

FORM C

SECURITIES & EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020,
Regulation 22

Name of the Portfolio Manager : Zen Wealth Management Services Limited

SEBI Registration Number : INP000000936

Registered Office Address : 6-3-788/32, Vamsee Estates, 3rd Floor, Opp. Chandana Brothers, Ameerpet, Hyderabad, Telangana - 500 016.

Telephone : +91 40 4423 2266

E-mail Id : pms@zenwealth.in

We confirm that:

- 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.
- The Disclosures made in the Document are true, fair and adequate to enable the Investors to make a well-informed decision regarding entrusting the management of the Portfolio to us/Investment in the Portfolio Management Services.
- The Disclosure Document has been duly certified by an Independent Chartered Accountant on 29/10/2025 and a copy of the said Certificate is enclosed herewith.

For and on behalf of

Zen Wealth Management Services Ltd



Rama Krishna Neti
Principal Officer
Place: Hyderabad
Date: 29.10.2025



ZEN WEALTH MANAGEMENT SERVICES LTD.

www.zenwealth.in

Reg. Off. : 6-3-788/32, 3rd Floor, Vamsee Estates, Ameerpet,
Hyderabad - 500 016. Phone : 040 - 4423 2266. E-mail : pms@zenwealth.in
SEBI PMS Registration No.: INP000000936 CIN No.: U93000TG2007PLC056730

CERTIFICATE FOR DISCLOSURE DOCUMENT

1. Introduction:

This certificate is issued pursuant to Regulations 22 of the Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020, ('the Regulations') and at the specific request of **ZEN WEALTH MANAGEMENT SERVICES LIMITED (SEBI Reg. No. INP000000936)** having its registered office at **6-3-788/32, 3rd Floor, Vamsee Estates, Opp. Chandana Brothers, Ameerpet, Hyderabad, Telangana - 500 016**. As informed by the company, this certificate needs to be submitted to **SEBI and the Portfolio Management Service Clients**.

2. Management's Responsibility:

The management of the Company is responsible for preparation of the attached Disclosure document in accordance with the Regulations.

3. Our Responsibility:

Our responsibility is to issue the certificate based on our review which is primarily limited to inquiries of the Company's personnel, tracing the financial information from the audited financial statements for the year ended 31st March 2023, 31st March 2024 and 31st March 2025, previous disclosure document submitted to SEBI, other relevant records, the information, explanations and representations furnished by the Management. We have relied upon the representation given by the Management about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document.

The Disclosure made in the document is made on the model disclosure document as stated in Schedule V of Regulation 22 of the Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020.

We have conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the standards on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

4. Opinion:

Based on the review of the attached Disclosure Document, we hereby certify that the disclosures made in the disclosure document dated **29th October 2025** are true, fair and adequate to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.

Restriction on use:

The certificate is addressed to and provided to **SEBI and the Portfolio Management Service Clients** solely for the purpose of providing essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager and should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Mumbai

Date: 29th October 2025

UDIN: 25121326BMLNTM1063

For Shah Kapadia & Associates
Chartered Accountants



**Mehul
Bharat
Shah**

Digitally signed
by Mehul Bharat
Shah

Date: 2025.10.29
14:22:21 +05'30'

CA Mehul B Shah
Partner
Membership No: 121326
FRN: 132378W

DISCLOSURE DOCUMENT

SEBI PMS Registration Number: INP000000936



(Schedule V – Regulation 22, SEBI (Portfolio Managers) Regulations, 2020

Disclosure Document for Portfolio Management Services

SEBI PMS Registration Number: INP000000936

- The Document has been filed with the Board along with the Certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- The purpose of the Document is to provide essential information about the Portfolio Management Services of ZEN Wealth Management Services Limited (ZWMSL) in a manner to assist and enable the investors in making informed decision for engaging ZEN Wealth Management Services Ltd for managing their Portfolio.
- The necessary information about the Portfolio Manager required by an investor before investing are given herein, and the investor is advised to retain this Document for future reference.
- Details of the Principal Officer:

Name	Rama Krishna Neti
Address	ZEN Wealth Management Services Limited, 6-3-788/32, 3 rd Floor, Vamsee Estates, Ameerpet, Hyderabad – 500 016
Phone	+91 40 4423 2266, +91 40 4423 2361
E-mail Id	ramakrishna@zenwealth.in

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1. Disclaimer Clause

The particulars of the Portfolio Manager in this 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 Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

