya@investvalue.ai

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PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT

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1. DISCLAIMER CLAUSE

The particulars of Disclosure Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended till date and filed with Securities and Exchange Board of India ("SEBI"). This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the document.

2. DEFINITIONS

In this Disclosure Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

- i. "Agreement" or "Portfolio Management Services Agreement" or "PMS Agreement" means the agreement executed between the Portfolio Manager and its Clients in terms of Regulation 22 and Schedule IV of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
- ii. "Activation Date" means the date on which the portfolio account of the client is activated in system.
- iii. "Advisory Services" means non-binding and non-discretionary advisory services and/ or such other related services provided to a Client by Portfolio Manager in terms of agreement executed with the Client in terms of SEBI (PMS) Regulations, 2020 and such circulars and/ or guidelines issued by SEBI from time to time.
- iv. "Client" or "Investor" means any person who enters into an agreement with Portfolio Manager for availing the Portfolio Management Services offered by the Portfolio Manager.
- v. "Custodian" means a custodian of securities, duly holding a certificate of registration under the SEBI (Custodian of Securities) Regulations, 1996 (as amended or reenacted from time to time);
- vi. "Discretionary Portfolio Management Services" or "Portfolio Management Services" shall mean the management, including investment or sale of the Portfolio of the Client, as the case may be, by the Portfolio Manager at its complete and unfettered discretion, subject to any specific restrictions mentioned under the Client Mandate forming part of the Agreement or given by the Client in the prescribed format, at a later date(s);
- vii. "Disclosure Document" or "Document" means this document prepared pursuant to Regulation 22(3) and in accordance with Schedule V of the Regulations disclosing inter-alia following: (i) performance of the Portfolio Manager; (ii) portfolio risks; (iii) the quantum and manner of payment of fees payable by a Client; (iv) disclosures in relation to the business and disciplinary history of the Portfolio Manager as well as the terms and conditions on which any advisory services are being offered and affiliations with other intermediaries etc.
- viii. "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.
- ix. "Equity Related Instruments" includes convertible bonds and debentures, convertible preference shares, equity warrants, equity derivatives, FCCBs, equity mutual funds and any other like instrument.




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- x. "Emotional Capital at Risk" is that part of the contribution/corpus from client arrived at based on the "Proprietary Model of Emotional Capital at Risk" of the InvestValue Capital Pvt. Ltd. (the Portfolio Manager).
- xi. "Financial year" means the year starting from 1st April and ending on 31st March of the following year.
- xii. "Funds" means the monies managed by the Portfolio Manager on behalf of the Clients' pursuant to the PMS 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 PMS 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.
- xiii. "Goods" means the goods notified by the Central Government under clause (bc) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative
- xiv. "Initial Corpus" means the value of the funds and / or the market value of securities brought in by the Client at the time of registering as client with Portfolio Management Services and accepted by the portfolio manager.
- xv. "Investment Approach" means 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 which shall inter-alia include but not limited to investment objective, description of type of securities, investment horizon and risks associated with the investment approach
- xvi. "Non-Discretionary Portfolio Management Services" means a portfolio management services where a Portfolio Manager acts on the instructions received from the Client with regard to investment of funds of the Client under a contract relating to portfolio management and will exercise no discretion as to the investment or management of the portfolio of securities or the funds of the client, as the case may be
- xvii. "Portfolio" means Securities and/or Funds managed by the Portfolio Manager on behalf of the Client pursuant to the PMS Agreement and includes any Securities and/or Funds mentioned in the account opening form, any further Securities and/or funds placed by the Client with the Portfolio Manager for being managed pursuant to the PMS Agreement, Securities or other realization of the portfolio acquired by the Portfolio Manager through investment of Funds and bonus, dividends or other receipts and rights in respect of Securities forming part of the portfolio, so long as the same is managed by the Portfolio Manager under the PMS Agreement.
- xviii. "Portfolio Manager" means InvestValue Capital Private Limited, a Company incorporated under the Companies Act, 2013 on 21st May 2025.
- xix. "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




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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

- xx. "Regulations" or "SEBI Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time.
- xxi. "Related party" shall have the same meaning as defined in Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020
- xxii. "SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
- xxiii. "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.

The terms and expressions not herein defined shall, where the interpretation and meaning have been assigned to them in terms of the Securities Exchange Board of India Act, 1992 or the relevant regulations framed thereunder, Depositories Act, 1996, the Companies Act, 2013 and the General Clauses Act, 1897, have that interpretation and meaning.

3. DESCRIPTION

(i) History, Present Business and Background of the Portfolio Manager

InvestValue Fintech Pvt Ltd (which is the parent company of InvestValue Capital Pvt. Ltd) is a tech-first wealth marketplace built to simplify how sophisticated products move in India's wealth ecosystem. They've shown strong early commercial traction with India's first multi-issuer wealth-products marketplace NeoFin Desk, that connects issuers (banks, AMCs, AIFs, insurance) with distributors (wealth advisors, PMS managers, family offices) on a digital platform. It's cloud-native, scalable, AI-powered.

Over the past three years they've served 40+ institutions and 500+ distributors, processed over ₹1,500 crore in transactions, and generated ₹100+ crore in revenue. They've been profit-positive since FY 2022 and are currently raising US \$5 million to scale the platform further — especially Tier-2/3 cities and fintech partnerships.

Its group company invest4Edu Pvt. Ltd. is registered with SEBI as a Research Analyst entity bearing registration number **INH000010113** from October 17, 2022. They provide research services to institutions and clients. It has also been operating few Equity and Equity Equivalent Baskets on Starfolio by Trendlyne starting February 2025.



Our Philosophy:

Our Research Philosophy consists of identifying companies for investment that can create significant value/returns from capital appreciation (plus dividends) over the near to medium term (3 -5 years). Our Research endeavours to identify companies that can exhibit substantial growth in profits/ cash flows over the next 1 -3 years and are available at valuations that leave significant room for capital appreciation in response to the ensuing growth in profits/ cash flows.

Identification of companies to spend research effort on is based on both approaches –

- 1) Top down – Where sectoral tailwinds indicate that growth is likely to be good over the near to medium term for the sector in general and hence for most companies in the sector. The idea is then to find the best possible stock in the sector in terms of risk reward.
- 2) Bottom up – Here we try to identify stock ideas for investment solely on happenings in/ for a company. Mostly it is about evaluating a company directly (not based on sector analysis) to see whether at the current price it offers an investment opportunity for reasonable capital appreciation. Typically, company specific turnarounds due to change in management or their strategies in business is a good example for bottom -up trigger of research on that company.

Our Research process is intended to identify companies based on following elements –

- 1) Analysing strengths and weaknesses of business of the company under research
- 2) Analysis of capability, honesty and aggression of the management team of the company
- 3) Once the business and management aspects tick our check boxes the share price is evaluated based on absolute and relative analysis of ratios like Price/ earnings, Price/Book value, Enterprise value to operating cash flows to determine what is a good price to buy the stock considering the risk - reward opportunity it offers.

Our approach involves an endeavour to minimize possibilities of negative contributors to portfolio returns and we thoroughly believe in working by the mantra of 'Avoid the losers, the winners will take care of themselves'.

- (ii) Promoters of the Portfolio Manager, Directors And their Background as on 31st March 2025

Directors:**1. Tushar Vikram Bopche - Director**

Tushar Bopche is an engineer with an MBA in Marketing & Finance, and IIM Calcutta alumni. A leader and strategist, Tushar works to create value for the betterment of society. Be it helping parents plan the best education for their child, making financial literacy a must learn skill for students, or developing an ecosystem for budding entrepreneurs in Tier 2 & 3 cities.



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With an experience of more than 20 years, he has worked in leadership positions in some of the top organizations such as India Bulls, Reliance Life Insurance, IIFL, and Yes Securities. He is a co-founder of Invest4Edu, InvestValue Fintech and Brainstation India Foundation, a not-for-profit organization working with young entrepreneurs. He lives in Mumbai with his family

2. Manoj Gopal Sharma - Director

Manoj Sharma is the Co-founder and Whole-time Director of InvestValue Fintech Pvt. Ltd., a rapidly growing wealth-tech platform that empowers financial advisors and institutions through digital solutions like NeoFinDesk. With a strong focus on innovation in financial distribution, Manoj has played a key role in shaping InvestValue's strategic direction, expanding its footprint across India, and driving consistent profitability. His core strengths lie in platform development, distribution strategy, and leveraging technology to simplify wealth management for clients and partners.

Prior to founding InvestValue, Manoj held leadership roles at IIFL as Associate Vice President – Products, where he gained multidisciplinary experience across equity sales, wealth and insurance distribution, lending, risk and policy formulation. He also served as Vice President – AUM Products at Yes Securities, where he played a key role in developing the firm's AUM business and implementing digital-first solutions to enhance client experience and advisor efficiency.

3. Aarohi Amit Kadam- Director

Mrs. Aarohi Amit Kadam is a commerce graduate (B.Com) from Mumbai University with over 15 years of professional experience. She began her career with IFEN as a Senior Counsellor, where she built and nurtured long-term client relationships. She then worked at IIFL as a Senior Product Manager, focusing on sales performance tracking, product development, and aligning offerings with client needs.

Currently, she is Assistant Vice President at InvestValue Fintech Pvt. Ltd., responsible for driving revenue growth through partner management, lead generation, and solution-based selling. Her expertise lies in sales, product development, and business growth strategies across financial services. She brings a strong blend of client engagement, leadership, and product innovation to her professional role.

(iii) Top 10 Group Companies/ Firms of the Portfolio Manager as on 31st March 2025.

A. As on 31st March 2025 as per the Audited Financials of the Portfolio Manager:



Sr. No.	Name of the Companies
1	InvestValue Fintech Private Limited
2	invest4Edu Private Limited

B. As on 31st March, 2025 the Companies in which the Promoter/ Director is a Director:



Sr. No.	Name of the Companies
1	InvestValue Fintech Private Limited
2	invest4Edu Private Limited
3	Brainstation India Foundation
4	Mevron.ai Private Limited

(iv) Details of Services being offered by the Portfolio Manager:

Discretionary Portfolio Management Service (DPMS) – The portfolio account of the Client is managed at the full discretion and liberty of the Portfolio Manager.

Under these services, the discretion pertaining to investment/disinvestment decisions on an on-going basis rest solely with the Portfolio Manager. The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of Security as per the Agreement and make such changes in the investments and invest some or all of the Client's account in such a manner and in such markets as he deems fit. The securities invested/disinvested by the Portfolio Manager for Clients in the same offering may differ from one Client to another Client based on investment objectives, risks, time of inflow, valuations, nature of mandate, etc. The Portfolio Manager's decision taken in good faith towards deployment of the Client's account is absolute and final and can never be called in question or to be open to review at any time during the currency of the Agreement or anytime thereafter except on the ground of mala fide intent, fraud, conflict of interest, or gross negligence. The rights of the Portfolio Manager shall be exercised strictly in accordance with the Regulations.

Periodic statements in respect of the Client's portfolio shall be made available to the respective Clients as per SEBI regulations. Investment objective may vary 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, reviewing 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 which accrue to the Client's portfolio for an agreed fee structure and for a definite period as described in the Agreement from time to time, entirely at the Client's risk. 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. A custodian is appointed in respect of securities managed or administered under DPMS. The Portfolio Manager shall be solely acting as an advisor in respect of Portfolio of the Client and shall not be responsible for the investment / divestment of securities and / or administrative activities of the Client's Portfolio.

Non-Discretionary Portfolio Management Service (NDPMS) – The Portfolio Manager manages the portfolio in accordance with the directions and permission of the Client. Portfolio Manager shall provide non-discretionary portfolio management and administrative services for the Funds/ Securities put in by the Client in accordance with the provisions of the Agreement and the terms and conditions mentioned. The Portfolio Manager shall be responsible for rendering such services in accordance with the Act, Rules, Regulations, Guidelines of SEBI and other regulators as may be applicable from time to time. The investments will be with the Client's oral and/or written consent and the Client will be wholly responsible for the decisions on the investments. The Portfolio Manager shall provide non-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 with the Client's oral and/or written consent. Additionally, the Portfolio Manager will keep the safe custody of the securities and monitor book closures, dividend, bonus, rights, etc. and any other benefits that accrue to the Client's portfolio, for an agreed fee structure and for a definite period as described in the Agreement from time to time, entirely at the Client's risk. 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 consisting of investments, accruals, and monetary and non-monetary corporate actions & benefits, if any. A custodian is appointed with respect to securities managed or administered under NDPMS.



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Advisory Service – Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Clients and agreed upon in the Client agreement. The Portfolio Manager will render the best possible advice to the client having regard to the client's needs and the investment requirement, and his own professional skills. The same can be binding or non-binding in nature or in such terms as mentioned in the Client agreement. For such services, the Portfolio Manager charges the Client a fee for services rendered mentioned in the Client agreement.

The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry /exit timing, execution and settlement are solely the Client's responsibility. A custodian will not be appointed in respect of securities managed or administered under Advisory Service.

(V) **Structured Offerings** - The Portfolio Manager from time to time at its discretion might introduce various types of structured offerings as per the requirements of its clients. The funds would be invested and managed in accordance with the specifications provided by the Portfolio Manager to the Client. The Portfolio Manager can construct portfolios with different names in the form of series under any of the above-mentioned offerings/options from time to time. The terms of the tenure of the offerings/options subscription and redemption, etc. will be as per the Client agreement and other documents executed with the Client.

(vi) **Eligibility:**

1. Resident Individuals, proprietorship firms, HUFs, partnership firms, trusts, corporate, FPI and any other eligible investors.
2. Non-residents are eligible to invest subject to prevailing RBI, SEBI and applicable regulatory guidelines and after completing the requisite paperwork with bank, custodian, broker.
3. Minimum investment amount as per SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time. Currently the Minimum Investment Amount is Rs. 50 Lakhs.
4. Additionally, for Clients whose portfolio value goes below the minimum threshold as provided in the Regulations, due to withdrawals from the account as per the aforementioned terms and conditions, then the Portfolio Manager shall have the discretion to close the Client's account by liquidation of his/ her positions and refunding the appropriate balance.

InvestValue Capital PMS may onboard accredited investors after following the directions as per the amendment in the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 regarding accredited investors and large value accredited investors and any other applicable procedures.



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4. **PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY.**

- A. All cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act, 1992 or Rules or Regulations made there under.
None
- B. The nature of penalty / direction.
None
- C. Penalties/ fines imposed for any economic offence and/or for violation of any securities laws.
None
- D. Any pending material litigation/legal proceedings against the portfolio manager /key personnel with separate disclosure regarding pending criminal cases, if any.
None
- E. Any deficiency in the systems and operations of the portfolio manager observed by SEBI or any regulatory agency.
None
- F. Any enquiry/adjudication proceedings initiated by SEBI against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the SEBI Act, 1992 or Rules or Regulations made thereunder.

For Portfolio Manager

None

For any person directly or indirectly connected with the Portfolio Manager or its 3directors, principal officer or employee

None



5. INVESTMENT APPROACH

The Portfolio Manager under its Discretionary Portfolio Management Services offers the following Investment Approach to cater to the requirements of Client. The Portfolio Manager shall deploy the securities and/ or funds of the Client in accordance with the investment objectives, investment policy and investment approach at the time of Investment

Scheme – (I) InvestValue Viksit Portfolio

Name of Investment Approach	Multicap Fund
Strategy	Equity
Investment Objective	The investment objective is to generate capital appreciation predominantly through investments in equities with a medium to long-term perspective.
Investment Strategy & Philosophy	The strategy is long-only and seeks to optimize risk-reward by investing across large, mid, and small caps without sectoral or market-cap restrictions. A mix of bottom-up and top-down research is applied, with emphasis on balancing growth opportunities with risk control. Diversification is maintained to manage volatility, while stock selection is driven by fundamentals, growth visibility, and valuation attractiveness.
Description of types of securities for Investment Approach	Investments are primarily in equity shares and equity-linked instruments of Indian companies. In periods where attractive opportunities are limited, allocations may shift temporarily to bank deposits, money market instruments, or liquid funds. Derivatives may be used selectively for hedging, unless restricted by the client.



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Basis of selection of such types of securities as part of the Investment Approach	• Market capitalization is not a constraint; allocations are dynamically adjusted across large, mid, and small caps to balance return and risk. • Research is centered on business quality, financial track record (7–10 years), management capability, and growth prospects. • Stock selection focuses on companies with strong fundamentals, scalable growth, potential for re-rating, or momentum strength. • Typical stock categories include: a. High-growth compounders with long-term scalability. b. Companies in cyclical upturns. c. Turnarounds driven by management or strategy change. • Businesses benefiting from operating leverage. • Special situations (merger, demerger, IPOs).		
Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Equity & Equity Linked Instruments	0%	100%
	Other investible securities	0%	100%
Performance Benchmark and Basis of its selection	Strategy is a long only, sector agnostic and Multicap strategy. Out of the options available under regulations, NSE 500 TRI was considered to be most appropriate.		
Indicative Tenure or investment horizon	We expect the client to stay invested in the portfolio for atleast a 3–5-year period.		
Risks associated with the Investment Approach	• Volatility risk: By design, the multicap approach invests across large, mid, and small caps. While large caps bring relative stability, mid and small caps can exhibit sharp movements in short periods due to thinner liquidity and lower institutional participation. This can amplify portfolio volatility on both the upside and downside. • Business cycle and liquidity risks: Smaller companies are often more exposed to industry cycles, changes in demand, and competitive intensity. They may lack strong organizational depth or diversified revenue streams, making them vulnerable in weak economic conditions. Liquidity can dry up in adverse markets, magnifying price swings.		



Sanjay

	• Concentration risk in ideas: Even though diversification is maintained, conviction-led allocations to certain sectors or themes may expose the portfolio to sector-specific or regulatory risks if those segments face sudden headwinds. • Tactical allocation risks: The portfolio manager may choose to raise cash during periods of overvaluation or limited opportunities. While intended to protect capital, such decisions could underperform if equity markets continue rising during those periods. • Systematic market risk: Broader market corrections, global macro shocks, or geopolitical developments can impact all stocks irrespective of fundamentals, leading to interim drawdowns.
Other salient features	A flexible, diversified strategy that seeks to capture opportunities across the spectrum of Indian equities while maintaining risk balance.





Scheme – (II) **InvestValue Conviction Portfolio**

Name of Investment Approach	Focused Fund
Strategy	Equity
Investment Objective	The investment objective is to deliver superior long-term capital appreciation by investing in a concentrated set of high-conviction ideas across market capitalizations, driven by strong fundamentals, business quality, and growth potential.
Investment Strategy & Philosophy	The strategy seeks to focus on a limited number of companies (10–30), representing our highest conviction ideas. The approach is long-only, bottom-up driven, and sector/market cap agnostic. By concentrating in fewer names, the portfolio seeks to deliver outsized returns while ensuring sufficient diversification to avoid over-concentration risk. Stock selection emphasizes quality, scalability, management integrity and strong momentum.
Description of types of securities for Investment Approach	Investment would be made primarily in equity shares and equity-linked instruments issued by companies operating in India. In situations where attractive opportunities are limited or during periods of heightened risk, funds may temporarily be allocated to bank deposits, liquid mutual funds, or money market instruments to protect capital. Derivatives may be used for hedging purposes only if permitted by the client.



Basis of selection of such types of securities as part of the Investment Approach	a. The focused approach emphasizes on high conviction stocks and/or stock equivalents, meaning only select businesses with strong fundamentals, sustained momentum, sustainable earnings, and clear visibility of growth are considered. b. Portfolio concentration is intentional, the manager typically holds 10–30 companies at any point in time (though an ample amount of diversification shall be ensured to avoid drastic volatility and overconcentration risk within stocks). c. Research-driven, time tested, selection equity shares and equity linked instruments issued by companies operating in India, selection emphasizes business quality, industry positioning, growth runway, and management capability. d. Evaluation metrics include long-term track record (7–10 years), financial strength, cash flow generation, and governance standards. e. Stocks typically fall into the following categories: i) High-growth compounders with scalability and strong competitive advantages. ii) Category leaders or businesses with pricing power and dominant market share. iii) Companies at an inflection point such as management change, product launches, or structural growth opportunities.		
Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Equity & Equity Linked Instruments	0%	100%
	Other investible securities	0%	100%
Performance Benchmark and Basis of its selection	Strategy is a long only, sector agnostic and Multicap strategy. Out of the options available under regulations, NSE 500 TRI was considered to be most appropriate.		
Indicative Tenure or investment horizon	We expect the client to stay invested in the portfolio for atleast a 3–5-year period.		
Risks associated with the Investment Approach	Concentration risk: As the portfolio invests in fewer companies, underperformance of a few holdings may significantly impact returns. Market volatility: Exposure to mid/small caps may lead to short-term volatility. Liquidity risk: Smaller companies may face liquidity constraints.		

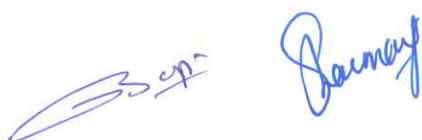


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	Tactical allocation risk: Holding cash during rising markets may reduce interim performance.
Other salient features	None

Scheme – (III) **InvestValue Dynamic Balance Portfolio**

Name of Investment Approach	Dynamic Balance Portfolio
Strategy	Dynamic Equity + Debt + Cash
Investment Objective	The investment objective is to deliver long-term wealth creation with reduced downside risk by dynamically managing allocation between equities, debt, and cash, depending on market valuations, sentiment, and outlook.
Investment Strategy & Philosophy	The strategy adopts a balanced advantage framework by dynamically adjusting equity exposure between 30–80% based on market conditions. In overvalued markets, exposure shifts to debt/liquid assets to preserve capital. In undervalued markets, equity allocation is increased to capture upside. The approach combines quantitative models, valuation metrics (like P/E, P/B, earnings yield), and technical indicators to determine allocation.
Description of types of securities for Investment Approach	The portfolio invests in: - Equity shares and equity-linked instruments of companies in India. - Debt instruments, including government securities, corporate bonds, and debt mutual funds. - Money market instruments and liquid funds for tactical allocations. - Derivatives may be used selectively for hedging exposure.