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

2. Definitions

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

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

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

4. **“Advisory Services”** means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at Client’s risk in terms of the Regulations and the Agreement.
5. **“Agreement”** or “Portfolio Management Services Agreement” or “PMS Agreement” means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all Schedules and Annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
6. **“Applicable Law/s”** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
7. **“Assets Under Management” or “AUM”** means aggregate net asset value of the portfolio managed by the Portfolio Manager on behalf of the Clients.
8. **“Associate”** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid up equity share capital or partnership interest, as the case may be: or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **“Board” or “SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

11. **“Business Day”** means any day, which is not a Saturday, Sunday or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **“Client(s)” / “Investors”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on Boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **“Disclosure Document” or “Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **“Eligible Investors”** means a Person who: (1) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
21. **“Foreign Portfolio Investors” or “FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the

following year.

23. **“Funds” or “Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding Company to which it is also a subsidiary.
25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. **“IT Act”** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
29. **“Non-resident Investors” or “NRI(s)”** shall mean non-resident Indian as defined in Section 2(30) of the IT Act.
30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
32. **“Person”** includes an individual, an HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body or individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an

agency or instrumentally thereof.

33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.

34. **“Portfolio Manager”** means Zen Wealth Management Services Ltd, a company incorporated under the Companies Act, 2013, registered with SEBI as a Portfolio Manager bearing registration number INP000000936 and having its registered office at 3rd Floor, Vamsee Estates, Ameerpet, Hyderabad – 500 016.

35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:

- i. the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or Funds of the Client, as the case may be; and
- ii. all other operations of the Portfolio Manager

36. **“Regulations” or “SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.

37. **“Related Party”** means –

- i. a director, partner or his relative;
- ii. a key managerial personnel or his relative;
- iii. a firm, in which a director, partner, manager or his relative is a partner;
- iv. a private company in which a director, partner or manager or his relative is a member or director;
- v. a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;
- vi. any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
- vii. any person on whose advice, directions or instructions a director, partner or manager is accustomed to act;
- viii. any body corporate which is – (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager – The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio

- ix. Manager would result in the Portfolio Manager becoming an associate of the body corporate;
- x. a related party as defined under the applicable accounting standards;
- xi. such other person as may be specified by the Board:

Provided that, (a) any person or entity forming part of the promoter or the promoter group of the listed entity; or (b) any person or any entity, holding equity shares: (i) of twenty percent or more; or (ii) of ten percent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party:

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

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

3. Description

History, Present business and Background of the Portfolio Manager

We have commenced Portfolio Management Services in the name of Zen Securities Limited (ZSL) in the year 2004. Upon demerger, the Portfolio Management activity is transferred to ZEN Wealth Management Services Limited (ZWMSL) and we have transferred the SEBI Registration to ZWMSL with effect from 18th September, 2009.

M/s Zen Securities Limited was promoted by Sri. K. Ravindra Babu, a known and familiar personality in Andhra Pradesh and Telangana investing community since 1994. Sri. K. Ravindra Babu was a Stockbroker from 1987 and converted his membership in the Hyderabad Stock Exchange Limited into a Corporate membership on 2nd February, 1995.

The dominant Promoters of the Company together hold 79.67% of the company's total Equity.

Date of Commencement of Business

ZEN Wealth Management Services Limited has received Certificate for commencement of Business on 14th February, 2008 and started commercial operations from 18th September, 2009.

Promoters of the Portfolio Manager, Directors and their Background

M/s ZEN Wealth Management Services Limited was promoted by Sri. K. Ravindra Babu, a known and familiar personality in Andhra Pradesh and Telangana investing community since 1994. Sri. K. Ravindra Babu was a Stock Broker from 1987 and converted his membership in the Hyderabad Stock Exchange Limited into a Corporate membership on 2nd February, 1995. He was the Promoter of Zen Securities Limited, Member of National Stock Exchange & Bombay Stock Exchange. ZEN Wealth Management Services Limited was demerged from Zen Securities Limited in the year 2008.

Directors

- a. Pratap Kantheti (Director): Mr. Pratap Kantheti is a Graduate in Commerce, Post Graduate holder in Business Management (PGDBA) and is also a Chartered Financial Analyst (India). He is serving the company since 1997 and is well versed with the networking of Operations and monitoring of Financial Markets.
- b. Satish Kantheti (Managing Director): Mr. Satish Kantheti is a Post Graduate MBA (Finance) and a Chartered Financial Analyst (India). He is heading the Equity Research Department of the Company and is also the Chief Investment Officer.

Top 10 Group Companies/Firms of the Portfolio Manager on Turnover:

- a. Zen Securities Limited.
- b. Zenmoney Insurance Broking Services Limited.

Details of Services Offered & Core Business Areas of ZWMSL

- a. Portfolio Management Services (Discretionary and Non-Discretionary)
- b. Investment Advisory Services

Client Segments: Resident, Non-Resident and Institutional Investors

On-boarding Options: Direct-on-boarding and through Distributors

Discretionary Portfolio Management Services: In this category, the Portfolio Manager will have complete discretion in investing and managing Clients' funds in accordance with the Portfolio Management Services (PMS) Agreement executed with the Client. The decision of the Portfolio Manager (taken in good faith) is absolute and cannot be called in question or be open to review at any time during the currency of the Agreement or any time there after except on the ground of malafide, fraud, conflict of interest or gross negligence. Under the Discretionary Portfolio Management Services offered to the Client, the Portfolio Manager can invest in any one or combination of Financial Instruments such as Equity, Commodities, Bonds, Debentures, Mutual

Fund Units, Fixed Deposits, REITS, Derivative Instruments, etc.,. Periodical statements in respect of Clients' Assets Under Management (AUM) shall be sent to the respective Clients.

Under these services, the Clients may authorize the Portfolio Manager to invest their funds in specific Financial Instruments or a mix of specific Financial Instruments or restrict the Portfolio Manager from investing in specific Financial Instruments or Securities.

Non-Discretionary Portfolio Management Services: In this category, the Funds of the Client will be managed by the Portfolio Manager in consultation with the Client and in accordance with the PMS Agreement executed with the Client. The Portfolio manager's role is limited to provide Research, Investment Advice and Trade execution facility to the Client. The Portfolio Manager shall execute the orders as per the mandate received from the Client.

Investment Advisory Services: In this category, the Portfolio Manager will provide Advisory Services in the nature of Investment Advisory and shall include the responsibility of advising on the Portfolio Strategy and Investment/Divestment of Individual securities in the Client's Portfolio in terms of the Agreement and within the overall risk profile of the Client. 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.

4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which actions may have been taken or initiated by any Regulatory Authority:

1.	All cases of penalties imposed by the Board, or the directions issued by the board under the Act of Rules or Regulations made thereunder	None
2.	The nature of the penalty or direction	Not Applicable
3.	Penalties or fines imposed for any economic offence and/or for violation of any Securities Laws	None
4.	Any pending material litigation/legal proceedings against the Portfolio Manager/Key Personnel with separate disclosure regarding pending criminal cases, if any	None
5.	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any Regulatory Agency	None
6.	Any enquiry/adjudication proceedings initiated by the Board against the PortfolioManager or its Directors, Principal Officer or Employee or any person directly or indirectly connected with the Portfolio Manager or its Directors, Principal Officeror Employee, under the Act or Rules or Regulations made thereunder	None

5. Services Offered

a. Investment objectives and policies:

- i. Discretionary Portfolio Management Services, which include management of the Client Portfolio on Discretionary basis by the Portfolio Manager.

The Investment objective of the Discretionary Portfolio Management Service shall be to undertake on behalf of the Client, the management and administration of the Funds and Portfolio of the Client with the aim of generating a reasonable return on the Client's investment, while at the same time endeavoring to reduce the risk of basic capital invested.

However, the Client agrees and acknowledges that while the aforesaid is the objective, there is no guarantee of such returns or of there being no capital loss.

ii. Investment Policy

1. Investments are made as per the Portfolio Manager's discretion only.
2. Fundamental Analysis along with Technical Analysis are used for the purpose of Portfolio Management.
3. The Portfolio Manager may react swiftly as the circumstance may dictate.

iii. Types of Securities in which Investments shall be made:

Shares, Scrips, Stocks, Bonds, Warrants, Convertible and Non-Convertible Debentures, Commodities, Exchange Traded Funds, Nifty Bees, Junior Nifty Bees, Liquid Bees, Fixed Return Investments, REITS, Equity Linked Instruments, Negotiable Instruments, Deposits, Money Market Instruments, Commercial Paper, Certificates of Deposit, Units issued by the Unit Trust of India and/or by any Mutual Funds, Mortgage backed or other Asset Backed Securities, Derivatives, Derivative Instruments, Options, Futures, Foreign Currency Commitments, Hedges, Swaps or netting off and any other Securities issued by any Company or any other Body Corporate, any Trust, any Entity, the Central Government, any State Government or any Local or Statutory Authority and all money rights or property that may at any time be offered or accrue (whether by Rights, Bonus, Redemption, Preference, Option or otherwise) and whether in Physical or Dematerialized form in respect of any of the foregoing or evidencing or representing rights of interest there in.