Basis of selection of such types of securities as part of the Investment Approach	a. Equity allocation is guided by valuation models and potential growth opportunities in the business, higher allocations when markets are undervalued and lower allocations when overvalued. b. Debt allocation is used to stabilize portfolio returns and reduce volatility while protecting the downside in the event of a sharp market correction. c. Tactical cash positions are taken during periods of high euphoria or lack of investment opportunities. d. Stock selection within equity follows bottom-up research, ensuring quality companies form the core portfolio.		
Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Equity & Equity Linked Instruments	30%	80%
	Debt & Money Market Instruments	20%	70%
Performance Benchmark and Basis of its selection	Strategy is a long only, sector agnostic and balanced strategy between debt and equity. Out of the options available under regulations, a blended benchmark: 65% S&P BSE 500 TRI + 35% CRISIL Short Term Bond Index, reflecting the strategy's hybrid allocation.		
Indicative Tenure or investment horizon	Investors should stay invested for at least 3–5 years. This scheme suits moderate risk investors seeking smoother return experiences.		
Risks associated with the Investment Approach	• Model risk: Allocation decisions are based on models, which may not always capture market behavior. • Timing risk: Shifts between equity and debt may mistime cycles. • Interest rate risk: Debt allocation may be impacted by rate changes. • Equity market risk: Core equity holdings remain subject to market volatility.		
Other salient features	The strategy provides participation in market upswings with capital protection in downturns, making it suitable for balanced investors.		

Scheme – (IV) InvestValue Systematic Edge Portfolio

Name of Investment Approach	Quant Portfolio
Strategy	Quantitative Equity
Investment Objective	The objective is to achieve consistent, risk-adjusted returns by deploying quantitative, data-driven models for stock selection, portfolio construction, and risk management minimizing human bias. This may involve high churning of stocks.
Investment Strategy & Philosophy	The strategy uses a rules-based, systematic approach to select stocks based on multi-factor models. Factors considered include valuation (cheap vs expensive stocks), momentum (price/earnings strength), quality (earnings stability, balance sheet strength), and volatility (risk control). Portfolio weights are optimized using algorithms, and periodic rebalancing ensures alignment with model signals. Human discretion is minimized to maintain objectivity and repeatability.
Description of types of securities for Investment Approach	Investment would be made primarily in equity shares and equity linked instruments issued by companies operating in India. In a situation where we do not find sufficiently attractive opportunities or at times to temporarily preserve the portfolio value, funds would be invested in bank deposits or money market / bond mutual fund / liquid mutual funds. The Portfolio Manager might transact in derivatives in case it seems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in relevant declaration and the Portfolio Manager would be barred from using derivatives in the client's portfolio.
Basis of selection of such types of securities as part of the Investment Approach	• Stock universe is screened and ranked based on quantitative scores from value, momentum, quality, and risk factors. • Portfolio is constructed using optimization to balance risk-reward and avoid over-concentration. • Rebalancing occurs at regular intervals (weekly/monthly/quarterly/yearly) as per model outputs. • No discretionary overrides the rules-based investing to ensure objectivity of the scheme.



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Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Equity & Equity Linked Instruments	0%	100%
	Other investible securities	0%	100%
Performance Benchmark and Basis of its selection	NSE 500 TRI is chosen for its broad representation of the investable universe, cutting across market caps and sectors.		
Indicative Tenure or investment horizon	Minimum 3 years. Investors should stay through market cycles to benefit from factor strategies.		
Risks associated with the Investment Approach	Model risk: Quant strategies depend on historical data; if patterns don't repeat, returns may lag. Factor underperformance: Factors like momentum/value can underperform for extended periods. Overfitting risk: Back-tested strategies may not replicate in live conditions. - Liquidity risk in mid/small caps.		
Other salient features	By removing emotional biases, the quant model ensures discipline, consistency, and transparency, appealing to investors seeking scientific investing.		

Scheme – (V) InvestValue Debt Opportunities Portfolio

Name of Investment Approach	Fixed Income Portfolio
Strategy	Debt + Debt Mutual Fund
Investment Objective	The primary objective is to generate superior risk-adjusted returns by investing in a diversified portfolio of high-coupon debt securities issued by fundamentally sound but non-AAA rated entities. The strategy aims to capture credit opportunities in the Indian fixed-income market through robust credit assessment, active portfolio monitoring, and risk-mitigated execution. The focus is on capital preservation along with income generation and return enhancement through careful credit selection and structuring.




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Investment Strategy & Philosophy	Capital Preservation First – Every investment will be filtered through a strong credit-quality lens to minimize default and downgrade risks. Yield Optimization with Prudence – While safety is paramount, the portfolio will seek opportunities to enhance returns by carefully managing duration and exposure to credit spreads. Dynamic Duration Management – Active calls will be taken on portfolio duration depending on the interest rate environment, with the aim of capturing capital gains in falling rate scenarios and protecting downside during rising rate cycles. Liquidity Discipline – Given the nature of client needs, portfolio construction will ensure adequate liquidity at all times, avoiding excessive exposure to illiquid or opaque debt instruments. Diversification Across Issuers and Instruments – Exposure will be spread across issuers, sectors, and maturities to reduce concentration risks.
Description of types of securities for Investment Approach	The Portfolio Manager shall invest predominantly in the fixed income instruments as permitted by SEBI. However, the Client's funds may be invested in any of the debt and money market instruments and other securities, as specified by SEBI from time to time and allowed under the Regulations which will, inter-alia, include but not limited to: • Debt & Money Market Instruments: - Listed Non-Convertible Debentures (NCDs) – primarily issued by corporates rated between A and AA. - Primary and Secondary Corporate Bonds - Structured and Credit-Enhanced Debentures with embedded covenants, security cover, or promoter guarantees. - Subordinated Debt – Tier-II instruments of NBFCs or private banks, subject to risk assessment. - Securitised Debt including Asset Backed Securities (ABS) or Pass Through Certificate (PTC) - Private Placement Bonds sourced from issuer mandates and proprietary deal pipelines. - Short-Term Credit Instruments including commercial paper or short-maturity NCDs with high coupon rates. - Certificate of Deposits (CDs) - Tri-party Repo or in an alternative investment as may be provided by RBI - Government Securities / Treasury Bills - Floating rate debt instruments - Cash Management Bills issued by Government of India - Debt derivative instruments including Interest Rate Swaps and Forward Rate Agreement




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	• Units of schemes of mutual fund registered with SEBI including, Liquid, Money Market Funds, REITs (Real Estate Investment Trusts), InvITs (Infrastructure Investment Trust) or such other SEBI permitted Funds or Schemes of Mutual Funds or Trusts. • Deposits with Scheduled Commercial Banks. • Presently, the discretionary portfolio manager shall invest funds of his clients in the debt securities listed or unlisted on a recognized stock exchange, money market instruments, units of Mutual Funds and other securities as specified by Board from time to time, on behalf of their clients. • The securities enumerated above would be subject to permissions/restrictions, if any, relating to the nature and the limits as specified by the Regulations from time to time.		
Basis of selection of such types of securities as part of the Investment Approach	• Higher Yield with Acceptable Risk: Selection is driven by enhanced yield potential after adjusting for credit and liquidity risks. • Credit Analysis: In-house proprietary scoring models are used to evaluate repayment capacity, promoter intent, debt-service coverage ratio (DSCR), and leverage ratios. • Collateral & Security: Preference is given to instruments backed by tangible security (land, property, receivables, etc.) or structured with adequate protection mechanisms (escrow accounts, charge creation). • Deal Structuring: Instruments are selected after thorough term-sheet review including covenants, payout structure, put/call options, and coupon triggers		
Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Listed NCDs (A- to AA+ rated)	50%	100%
	Subordinated/NBFC Debt	0%	50%
	Other Instruments	0%	25%




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Performance Benchmark and Basis of its selection	CRISIL Composite Bond Fund Index
Indicative Tenure or investment horizon	Minimum 6 months to 10 years. Investors should stay through market cycles to benefit from debt strategies.
Risks associated with the Investment Approach	• Credit Risk: Possibility of downgrade or default by issuers. Mitigated through internal credit analysis and diversification. • Liquidity Risk: Some instruments may not have active secondary markets. Managed by staggered maturity profile and pre-defined exit strategies. • Interest Rate Risk: Though partially offset by shorter maturity and higher yield, changes in interest rates may impact bond valuations. • Concentration Risk: Exposure limits are set for each issuer and sector to avoid over-concentration. • Regulatory Risk: Changes in taxation, SEBI guidelines, or RBI norms could impact returns or structure. • Structural Risk: Instruments with embedded structures may have payout triggers or call/put options impacting returns.
Other salient features	Our Investment Approach would be portfolio of various financial instruments including any one or many and not limited to bonds, debentures, mutual fund units, ETFs, REITs, fixed deposits, real estate instruments, other financial instruments traded on listed financial markets etc., strategies of InvestValue Capital's other investment approaches and or cash. There may be one or more above mentioned securities (not necessary all) in the portfolio.

Scheme – (VI) InvestValue EduFuture PMS

Series 1 – EduFuture Growth Portfolio (Long Horizon: 10–15 years)

Name of Investment Approach	Growth Portfolio
Strategy	Equity + Equivalents + Debt + Hybrid
Investment Objective	To build dedicated wealth for funding a child's higher education in India or abroad, with portfolios designed to balance capital appreciation, capital protection, and goal certainty across different education horizons.




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Investment Strategy & Philosophy	• Designed for parents starting early, with a decade-plus horizon before education expenses. • Equity-focused (70–100%) to maximize long-term compounding. • Diversified across large, mid, and select small caps; thematic exposure to sectors tied to India's structural growth (technology, healthcare, financial services, consumer, FMCG etc). • Bottom-up and/or Top-down fundamental approach with overlay of growth themes. • Regular monitoring of progress vs. goal to allow gradual de-risking closer to maturity.
Description of types of securities for Investment Approach	• Predominantly Indian equities and equity-linked instruments. • Opportunistic allocation to global funds/ETFs for currency hedge and diversification. • Temporary allocation to debt/liquid funds in overvalued markets. The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in relevant declaration and the Portfolio Manager would be barred from using derivatives in the client's portfolio.
Basis of selection of such types of securities as part of the Investment Approach	- Since this is a long-horizon, equity-heavy portfolio, market capitalization will not be a limiting factor. The manager will balance allocations across large caps (stability), midcaps (growth potential), and small caps (outsized return potential). - Stock selection will be based on bottom-up fundamental analysis combined with top-down thematic calls on India's structural growth drivers. - Focus is on companies with: - Strong fundamentals and consistent earnings growth. - Long runway for scalability and compounding. - Competitive advantage or sectoral tailwinds. - Potential re-rating through expansion in valuation multiples. - Stock identification will involve a mix of quantitative screens (growth, profitability, leverage, momentum) and qualitative research (management quality, corporate governance, business moat). - Securities may include: - High-growth compounders. - Businesses benefiting from cyclical tailwinds. - IPOs/midcaps not yet fully discovered by institutions. - Select global ETFs/funds for diversification.




Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Equity & Equity Linked Instruments	0%	100%
	Other investible securities	0%	100%
Performance Benchmark and Basis of its selection	NSE 500 TRI is chosen for its broad representation of the investable universe, cutting across market caps and sectors.		
Indicative Tenure or investment horizon	We expect the client to stay invested in the portfolio for atleast a 10 year period.		
Risks associated with the Investment Approach	Market Volatility Risk: With 70–100% equity exposure, portfolio values can fluctuate sharply in the short term. Equity markets can correct 20–30% during cycles, though the long horizon helps average this out. Small & Midcap Risk: Allocation to high-growth midcaps and small caps may face liquidity issues or sharper drawdowns in weak markets. Behavioral Risk: Investors exiting prematurely during a downturn may miss out on long-term compounding, which is critical in this phase. Currency Risk: If global funds/ETFs are included for diversification, fluctuations in USD/INR can affect portfolio returns.		
Other salient features	Parents can move between Growth → Balance → Shield as the child grows and the education horizon shortens. Ensures risk reduction over time while staying aligned with the education goal		



Series 2 – EduFuture Balanced Portfolio (Medium Horizon: 5–10 years)

Name of Investment Approach	Balanced Portfolio
Strategy	Equity + Equivalents + Debt + Hybrid

Investment Objective	To build dedicated wealth for funding a child's higher education in India or abroad, with portfolios designed to balance capital appreciation, capital protection, and goal certainty across different education horizons.
Investment Strategy & Philosophy	• Suitable for parents with 5–10 years before education outflow. • Balanced allocation between equity (40–80%) and debt (30–50%) to capture growth while cushioning volatility. • Dynamic rebalancing based on market valuations and goal progression. • Equity focus on resilient large caps and select midcaps with stable cash flows. Debt allocation primarily via high-quality short- to medium-term instruments.
Description of types of securities for Investment Approach	• Equity shares and/or equity-linked instruments, debt mutual funds, bond ETFs, liquid funds. • Hedging through derivatives if needed to preserve capital near goal maturity. However, If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in relevant declaration and the Portfolio Manager would be barred from using derivatives in the client's portfolio.
Basis of selection of such types of securities as part of the Investment Approach	- With a medium horizon, emphasis will be on large and midcap equities (for growth and resilience), balanced with high-quality debt instruments (for stability). - Equity selection will prioritize companies with stable earnings, market leadership, and moderate valuations, while avoiding excessive small-cap exposure. - Debt allocation will be in high-quality short- to medium-term securities, government bonds, and high-rated corporate bonds, with active duration management to reduce interest rate sensitivity. - Balance will be achieved by: - Tactical rebalancing between equity and debt based on market valuations. - Screening equity for downside protection (low leverage, predictable cash flows). - Screening debt for credit quality and liquidity. - Securities may include: - Large-cap leaders. - Midcap companies with proven business models. - Gilt and corporate bond funds/ETFs. - Liquid funds during periods of elevated valuation



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Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Equity & Equity Linked Instruments	40%	80%
	Debt & Money Market Instruments	30%	50%
Performance Benchmark and Basis of its selection	50% NSE 500 TRI + 50% CRISIL Short-Term Bond Index is chosen for its broad representation of the investable universe.		
Indicative Tenure or investment horizon	We expect the client to stay invested in the portfolio for atleast a 5–10-year period.		
Risks associated with the Investment Approach	Asset Allocation Risk: Dynamic shifts between equity (50–70%) and debt (30–50%) may not always be perfectly timed. If equities rally while the portfolio is tilted defensively, performance could lag. Interest Rate Risk: Debt portion can lose value if interest rates rise, particularly in medium-duration instruments. Midcap/Concentration Risk: While large caps dominate, selective midcap exposure still carries volatility. Transition Risk: Balancing growth with stability means returns may be more moderate compared to a pure equity portfolio, potentially lagging inflation in short spurts.		
Other salient features	Parents can move between Balance → Shield as the child grows and the education horizon shortens. Ensures risk reduction over time while staying aligned with the education goal		

Series 3 – EduFuture Stability Portfolio (Short Horizon: 0–5 years)

Name of Investment Approach	Capital Preservation
Strategy	Equity Equivalent + Debt + Hybrid
Investment Objective	To build dedicated wealth for funding a child's higher education in India or abroad, with portfolios designed to balance capital appreciation, capital protection, and goal certainty across different education horizons.

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Investment Strategy & Philosophy	- For parents nearing education outflow (within 5 years). - Capital preservation is priority with limited equity exposure (0–25%). - Majority allocation (75–100%) in debt, liquid funds, and short-duration instruments. - Equity exposure, if any, restricted to high-quality large caps or ETFs for marginal growth. - Structured de-risking to ensure availability of funds at target dates.		
Description of types of securities for Investment Approach	- High-quality debt instruments, money market funds, short-term bonds, liquid funds. - Minimal equity allocation through index funds/large-cap stocks.		
Basis of selection of such types of securities as part of the Investment Approach	a. Given the short horizon, preservation of capital and liquidity take precedence over growth. Allocation will be predominantly in debt and money market instruments: b. Government securities, treasury bills, and sovereign-backed papers. - Highly rated (AAA/AA+) corporate bonds. - Liquid and ultra-short duration mutual funds. c. Equity allocation, if any (max 25%), will be limited to large-cap index funds/blue-chip stocks with high liquidity, to provide a small growth kicker without risking capital. d. Selection framework will emphasize: - Safety of principal. - High credit quality. - Low duration/interest rate sensitivity. - Liquidity to allow timely withdrawals when education expenses arise. e. The portfolio will be reviewed periodically to ensure all holdings remain aligned with capital protection objective.		
Allocation of portfolio across types of securities	Type	% of AUM	
		Minimum	Maximum
	Equity & Equity Linked Instruments	0%	25%
	Debt & Money Market Instruments	75%	100%
Performance Benchmark and Basis of its selection	CRISIL Short-Term Bond Index is chosen for its broad representation of the investable universe.		



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Indicative Tenure or investment horizon	We expect the client to stay invested in the portfolio for atleast a 0-5 - year period.
Risks associated with the Investment Approach	Capital Preservation vs. Growth Trade-off: With 75-100% in debt/liquid, growth potential is minimal. Returns may not keep pace with the high inflation in education costs (8-10% annually). Interest Rate & Credit Risk: Although focus is on high-quality debt, rising interest rates can reduce bond values. Low-probability credit events in debt funds can impact short-term returns. Reinvestment Risk: As funds are parked in shorter-duration instruments, reinvestment at lower yields can reduce returns over time. Liquidity/Timing Risk: If withdrawals are required suddenly, exiting during a rate spike could marginally impact returns.
Other salient features	Liquidity & Flexibility - Ability to redeem partially or fully if plans change, subject to PMS guidelines. Capital Protection Orientation (Shield Series) - For near-term outflows, prioritizes liquidity and safety with debt and money market instruments.

(i) **Minimum Investment Amount –**

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and /or funds of an amount prescribed by Portfolio Manager for a Portfolio, subject to minimum amount as specified under SEBI Regulations, as amended from time to time. Currently the minimum investment amount is Rs. 50 Lacs. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and/ or funds under the service.

(ii) **Direct on boarding of client –**

The Portfolio Manager provides an option for the clients to be on-boarded directly, without intermediation of persons engaged in distribution services. At the time of on-boarding of clients directly, no distributor commission shall be levied. The Client can sign up for our services by writing to us at email: ivcapital@investvalue.ai

(iii) **Custody and Safe-Keeping –**

The Portfolio Manager has taken a letter of intent from the custodian for the custody of the Investments, details are as follows:

- Name: **Nuvama Custodial Services Limited**
- Registration number: **IN/CUS/027**




- Address: 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051
- Telephone Number: +91 22 40094400
- Email id: ncusl.compliance@nuvama.com

Custodian shall be holding investments in dematerialized form in the Client Depository Account and/or Client Mutual Fund Investment Account and/or Pooled Depository Account. The Portfolio Manager shall use all reasonable care and due diligence for the safe custody of the Investments and extend the same degree of care and due diligence as a Portfolio Manager would extend in case of his own portfolio.

6. RISK FACTORS

- Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the investments / PMS products / clients will be achieved.
- Past performance of the Portfolio Manager does not indicate the future performance of the Portfolio or performance of any other future portfolio(s) of the Portfolio Manager.
- Risk arising from the investment objective, investment strategy and asset allocation are as follows:

- Risk associated with Equity and Equity Related Instruments:

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 act of God, War, act of terrorism, pandemic, epidemic, volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the Value of the Client Portfolio may be adversely affected.

Further, the Equity and Equity Related Instruments are risk capital and are subordinate in the right of payment to other securities, including debt securities.

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.

Mid cap stocks carry higher liquidity risk as they are less extensively researched compared to large cap stocks. This may lead to abnormal illiquidity and consequent higher impact cost.

The Portfolio Manager may invest in securities which are not listed on the stock exchanges. These securities may be illiquid in nature and carry a higher amount of liquidity risk, in comparison to



securities that are listed on the stock exchanges or offer other exit options to the investor. The liquidity and valuation of the investments held in Portfolio, due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

Risk associated with Debt and Money Market Securities:

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.

Credit Risk

Credit risk or default risk refers to the risk that the issuer of a fixed income security may default on interest payment or even in paying back the principal amount on maturity. In case of Government Securities, there is minimal credit risk to that extent.

Lower rated or unrated securities are more likely to react to developments affecting the market and credit risk than the highly rated securities which react primarily to movements in the general level of interest rates. Lower rated or unrated securities also tend to be more sensitive to economic conditions than higher rated securities.



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.

Re-investment Risk

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

Risks associated with Investing in Securitized Debt

Securitized debt may suffer losses in the event of delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. Securitized debt is subject to interest-rate risk, prepayment risk, credit or default risk.

Further, Asset Backed Security (ABS) has structure risk due to a unique characteristic known as early amortization or early payout risk

Risks associated with Investing in Derivatives

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.

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.



Risks associated with investments in Mutual Funds

The Portfolios may invest in schemes of Mutual Funds. Hence scheme specific risk factors of each such underlying scheme will be applicable to the portfolios.