b. Investment Approach (IA) of the Portfolio Manager

ZEN Wealth Management Services Limited is offering the following currently under the Discretionary Portfolio Management Services mode:

1. Multicap Strategy
2. Emerging Opportunities Strategy
3. Focused Strategy

Multicap Strategy

This Strategy aims to generate consistent Long-Term (3+ Years) wealth through an Equity and Equity related Portfolio with exposure across Market Capitalization (with a minimum threshold of Rs.250Cr). The Investment Philosophy is not guided by any particular style ideology (like Growth Investing or Value Investing) but focused entirely on the process of “Investment for sustainable wealth creation in the long-term”.

A stock’s fundamental credentials like growth potential, balance sheet strength, management credibility, historical track record, valuations, etc, would be paramount

while building the Portfolio. Also, the thought process would be to build a Portfolio with stocks that are either in the top league Market leadership or aspiring Market leaders in their respective sectors. We might also take appropriate allocations towards Tactical exposures from time to time.

Benchmark for the Multicap Strategy: In accordance with the circular released by SEBI dated 16th December 2022 related to the Performance Benchmarking and Reporting of Performance by Portfolio Managers, the Benchmark for Performance reporting has to be selected from a maximum of three Benchmarks to be suggested by The Association of Portfolio Managers in India (APMI), reflecting the core philosophy of the Strategy. This Benchmark would be adopted effective from 1st April 2023.

Accordingly, from amongst the three Benchmarks suggested by APMI, we have chosen S&P BSE 500 Total Return Index (TRI) to be the Benchmark for reporting our PMS Performance. The S&P BSE 500 TRI constitutes the top 500 companies by Market Capitalisation and is considered as a representation of the broader market. As we build our Portfolio through a bottom-up approach from amongst the wider range of Companies by Market Capitalisation, we believe the S&P BSE 500 TRI is an apt Benchmark to report our Portfolio performance comparison.

Risks associated with this Strategy: In addition to the general Risks that could impact the performance of the Portfolio, the Portfolio Performance also could also be impacted by the under-performance of any of the market cap category (like Large/Mid/Small) or particular Themes for certain period/s of time.

Emerging Opportunities Strategy

This Strategy aims to generate superior risk adjusted returns for Clients through

exposure to Equity and Equity related Portfolio with exposure predominantly across Mid and Small Cap stocks. The Investment Strategy will be to create superior risk adjusted returns through exposures in Companies which are Fundamentally good. The entry and exit decisions could also be guided by Technical Analysis. Focus also will be on Companies that will benefit from Special Situations, Corporate Announcements, Thematic Investments, etc,. The Portfolio will be Sector/Market Capitalisation agnostic.

Benchmark for the Emerging Opportunities Strategy: In accordance with the circular released by SEBI dated 16th December 2022 related to the Performance Benchmarking and Reporting of Performance by Portfolio Managers, the Benchmark for Performance reporting has to be selected from a maximum of three Benchmarks to be suggested by The Association of Portfolio Managers in India (APMI), reflecting the core philosophy of the Strategy. This Benchmark would be adopted effective from 1st April 2023.

Accordingly, from amongst the three Benchmarks suggested by APMI, we have chosen S&P BSE 500 Total Return Index (TRI) to be the Benchmark for reporting our PMS Performance. The S&P BSE 500 TRI constitutes the top 500 companies by Market Capitalisation and is considered as a representation of the broader market. As we build our Portfolio through a bottom-up approach from amongst the wider range of Companies by Market Capitalisation, we believe the S&P BSE 500 TRI is an apt Benchmark to report our Portfolio performance comparison.

Risks associated with this Strategy: In addition to the general Risks that could impact the performance of the Portfolio, other Risk factors for this strategy include the inability of the Portfolio Manager to timely act on any actionables, etc,.

Focused Strategy

This is a concentrated investment strategy, with holdings spread across a minimum of 2 stocks and a maximum of 15 stocks. The number of holdings within this range keeps varying from time to time depending upon the investible opportunities.

The investment approach would be market-cap agnostic with minimum market capitalisation at Rs.250Cr.