Structured Products / Capital Protection Portfolios

The Portfolios may invest in securities linked to index(s) and/ or underlying stocks or commodities and this could result in negligible returns or no returns over the entire tenor or part thereof of the Portfolio. Further, at any time during the tenor of the Portfolio, value of the Portfolio may be substantially less than the actual value of the Portfolio at the end of tenor. Further, the Portfolio and the return and/or maturity proceeds of the Portfolio thereon, are not guaranteed or insured in any manner by any entity. In case of occurrence of any event caused by a Force Majeure, the Portfolio may be liquidated at a date much before the tenor of the Portfolio at a fair value.

Portfolios investing in debentures linked to silver/ gold may be affected by the prices of silver/ gold. The prices of silver/ gold may be affected by several factors such as demand and supply in India and in the global market, change in political, economical environment and government policy, inflation trends, currency exchange rates, interest rates, perceived trends in bullion prices, restrictions on the movement/trade of gold by RBI, GOI or by the country importing/ exporting silver/ gold in/ out of India etc.

iv. **Risk arising out of non-diversification**

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.

v. **Conflict of interest:**

The Portfolio Manager and its respective directors, officers, key employees and senior personnel may give advice or take action in performing their duties towards other clients, or may carry out trades on their own accounts in accordance with 'Employee Code of Conduct and Insider Trading Policy' of InvestValue Capital Pvt. Ltd., that may at times differ from the advice given to a certain client or actions taken for a certain client. Further, the Portfolio Manager is not obligated to recommend for its clients any security that any other investment advisor may recommend for any client or for its own proprietary trading activities. This document does not limit or restrict the Portfolio Manager and its respective directors, officers, key employees and senior personnel in any way from buying, selling or trading in any security or other investments on their own accounts in accordance with 'Employee Code of Conduct and Insider Trading Policy' of InvestValue Capital Pvt. Ltd.

vi. There are no transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations having conflict of interest with the transactions in any of the client's portfolio.



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- vii. There are no transactions giving rise to conflict of interest related to services offered by group companies or associates of the portfolio manager.

7. CLIENT REPRESENTATION

(i) Client Representation

No Clients have been onboarded as this is a fresh PMS application

The history of the performance of the Portfolio Manager based on client representation is given below: -

Financial Year ending on	Category of Clients	Discretionary/ Non-Discretionary / Advisory	No. Of Clients	Funds Managed (Rs. in Cr)
31 st March, 2025	Associates /group Companies	No group Company	NA	NA
	Others	Discretionary	NA	NA
		Non-Discretionary	NA	NA
		Advisory	NA	NA
	Total		NA	NA
31 st March, 2024	Associates /group Companies	No group Company	NA	NA
	Others	Discretionary	NA	NA
		Non-Discretionary	NA	NA
		Advisory	NA	NA
	Total		NA	NA
31 st March, 2023	Associates /group Companies	No group Company	NA	NA
	Others	Discretionary	NA	NA
		Non-Discretionary	NA	NA
		Advisory	NA	NA
	Total		NA	NA





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

Disclosure on Transactions with Group Companies / Associates and Parent Company

The Portfolio Manager may utilize the services of its group companies/associates, namely InvestValue Fintech Private Limited and Invest4Edu Private Limited, which are registered with SEBI as intermediaries (including Research Analyst and distribution entities). In such cases, there exists a potential conflict of interest, including the possibility of double charging of fees/commissions to the investors for the same transaction or service.

To address this, the Portfolio Manager undertakes the following:

Transparency of Charges:

Any commission, fee, or distribution-related remuneration earned by the Portfolio Manager or its group companies/associates in relation to services provided to the client shall be disclosed upfront in the agreement/transaction statement.

Investor's Right to Opt-Out:

The investor shall have the right to opt out of availing distribution/advisory services of the group companies/associates and may independently avail such services from any other SEBI-registered intermediary of their choice.

Regulatory Limits:

Investments in securities of group/associate companies, if any, will be made strictly within the limits prescribed under Regulation 24(3) of SEBI (Portfolio Managers) Regulations, 2020 and subsequent SEBI circulars issued from time to time.

Fiduciary Responsibility:

The Portfolio Manager shall act in a fiduciary capacity and ensure that the interest of the client always takes precedence over the interest of the Portfolio Manager, its group companies, associates, or employees.



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"Investments in securities of group/associate companies will not exceed the limits prescribed by SEBI (Reg. 24(3))."

Ownership Details of Invesvalue Capital Private Limited

Name of the Shareholder	No. of Shares	Percentage of Shareholding
Investvalue Fintech Private Limited	55,38,900	99.80%
Mr. Tushar Vikram Bopche	11,100	0.20%

8. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Following table captures key financial performance of InvestValue Capital Private Limited based on audited financial statements for the following period (Rs in crores):

a) Capital Structure:

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
(a) Paid-up capital	NA	NA	5,55,00,000
(b) Free reserves (excluding revaluation reserves)	NA	NA	0.00
(c) Total (a) + (b)	NA	NA	5,55,00,000

b) Net-worth Details

Particulars	Amount (in Rs)
Paid-Up Share Capital	5,55,00,000.00
Reserves & Surplus (Negative balance on account of preliminary & statutory expenses)	(22,86,002.00)
Net Worth	5,32,13,998.00





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c) Deployment of Resources

	FY 2023-24	2024-25	2025-26
(a) Fixed Assets	Not Applicable	Not Applicable	0.05
(b) Plant and Machinery and office equipment	Not Applicable	Not Applicable	0
(c) Investments (Details should be given separately)	Not Applicable	Not Applicable	0
(d) Others	Not Applicable	Not Applicable	0

d) Details of Profitability

NA

9. **PERFORMANCE OF THE PORTFOLIO MANAGER**

The Portfolio Manager has no previous track record in the field of portfolio management services.

Portfolio manager shall ensure compliance with computation of performance of portfolio in terms of SEBI (PMS) Regulations, 2020 and SEBI Circular no. SEBI/HO/IMD/DF1/P/2020/26 dated February 13, 2020.

10. **AUDIT OBSERVATIONS**

There are no audit observations in relation to portfolio management activities.



11. NATURE OF EXPENSES

The following are the broad types of costs and expenses chargeable to Clients availing the Portfolio Management Services. The exact quantum of fees / expenses relating to each of the services shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The expense charged may vary from Client to Client. The expenses incurred shall be directly debited on actual expense incurred basis to the Client's Portfolio as and when the same becomes due for payment or on a monthly basis.

A. Investment Management and advisory fees

(i) Portfolio Management Fees

The Portfolio Management Fee may be a fixed fee or a return-based fee or a combination of both as detailed in the schedule to the Portfolio Management Services Agreement. The detailed description of the fees, expenses and compliance with the SEBI Circular No. IMD/DF/13/2010 dated October 05, 2010, and any updates thereto relating to fixed fees and performance fees including high water mark principle is given in "Schedule – III: Fees and Charges" of the Portfolio Management Services Agreement.

The actual fees charged by the Portfolio Manager for each Client shall be determined separately as per the fee terms agreed with client in the Portfolio Management Services Agreement and such fees terms/ fees may vary from Client to Client.

(ii) Goods and Services tax (GST)

Goods and Services tax and statutory levies would be levied separately as per the prevailing rates from time to time.

(iii) Exit Load

Exit Load Upon early termination of Portfolio Management Services, the Portfolio Manager shall be entitled to charge the client an Exit Load as mentioned in the Agreement executed between Client and Portfolio Manager. The exact quantum of exit load relating to such early termination shall be annexed to the Agreement executed between the Client and the Portfolio Manager.

The exit load charged may vary from Client to Client. The exit load charged shall not exceed SEBI permissible limits.

Present permissible exit load vide SEBI Circular no. SEBI/HO/IMD/DF1/P/2020/26 dated February 13, 2020, is:

- If redeemed in full or part in the first year, maximum of 3% of the amount redeemed.
- If redeemed in full or part in the second year, maximum of 2% of the amount redeemed.
- If redeemed in full or part in the third year, maximum of 1% of the amount redeemed.
- If redeemed in full or part after a period of three years from the date of investment, no exit load.





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B. Other Expenses

Apart from Portfolio Management Fees, the following are the general costs and expenses to be borne by the Client availing the Portfolio Management Services of the Portfolio Manager on actual basis, which shall not exceed the limits prescribed in the SEBI Regulations.

(i) Custodian / Depository fees

The charges relate to opening and operation of depository accounts, custody and transfer charges for securities, dematerialization and re-materialisation, fund accounting services and other charges in connection with the operation and management of the depository accounts.

(ii) Registrar and Transfer Agent fees

Charges payable to registrars and transfer agents in connection with transfer of securities including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges and other related charges would be recovered.

(iii) Brokerage and transaction costs

The brokerage charges, and other charges like Goods and Services Tax, stamp duty, transaction costs including bank charges, turnover tax, securities transaction tax or any other tax levied by statutory authorities on the purchase and sale of securities and exit load (if any) on units of Mutual Funds.

(iv) Audit Fees, Certification and professional charges

Charges payable for out sourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by bankers or regulatory authorities including legal fees etc. would be recovered.

(v) Any other incidental and ancillary charges

All incidental and ancillary expenses not covered above but incurred by the Portfolio Manager on behalf of the Client for Portfolio Management and expenses incurred by the Portfolio Manager in terms of the Agreement shall be charged to the Client.

(vi) Direct Onboarding Charges

The Portfolio Manager provides an option to the clients to be on-boarded directly, without intermediation of persons engaged in distribution services.

At the time of on-boarding of clients directly, no charges except statutory charges shall be levied by the Portfolio Manager.

(vii) Operating Expenses Limit

Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed limit as prescribed by SEBI from time to time.

Presently SEBI has prescribed limit of 0.50% per annum of the client's average daily Assets under Management (AUM) vide SEBI Circular no. SEBI/HO/IMD/DF1/P/2020/26 dated February 13, 2020.





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12. TAXATION

(a) Disclaimer:

The summary of tax provisions is mainly related to the direct taxes in India i.e. Income Tax Act, 1961 as amended from time to time and Income Tax Rules 1962 (IT Act), as amended time to time along with various circulars, notifications issued by Central Board of Direct Taxes (CBDT) from time to time.

Clients are advised to take independent opinion from their tax advisors/ experts for any income earned from such investments. Clients should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. Considering the residential status of the client, the nature of transaction, each client is advised to consult their respective tax advisor with respect to the tax consequences arising from the participation in the investment approaches. The Portfolio Manager is not responsible for any loss suffered by any client as a result of current taxation law and practice or any changes thereto.

Further, the summary of provisions of Income tax acts, rules are just in the nature of compilation of applicable provisions as per current statute. The statements with regard to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest in the portfolio management schemes of the Portfolio Manager.

(b) Tax implications for clients.

The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2023 and Chapter VII of the Finance (No. 2) Act, 2004 ('Securities Transactions Tax Act' / 'STT').

General

Income derived from investment in securities is subject to tax as per the provisions of the Act. Special reference needs to be made in respect of provisions related to capital gains, business income, interest and dividend. Client owns the liability for his Taxation. The General Information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Scheme of the Company.

A Portfolio of client may have:

- Dividend income;
- Long-term and short-term capital gains (or losses) on sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Business Income from purchase and sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Any other income from securities (shares, mutual fund units, debentures, rights renunciations etc.).

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In case the securities are held as stock-in-trade, the income tax treatment will substantially vary and the issue whether the investments are held as capital asset or stock-in-trade needs to be examined on a case to case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment in the Portfolio Management Scheme shall endure indefinitely or accepted by the tax authorities. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter and therefore, each Client is advised to consult his / her / its tax advisor with respect to the specific tax consequences to him / her / it of participation in the portfolio management services.

All the Tax Rates contained in this clause are applicable for the financial year 2023-24, in accordance with Finance Act, 2023.

12.1 **Resident and Non- Resident Taxation**

12.1.1 **Resident Taxation**

A resident investor will be subject to income tax on his / her global income. In the case of a resident but not ordinarily resident, any income which accrues/ arises outside India will not be subject to tax in India, unless it is derived from a business/ profession controlled from India. Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India. In the case of an individual, the residential status would be determined based upon the physical presence of that person in India. The threshold limit in terms of physical presence of such individual in India has been prescribed under the Act.

A Company is said to be a resident in India in the previous year if (i) it is an Indian Company; or (ii) its place of effective management ('POEM') is situated in India. Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India.

12.1.2 **Non-resident Taxation**

A non-resident investor would be subject to taxation in India if he derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued to him in India in terms of the provisions of the Act.

A foreign company will be treated as a tax resident in India if its POEM is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

In the case of foreign investors, the taxation of income will be governed by the provisions of the Act read with the provisions of the applicable tax treaty i.e. Double Tax Avoidance Agreement ('DTAA'), if any. As per Section 90(2) of the Act, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the DTAA.

The Organization of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement DTAA related measures to prevent Base Erosion and Profit Shifting ('MLI').



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India has made amendment in Section 90 to that effect that DTAA's should not create opportunities for non-taxation or reduced taxation including through treaty shopping in order to align the purpose of DTAA's with the MLI with effect from 1 April 2020.

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement DTAA related measures to prevent Base Erosion and Profit Shifting ('MLI'). India has made amendment in Section 90 to that effect that DTAA's should not create opportunities for non-taxation or reduced taxation including through treaty shopping in order to align the purpose of DTAA's with the MLI with effect from 1 April 2020.

12.2 Tax deduction 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 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.

12.3 Dividend Income

Taxable in the hands of the investor as per the applicable slab rates.

Tax Deduction at Source (TDS) @10% u/s 194 is applicable on dividend income exceeding ₹5,000 per company per financial year (for resident individuals).

12.4 Capital Gains on Sale of Securities

Equity Shares & Equity-Oriented Mutual Funds (where STT is paid):

Short-Term Capital Gains (STCG): Taxable @15% u/s 111A.

Long-Term Capital Gains (LTCG): Taxable @10% u/s 112A on gains exceeding ₹1,00,000 in a financial year (without indexation).

Debt Securities / Debt-Oriented Mutual Funds:

STCG: Taxable as per applicable slab rate.

LTCG: Taxable @20% with indexation benefits u/s 112.



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12.5 Business Income

If transactions are treated as trading (stock-in-trade), income may be classified as business income and taxed at slab rates applicable to the investor.

12.6 Securities Transaction Tax (STT)

Payable on purchase/sale of listed equity shares and equity-oriented mutual funds as per prevailing rates.

12.7 GST

Goods & Services Tax (GST) @18% (or such rate as may be prescribed from time to time) will be levied on Portfolio Management Fees, Exit Load, and other charges, as applicable.

12.8 Tax Implications for Non-Resident Investors (NRIs / Foreign Investors)

12.9 Capital Gains on Sale of Securities

Tax treatment for NRIs/foreign investors is generally the same as for residents, subject to relief under the provisions of applicable Double Taxation Avoidance Agreement (DTAA).

To avail DTAA benefits, non-residents must furnish a valid Tax Residency Certificate (TRC), Form 10F, and such other documents as may be prescribed by the Income-tax Act and Rules.

12.10 Dividend Income

Taxable in India at slab rates for non-residents, subject to DTAA relief.

TDS applicable u/s 195 at rates prescribed in the Act or DTAA, whichever is more beneficial to the investor.

12.11 TDS on Redemption / Sale Proceeds

Under section 195 of the Act, any income by way of capital gains arising to a non-resident is subject to tax deduction at source (TDS) at applicable rates (15% for STCG on listed equity shares/mutual funds, 10% on LTCG exceeding ₹1 lakh, 20% on debt LTCG with indexation, or as per DTAA).

The Portfolio Manager will deduct TDS before remitting redemption/sale proceeds to the NRI investor.

12.12 Repatriation of Funds

Subject to compliance with the Foreign Exchange Management Act (FEMA) and rules issued by the Reserve Bank of India (RBI).

12.13 General Provisions Applicable to All Clients

Set-Off & Carry Forward of Losses: Losses under the head "Capital Gains" can be set-off/carry-forward as per provisions of the Act.

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Stamp Duty: Transfers of securities are subject to stamp duty under the Indian Stamp Act, 1899 (as amended).

Advance Tax: Clients are liable to comply with advance tax provisions. Interest may apply for non-compliance.

Change in Law: The tax rates and provisions stated herein are subject to amendments in tax laws, rules, circulars, and judicial pronouncements, which may occur in the future without prior notice.

12.14 **Linking of PAN and Aadhar**

The due date of linking PAN and Aadhaar was 31 March 2023; however in order to grant some more time for the taxpayers, a window of opportunity has been provided to the taxpayers upto 30 June 2023 to link their Aadhaar to the PAN without facing repercussions, subject to the payment of nominal fees. If the PAN is not linked with Aadhaar, then PAN will become inoperative. After the expiry of the extended due date i.e. 30 June 2023, the clients will not be able to conduct financial transactions where quoting of PAN is mandatory. From 1 July 2023, the PAN of taxpayers who have failed to intimate their Aadhaar, as required, shall become inoperative and the consequences during the period that PAN remains inoperative will be as follows:

- no refund shall be made against such PANs;
- interest shall not be payable on such refund for the period during which PAN remains inoperative; and
- TDS and TCS shall be deducted /collected at higher rate, as provided in the Act.

12.15 **Advance tax installment obligations**

It shall be the Client's responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Act. The provisions related to payment of advance tax shall not apply to an individual resident in India, who does not have any income chargeable under the head "Profit and gains of business or profession"; and is of the age of sixty years or more at any time during the relevant financial year.

In case of any shortfall in the advance tax instalment or the failure to pay the same on time is on account of capital gains and dividend (other than deemed dividend), no interest shall be charged provided the client has paid full tax in subsequent advance tax instalments.

12.16 **Securities Transaction Tax**

Securities Transaction Tax ("STT") is applicable on transactions of purchase or sale of equity shares in a company or Exchange Traded fund ("ETF"), or a derivative or units of Equity Oriented Fund or units of Business Trust entered into on a recognized stock exchange and sale of units of Equity Oriented Fund to the Mutual Fund.

The STT rates as applicable are given in the following table:

Taxable securities transaction	STT Rate	Person responsible to pay STT	Value on which STT is required to be paid

Delivery based purchase and sell of equity share	0.1%	Purchaser/Seller	Price at which equity share is purchased/sold
Delivery based sale of a unit of oriented mutual fund	0.001%	Seller	Price at which unit is sold
Sale of equity share or unit of equity oriented mutual fund in recognized stock exchange otherwise than by actual delivery or transfer and intra day traded shares	0.025%	Seller	Price at which equity share or unit is sold
Derivative – Sale of an option in securities	0.1%	Seller	Option premium
Derivative – Sale of an option in securities where option is exercised.	0.125%	Purchaser	Settlement Price
Derivative – Sale of futures in securities	0.02%	Seller	Price at which such futures is traded
Sale of unit of an equity-oriented fund to the Mutual Fund – ETFs and sale or surrender or redemption of units of equity-oriented fund to an insurance company on maturity or partial withdrawal with respect of ULIP issued on or after 1 February 2021	0.001%	Seller	Price at which unit is sold
Sale of unlisted shares under an offer for sale to public included in IPO and where such shares are subsequently listed in stock exchanges or with effect from 1 June 2015, sale of unlisted units of business trust by a unitholder which were acquired in consideration of a transfer referred to in Section 47(xvii)	0.2%	Seller	Price at which such shares are sold

12.17 Characterization of Income on transfer of securities of companies

Income arising from purchase and sale of securities can give rise to capital gains or business income in the hands of the investor. The issue of characterization of income is relevant as the income tax computation and rates differ in the two situations. The characterization is essentially a question of fact and depends on whether the shares are held as business/trading assets or as capital assets.

Based on the earlier circulars issued by the Central Board of Direct Taxes ('CBDT') and judicial decisions, following are the key factors and principles which need to be considered while determining the nature of assets as above.

- Motive for the purchase of shares.
- Frequency of transactions and the length of period of holding of the shares
- Treatment of the shares and profit or loss on their sale in the accounts of the assessee.
- Source of funds out of which the shares were acquired – borrowed or own.




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- Existence of an object clause permitting trading in shares – relevant only in the case of corporate bodies.
- Acquisition of the shares – from primary market or secondary market.
- the genuineness of transactions in unlisted shares.
- the transfer of unlisted shares is made along with the control and management of underlying business.
- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (Professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares.

CBDT has clarified that, it is possible for a tax payer to have two portfolios, i.e., an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as "Profits or Gains of Business or Profession" under section 28 of the Act or as "Capital Gains" under section 45 of the Act.

In the case of a Foreign Institutional Investor, any securities held in accordance with the regulations made under the SEBI Act, 1992 will always be regarded as capital asset and therefore, subject to capital gain tax.

It should also be noted that in the context of portfolio management schemes there has been litigation in the past on the characterization of income and judicial precedents have taken positions based on facts of each case.

12.18 TAX ON DIVIDEND AND INCOME FROM UNITS OF MUTUAL FUNDS



Dividend distributed by domestic companies and income from units of mutual funds will be taxable in the hands of recipient of dividend/income at respective slab rates. To avoid double taxation of dividend, dividend received by a domestic company from another domestic company or specified foreign company or business trust will not be taxable in the hands of first domestic company, provided such receipt of dividend does not exceed the amount of dividend distributed by the first mentioned domestic company one month prior to the due date of filing a return under Section 139(1).