The investments could be spread across one or more sectors/themes/industry groups/sectoral opportunities as a basket. The investments would be mostly based on bottoms up study while the entry and exit decisions could also be aided by Technical studies. However, the primary basis of investment would be based on the fundamental strength of the company being invested.

Benchmark for the Focused Strategy: In accordance with the circular released by SEBI dated 16th December 2022 related to the Performance Benchmarking and Reporting of

Performance by Portfolio Managers, the Benchmark for Performance reporting has to be selected from a maximum of three Benchmarks to be suggested by The Association of Portfolio Managers in India (APMI), reflecting the core philosophy of the Strategy. This Benchmark would be adopted effective from 1st April 2023.

Accordingly, from amongst the three Benchmarks suggested by APMI, we have chosen S&P BSE 500 Total Return Index (TRI) to be the Benchmark for reporting our PMS Performance. The S&P BSE 500 TRI constitutes the top 500 companies by Market Capitalization and is considered as a representation of the broader market. As we build our Portfolio through a bottom-up approach from amongst the wider range of

Companies by Market Capitalization, we believe the S&P BSE 500 TRI is an apt Benchmark to report our Portfolio performance comparison.

Risks associated with this Strategy: Being a concentrated strategy, the major risk that comes associated with such an approach is that of lower diversification level. Similarly, because the investments could be concentrated in 2 stocks or a combination of a few stocks, the impact could be more pronounced during times of high volatility in the markets. These apart, the Strategy has investment risks as highlighted in Clause 6 of this Document.

c. Policies for Investments in Associates/Group Companies.

The Company shall not invest in any of its Associates or Group Companies.

6. Risk Factors

A. General Risk Factors

- 1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk, etc.
- 2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
- 3) Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any future investment Approach of the Portfolio Manager.
- 4) The names of the Investment Approach do not in any manner indicate their prospects or returns.

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

B. Risk associated with equity and equity related instruments

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

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 the Securities held in the Client's Portfolio.

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

C. Risk associated with Debt and Money Market Securities

13) Interest Rate Risk

Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rates 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 all and with decrease in spread of floating rate Securities, the prices can rise.

14) Liquidity or Marketability Risk

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

15) Credit Risk

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

compensated for the increased risk.

16) Reinvestment Risk

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

D. Risk associated with derivatives instruments

17) The use of derivatives requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies

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

E. Risk associated with investments in mutual fund schemes

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

20) As with any securities investment, the NAV of the units issued under the schemes can

go up or down, depending on the factors and forces affecting the capital markets.

- 21) Past performance of the sponsors, asset management company (AMC)/ fund does not indicate the future performance of the schemes of the fund.
- 22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.
- 23) The Portfolio Manager shall not responsible, if the AMC/fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- 24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the Fund.
- 25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- 26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this Portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of Non-diversification

- 27) The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector / issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry. Similarly, the portfolios with investment

objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

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

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

7. Nature of Expenses

The following are the indicative types of costs and expenses for Clients availing our PMS Services:

- a. **Investment Management Fees:** Fees will be collected based on Agreement between the Client and the Portfolio Manager, either as
 - i. Fixed Management Fees – Up to a maximum of 2.5%
 - ii. Variable Management Fees – Minimum Hurdle Rate of 12% & 15% Profit Sharing
 - iii. Combination of Fixed and Variable Management Fees

The exact details of the charges relating to the services of the PMS are mentioned in the Portfolio Management Agreement executed between the Portfolio Manager and the Client.

No Upfront Fees is charged to Clients either directly or indirectly.

The Fees charged for rendering the Portfolio Management Services do not guarantee or assure, either directly or indirectly, any return to the Investment made by the Client.

- b. **Custodian and Fund Accounting Charges:** As per actuals. These are the charges

relating to opening and operating of Depository accounts, Custody, Fund.

Accounting, Transfer charges for Shares, Bonds and Units, Dematerialization, Re-Materialization and other charges in connection with the operation and management of Depository accounts.

- c. **Brokerage and Transaction Charges:** Up to a maximum of 0.5% of the Transaction value, subject to a minimum of 5 paise per share.

The Brokerage and Transaction costs are charged at actuals basis. The amount of Brokerage incurred on Investments is disclosed in the Reports that are shared with the Clients. The PMS transactions are executed through registered members of the Stock Exchanges. The relevant Transaction charges will be as per Annexure II (Fees Schedule) of the PMS Agreement & Account Opening Form.

- d. **Securities Lending and Borrowing charges:** The charges pertaining to the lending of Securities, Cost of Borrowing including interest, and costs associated with transfer of Securities connected with Lending and Borrowing.