In the case of a resident recipient, withholding tax of 10% will be levied on dividends declared/paid by domestic company and on income distributed by mutual funds whereas in the case of a non-resident recipient, withholding tax at the rate of 20% on dividend income and income from mutual funds would apply. With effect from 1 April 2023 the withholding tax on income distributed by mutual fund specified under Section 10(23D) to non-residents would apply as per lower tax treaty rate, provided the tax residency certificate is furnished by such non-resident. Further, the minimum threshold for applicability

of withholding tax on dividend payments to the resident shareholder during the financial year will be INR 5,000.

With effect from 1 April 2023, tax will be withheld on interest payable to resident on listed securities at the rates in force.

12.19 **BUY BACK TAXATION**

The unlisted and listed domestic companies are required to pay tax on distributed income included in the buyback of shares at the rate of 20% on such distributed income. Consequently, the amount received by the shareholders on buy back of shares will be exempt under section 10(34A) of the Act in the hands of the shareholder.

12.20 **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 Act.

12.20.1 **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:

Sr. No	Securities	Period of Holding	Characterization
1	Listed Securities (other than Units) and units of equity oriented Mutual Funds, units of UTI, Zero Coupon Bonds	More than twelve (12) months	Long-term Capital Asset
		Twelve (12) months or less	Short-term Capital Asset
2	Unlisted shares of a company	More than twenty-four (24)	Long-term Capital Asset
		Twenty-four (24) or less	Short-term Capital Asset
3	Other securities (other than Market linked debentures acquired on or after 1 April 2023)	More than Thirty-six (36) months	Long-term Capital Asset
		Thirty-six (36) months or less	Short-term Capital Asset
4	Market linked debentures acquired on or after 1 April 2023	Any Period	Short-term Capital Asset



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12.1.1 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 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. 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, will also be taxed at a rate of 10%. This benefit is available to all assessees.

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 of equity shares or units, not listed as on 31 January 2018 but listed on the date of transfer; and equity shares/units listed on the date of transfer but acquired in consideration of shares/units not listed on 31 January 2018 through tax neutral modes of transfer under section 47 (e.g. amalgamation, demerger).

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.



12.1.2 For other capital assets in the hands of Resident of India

Long-term Capital Gains in respect of capital asset (other than listed securities and units of equity oriented mutual funds) will be chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. Capital gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly & exclusively in connection with such transfer.



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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.

12.1.3 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 Act. 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 above.

12.1.4 For other capital asset in the hands of Non-resident Indians

Under section 115E of the 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).

12.2 Short Term Capital Gains

Section 111A of the Act provides that short-term capital gains arising on sale of Equity Shares of a company or units of Equity Oriented Fund or units of a business trust entered on a recognized stock exchange and on sale of units of Equity Oriented Fund to the Mutual Fund 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 STT. 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. The 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 Act. 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 are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

Short term capital gains, arising on transfer of securities, being equity shares or units of equity-oriented mutual funds that are subject to Securities Transaction Tax ('STT') are taxable at the rate of 15% plus applicable surcharge and education cess, as applicable under Income Tax Act.




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Other Short term capital gains, arising on transfer of off-market securities, being equity shares, bonds, debentures, derivatives, which are not subject to Securities Transaction Tax ('STT'), are taxable at the rate of 30% plus applicable surcharge and education cess, as applicable under Income Tax Act.

12.3 PROFITS AND GAINS OF BUSINESS OR PROFESSION

12.3.1 If the investment under the Portfolio Management Services is regarded as "Business / Trading Asset" then the gain / loss arising there from is likely to be taxed as income from business as per slab rates i.e. in the case of resident individual and HUF and at the rate of 30% or 25% or 22% plus applicable surcharge and cess, (as the case may be, in case of resident other than individual and HUF (as the case may be) and also for non-residents other than a foreign company (assuming the highest slab rate for individual). It shall be taxable at the rate of 40% (plus applicable surcharge and cess) in case of a foreign company. The above rates would be subject to availability of benefits under the DTAA, if any in case of non-resident assessee.

12.3.2 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 Act.

12.3.3 Where income referred to above is treated as Business Income, the person will be entitled for deduction under section 36(1)(xv), for the amount of STT paid.

12.4 TAX RATES

12.4.1 Individuals, HUF, AOP & BOI:

The Finance Minister introduced new tax regime in Finance Act, 2020 wherein an option for individuals and HUF (Hindu Undivided Family) to pay taxes at lower rates without claiming deductions under various sections.

This new tax regime has now been extended to Association of Person (AOP) (other than Co-Op Society) and Body of Individual (BOI) by the Finance Act, 2023. The option for new tax regime can be exercised only once by specified persons having business/professional income and once exercised it will remain same for the subsequent years as well. Income Tax slab rates notified in new tax regime and old tax regime for the Financial Year 2025-26 are as under:



New Tax Regime u/s 115BAC			
Income Tax Slabs for FY 2025-26 (AY 2026-27)	Income Tax Rates for FY 2025-26 (AY 2026-27)	Tax calculation	Surcharge
Up to ₹ 4 lakhs	Nil	Nil	Nil
₹ 4 lakhs to ₹ 8 lakhs	5%	5% of income above ₹ 4 lakhs	Nil
₹ 8 lakhs to ₹ 12 lakhs	10%	₹ 20,000 + 10% of income above ₹ 4 lakhs	Nil
₹ 12 lakhs to ₹ 16 lakhs	15%	₹ 60,000 + 15% of income above ₹ 8 lakhs	Nil
₹ 16 lakhs to ₹ 20 lakhs	20%	₹ 1,20,000 + 20% of income above ₹ 16 lakhs	Nil
₹ 20 lakhs to ₹ 24 lakhs	25%	₹ 2 lakhs + 25% of the income above ₹ 10 lakhs	Nil
Above ₹ 24 lakhs	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	Nil
₹ 24 lakhs- ₹ 50 lakhs	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	Nil
₹ 50 lakhs- ₹ 1 crores	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	10%
₹ 1 crores- ₹ 2 crores	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	15%



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Above ₹ 2 crores	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	25%
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Old Tax Regime			
Income Tax Slab	Income Tax Rate	Tax calculation	Surcharge
Up to ₹ 2,50,000	Nil	Nil	Nil
₹ 2,50,001 - ₹ 5 lakh	5%	5% above Rs. 2,50,000	Nil
₹ 5 lakh - ₹ 10 lakh	20%	₹ 12,500 + 20% above ₹ 5 lakh	Nil
₹ 10 lakh - ₹ 50 lakh	30%	₹ 1,12,500 + 30% above ₹ 10 lakh	Nil
₹ 50 lakh - ₹ 1 crore	30%	₹ 1,12,500 + 30% above ₹ 10 lakh	10%
₹ 1 crore - ₹ 2 crore	30%	₹ 1,12,500 + 30% above ₹ 10 lakh	15%
₹ 2 crore - ₹ 5 crore	30%	₹ 1,12,500 + 30% above ₹ 10 lakh	25%
Above ₹ 5 crore	30%	₹ 1,12,500 + 30% above ₹ 10 lakh	37%

Tax rates as per old tax regime for Resident Individual whose age is 60 years or more but less than 80 years for Financial Year 2025-26 are as under:

New Tax Regime u/s 115BAC			
Income Tax Slabs for FY 2025-26 (AY 2026-27)	Income Tax Rates for FY 2025-26 (AY 2026-27)	Tax calculation	Surcharge
Up to ₹ 4 lakhs	Nil	Nil	Nil
₹ 4 lakhs to ₹ 8 lakhs	5%	5% of income above ₹ 4 lakhs	Nil
₹ 8 lakhs to ₹ 12 lakhs	10%	₹ 20,000 + 10% of income above ₹ 4 lakhs	Nil
₹ 12 lakhs to ₹ 16 lakhs	15%	₹ 60,000 + 15% of income above ₹ 8 lakhs	Nil



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₹ 16 lakhs to ₹ 20 lakhs	20%	₹ 1,20,000 + 20% of income above ₹ 16 lakhs	Nil
₹ 20 lakhs to ₹ 24 lakhs	25%	₹ 2 lakhs + 25% of the income above ₹ 10 lakhs	Nil
Above ₹ 24 lakhs	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	Nil
₹ 24 lakhs- ₹ 50 lakhs	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	Nil
₹ 50 lakhs- ₹ 1 crores	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	10%
₹ 1 crores- ₹ 2 crores	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	15%
Above ₹ 2 crores	30%	₹ 3 lakhs + 30% of income above ₹ 24 lakhs	25%

Old Tax Regime			
Income Tax Slab	Income Tax Rate	Tax calculation	Surcharge
Up to ₹ 3 lakh	Nil	Nil	Nil
₹ 3 lakh - ₹ 5 lakh	5%	5% above Rs. 2,50,000	Nil
₹ 5 lakh - ₹ 10 lakh	20%	₹ 10,000 + 20% above ₹ 5 lakh	Nil
₹ 10 lakh - ₹ 50 lakh	30%	₹ 1,10,000 + 30% above ₹ 10 lakh	Nil
₹ 50 lakh - ₹ 1 crore	30%	₹ 1,10,000 + 30% above ₹ 10 lakh	10%
₹ 1 crore - ₹ 2 crore	30%	₹ 1,10,000 + 30% above ₹ 10 lakh	15%
₹ 2 crore - ₹ 5 crore	30%	₹ 1,10,000 + 30% above ₹ 10 lakh	25%
Above ₹ 5 crore	30%	₹ 1,10,000 + 30% above ₹ 10 lakh	37%





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Surcharge for the Financial Year 2025-26 are as under:

Nature of Income	Up to ₹ 50 lakh	More than ₹ 50 lakh but upto ₹1 crore	More than ₹1 crore but less than ₹ 2 crore	More than ₹2 crore but up to ₹5 crore	More than ₹5 crore
- Short-term capital gains and long Term capital gains which are subject to STT - Short term or Long term capital gains under section 115AD(1)(b)	NIL	10%	15%	15%	15%
Any other Income (*)	NIL	10%	15%	25%	37%

(*) under new tax regime, the maximum surcharge is restricted to 25%.

12.4.2 Partnership Firm (Including LLP's):

A partnership firm (including LLP) is taxable at 30% and surcharge at the rate 12% of such tax where total income exceeds ₹ 1 crore.

12.4.3 Domestic Company/Foreign Company:

Tax Rates for domestic companies for Financial Year 2025-26 are as under:

Particulars	Tax rates	If Opted for Sec 115BA	If Opted for Sec 115BAA	If Opted for Sec 115BAB
Gross turnover upto ₹ 400 crore in the FY2020-21	25%	25%	22%	15%
Domestic Company other than above	30%	25%	22%	15%
MAT tax rate	15%	15%	NA	NA



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Tax Rates for Foreign companies for Financial Year 2025-26:

Foreign companies are liable to tax at 40% on total income.

Surcharge for domestic companies and foreign companies for FY 2025-26 is as under:

Total Income (₹)	Domestic Companies				Foreign Companies
	Tax Rates	If Opted for Sec. 115BA	If Opted for Sec. 115BAA	If Opted for Sec. 115BAB	
Upto 1 crore	Nil	Nil	10%	10%	Nil
1 crore – 10 crore	7%	7%	10%	10%	2%
Above 10 crore	12%	12%	10%	10%	5%

12.4.4 Health and Education Cess

For all types of assesseees, the amount of income-tax and the applicable surcharge shall be further increased by health and education cess calculated at the rate of 4% of such income-tax and surcharge.

12.13 LOSSES UNDER THE HEAD CAPITAL GAINS/BUSINESS INCOME

In terms of section 70 read with section 74 of the 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.

12.14 DIVIDEND STRIPPING

According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then capital losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

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The Finance Act, 2020 has abolished DDT and tax dividend income in the hands of shareholders in respect of dividend declared, distributed or paid on or after 1 April 2020 and therefore, in such cases the provisions of section 94(7) would not apply.

12.15 **BONUS STRIPPING**

Where any person buys or acquires any securities; or units of a mutual fund or the Unit Trust of India or business trust or Alternate Investment Fund within a period of three months prior to the record date (i.e., the date that may be fixed by a company or a Mutual Fund or the Administrator of the specified undertaking or the business trust or Alternate Investment Fund or the specified company, for the purposes of entitlement of the holder of the securities or units to receive additional security or unit, as the case may be, without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

12.16 **DEEMED GIFT**

Under section 56(2)(x), receipt of shares and securities without consideration or without adequate consideration, the difference (if exceeding INR 50,000) between the aggregate fair market value (FMV) and such consideration are taxable as income in the hands of any person being recipient of such shares and securities, except in specified circumstances.

12.17 **FAIR MARKET VALUE DEEMED TO BE FULL VALUE OF CONSIDERATION IN CERTAIN CASES**

As per section 50CA of the Act, where the consideration for transfer of shares of a company (other than quoted shares) is less than the fair market value of such share determined in the prescribed manner, the fair market value shall be deemed to be the full value of consideration for the purposes of computing income under the head 'Capital gains'.

12.18 **TAX NEUTRALITY ON MERGER OF DIFFERENT PLANS IN A SCHEME OF MUTUAL FUND AND MERGER OF DIFFERENT SCHEME OF MUTUAL FUND**

The consolidation/ merger of different plans in a mutual fund scheme of a fund as well as the consolidation/ merger of mutual fund schemes of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund under the SEBI (Mutual Fund) Regulations, 1996, shall be tax neutral to the investors. Thus, such consolidation/ merger will not result in transfer and will not be liable to capital gains.

The cost of acquisition of the units of the consolidated plan of the scheme shall be the cost of units in the consolidating plan of the scheme and the period of holding of the units of the consolidated plan of the scheme shall include the period for which the units were held in the consolidating plan of the scheme.



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The cost of acquisition of the units of the consolidated scheme shall be the cost of units in the consolidating scheme and the period of holding of the units of the consolidated scheme shall include the period for which the units were held in the consolidating scheme.

12.19 SEGREGATED PORTFOLIOS

SEBI has, vide circular SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, permitted creation of segregated portfolio of debt and money market instruments by Mutual Fund schemes. As per the SEBI circular, all the existing unit holders in the affected scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. On segregation, the unit holders come to hold same number of units in two schemes –the main scheme and segregated scheme.

The Finance Act, 2020 amended relevant section to provide that the period of holding of the units in the segregated portfolio is to include the earlier period of holding of the units in the main scheme. Further, for computing the “cost of acquisition” of the units in the segregated portfolio, the “cost of acquisition” of the units in the main scheme will be pro-rated in the ratio of the NAV of the assets transferred to the segregated portfolio. The “cost of acquisition” of the units in the main scheme will simultaneously be reduced by the “cost of acquisition” of the units in segregated portfolio.

13. ACCOUNTING POLICIES

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 SEBI (Portfolio Managers) Regulations, 2020

For every Client Portfolio, the Portfolio Manager shall keep and maintain proper books of accounts, records and documents, for the Client, on mercantile system of accounting, so as to explain its transactions and to disclose at any point of time the financial position of the Client’s Portfolio and Financial Statements and in particular give a true and fair view of the state of affairs.

Below Accounting policies to be followed for maintaining books of accounts & records of the Client:

1. Accounting policies of investments:

- i. The Books of Account of the Client is maintained on an historical cost basis.
- ii. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed. In case of long-term capital gain /loss, gain loss will be computed on basis of prevailing income tax act.
- iii. For derivatives/futures and options, unrealized gains and losses will be calculated by marking all the open positions to market.




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- iv. Unrealized gains/losses are the differences between the current market values / NAV's and the historical cost of the securities/price at which securities are valued on the date of admitting as a Corpus/ purchase date.
- v. All income will be accounted on accrual basis.
- vi. All expenses will be accounted on due basis.
- vii. Purchase and Sale transactions are accounted for on contract date basis.
- viii. Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that year.
- ix. Brokerage and transaction cost at actuals will be charged as expense. Purchases are accounted for at cost of acquisition excluding brokerage and transaction charges. Sales are accounted based on proceeds excluding brokerage and transaction charges. Securities Transaction Tax, Demat charges and Custodian fees on purchase/ sale transaction and any other expenses / taxes applicable as per regulations would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- x. Bonus shares shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis
- xi. Dividend income earned shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on a stock exchange, dividend income shall be recognized on the date of receipt.
- xii. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
- xiii. Tax deducted at source (TDS) on interest on Fixed Deposits / TDS for NRI clients is considered as withdrawal of Portfolio and debited accordingly.

2. Valuation of Investments:

- i. Investments in Equities, will be valued at the closing price of the exchanges (closing price of NSE or BSE as the case may be and BSE or NSE as the case may be). Primary Exchange would be NSE. If Price is not available on primary exchange than price of secondary exchange will be considered. If Price is not available on secondary exchange than previous day price will be considered.
- ii. Mutual Funds will be valued at the at NAV available on AMFI
- iii. Debt Instruments will be valued at the market value of the debt instrument.



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For derivatives including futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

- iv. Valuation of Unlisted Shares, Valuation of Suspended/Non traded Share/debt: Unlisted Shares: Unlisted shares would be valued at cost of acquisition till the shares get listed on a recognized stock exchange.
- v. Valuation of Suspended/Non traded Share: If a listed share is suspended for a certain period, then last traded price would be used for valuation and after 30 days the valuation methodology would be decided on a case to case basis and approved by the valuation committee.
- vi. Shares awaiting listing due to IPO would be valued at allotment price. Valuation of Non-traded debt: Non-traded fixed income instruments will be valued at cost.
- vii. In case of demerger 1) if both the companies are traded than market price of both will be considered 2) If one company is traded, then the traded company's share will be valued at traded price. For non-traded share, Market value to be derived based on market value of the original traded share on one trading day prior to the ex-date of demerger minus market value of demerger traded share on ex-date.
- viii. Valuation of Unlisted Equity securities -
 - a. Unlisted Equity will be either valued at cost or marked up/ down basis secondary market trades in the security or basis last funding round in the company.
 - b. Independent valuation frequency of Unlisted Equity portfolio will be semi-annual in line with the proposed valuation guidelines for AIFs.
 - c. The valuation principles for valuing Unlisted Equity securities shall be in line with the SEBI Consultation Paper titled "Consultation Paper on standardised approach to valuation of investment portfolio of Alternative Investment Funds" published on January 6, 2023 ("Consultation Paper"). The Consultation Paper recommends that AIFs adopt International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines) for valuing their portfolio companies.
 - d. IPEV guidelines specify that valuer to use one or more of following methodology to value the securities:
 - A. Market Approach,
 - Multiple of earnings or revenue
 - Industry Valuation Benchmarks
 - Market Prices available for instruments quoted on an active market
 - B. Income Approach, based on Discounted Cash Flows
 - C. Replacement Cost Approach, based on Net Asset Valuation techniques
- ix. Valuation of debt and money market securities- Valuation of debt and money market securities to be done by following valuation agencies for providing security level prices.
 - a. NSE Indices Limited
 - b. ICRA Analytics Limited
 - c. CRISIL Limited




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- x. The above valuation policy is subject to changes as per the Regulatory requirements and might change from time to time, based on the regulatory requirements, including the changes in the valuation agencies.
- xi. The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case specific basis.
- xii. 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 Regulations.

14. INVESTOR SERVICES

(i) Contact Information

Name, address and telephone number of the Investor Relation Officer who shall attend to the Investor queries and complaints.

Name	Abhijeet Rane
Address	320, A Wing, Gokul Arcade, Near Garware House Sahar Road, Vile Parle (E) Mumbai - 400057
Telephone	9224817817
Email	abhijeet.rane@investvalue.ai

(ii) Grievance Redressal and Dispute Settlement Mechanism

We follow the standard practice of resolving all customer queries and grievances with a robust process.

- We have systems in place to address, monitor and suggest improvements based on feedback received from clients.
- Clients can record their issues/ grievances by sending email to grievance@investvalue.ai. Clients can also contact the relationship managers or any concerned employee in team.
- In response to such queries, a ticket is created in our Customer Relationship Management (CRM) tool, and is assigned to concerned person based on type of query.
- Each ticket must be closed in prescribed TAT (turn-around time) and if not closed satisfactorily, then the same gets escalated to higher authorities, which monitor the performance of the CRM data constantly over a dashboard.

We ensure that all queries raised by clients are resolved with satisfaction and also get the feedback from client after closure of the ticket.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives including any dispute regarding fees & charges shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the portfolio manager thinks fit.





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15. DETAILS OF INVESTMENTS IN THE SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER

There are no investments in the securities of related parties of the portfolio manager.

16. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

The portfolio manager considers optimum diversification of investment strategy at its best possible way



FORM C

Securities and Exchange Board of India (Portfolio Managers)

Regulations 2020 (Regulation 22)

Name of the Portfolio Manager: InvestValue Capital Pvt Ltd

Registered Address: 303, A Wing, Gokul Arcade, Near Garware House Sahar Road, Ville Parle (E) Mumbai - 400057

Place of Business: 320, A Wing, Gokul Arcade, Near Garware House Sahar Road, Ville Parle (E) Mumbai - 400057

Telephone No: +91 9260147880

Email ID: aditya@investvalue.ai

We confirm that,

- I. The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- II. The disclosures made in the 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 through Portfolio Manager.
- III. The Disclosure Document has been duly verified by an Independent Chartered Accountant – M/S. RUSHIKESH PATIL & CO
Chartered Accountants, Gurukrupa Building Sr. No. 962/2 Infront of Datta Tekadi, Kameri Islampur Road, Islampur, Dist - Sangli, Maharashtra Pin: 415409.
sMail Id – ca.rushikeshpatil105@gmail.com
Mobile No.- 9112105125.

For and on behalf of InvestValue Capital Private Limited

Aditya Agarwala
Principal Officer
Date: November 10, 2025
Place: Mumbai