- e. **Certification, Logistics and Professional charges:** Charges payable for outsourced professional services like Auditing, Legal, Regulatory, etc, are levied on actual basis.

- f. **Exit Load:** Early withdrawals are subjected to Exit Load as per the Agreement.

- g. **Registrar and Transfer Agent Fees:** NIL

8. Taxation

A. General

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

B. Tax deducted at source

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

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

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

C. Long term capital gains

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

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

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

Definition of Specified Mutual Fund:

Before 1st April 2025:

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

On and after 1st April 2025:

“Specified Mutual Fund” means

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

Definition of debt and money market instruments:

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

Definition of Market Linked Debentures:

“Market Linked Debenture” means a security by whatever name called, which has an underlying

principle component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.

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

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

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

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

The long-term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains accrued upto 31 January 2018, a mechanism has been provided to “step up” the COA of Securities. Under the 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 of units acquired originally as unlisted shares/units up to 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognized stock exchange as on the 31 January 2018, or which became the property of the assesses in consideration of share which is not listed on stock exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

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

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

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

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

For Capital Assets in the hands of Foreign Portfolio Investors (FPIs)

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

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

For other capital assets in the hands of non-resident Indians

Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified

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

D. Short term capital gains

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

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

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

E. Profits and gains of business or profession

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

F. Losses under the head capital gains/business income

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

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

G. General Anti Avoidance Rules (GAAR)

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

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

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

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

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

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

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

H. FATCA Guidelines

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

- a. The name, address, taxpayer information number and date and place of birth;
- b. Where an entity has one or more controlling persons that are reportable persons:
 - a. The name and address of entity, TIN assigned to the entity by the country of its residence; and
 - b. The name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- c. Account number (or functional equivalent in the absence of an account number);
- d. Account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- e. The total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

I. Goods and Services Tax on services provided by the Portfolio Manager

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

9. Accounting Policies

Following accounting policies are followed for the portfolio investments of the Client:

A. Client Accounting

- a. The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's portfolio at any time
- b. The books of account of the Client shall be maintained on an historical cost basis
- c. 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 are recorded and reflected in the financial statements for that year
- d. All expenses will be accounted on due or payment basis, whichever is earlier
- e. The cost of investments acquired or purchased shall include brokerage, stamp charges and any charge customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase / sale transaction would be accounted as an expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- f. Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

- a. In determining the holding cost of investments and the gains or loss on sale of investments, the 'first in first out' (FIFO) method will be followed
- b. Unrealized gains/losses are the differences, between the current market value/NAV and

- c. the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions
- d. Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis
- e. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis
- f. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis
- g. In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned
- h. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchase or sales through private equity, the
- i. transactions shall be recorded, in the event of a purchase, as of date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold

C. Valuation of portfolio investments

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

(IPEV) Guidelines on a semi-annual basis

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

The investor may contact the Customer Services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues. The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in market practice followed for valuation of similar Securities.

However, such changes would be in conformity with the Regulations.

10. Investor Services

Name, Address and Telephone Number of the Investment Relation Officer who shall attend to the investor queries and complaints:

Rama Krishna Neti,
Principal Officer,
ZEN Wealth Management Services Limited,
6-3-788/32, 3rd Floor, Vamsee Estates, Ameerpet, Hyderabad – 500 016
E-Mail: ramakrishna@zenwealth.in, Phone No: +91 40 4423 2266

Grievance Redressal and Dispute Settlement Mechanism

1. Grievance Redressal: Investment Relationship Officer may be contacted for the Redressal of any Complaint. All the complaints/grievances shall be resolved in a period of 30 days. Matter may also be referred to the Principal Officer for his intervention.
2. Complaints can be lodged online with SEBI through SCORES (www.scores.gov.in). Also, complaints, if any, can be sent at pmsgrievance@zenwealth.in
3. Dispute Settlement Mechanism
 - a. The PMS Agreement is subject to the Rules and Regulations as are or may be framed / issued by the Central Government, the Reserve Bank of India (RBI), SEBI and/or any other Statutory and/or any other Competent Authority, from time to time.
 - b. All disputes, differences, claims and questions whatsoever arising from the PMS Agreement between the Client and the Portfolio Manager and/or their respective representative touching these presents or any clause or thing herein contained or otherwise in any way relating to or arising from these presents shall be referred to a sole arbitrator as appointed by the Portfolio Manager, and such arbitration shall be in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any Statutory modification or re-enactment thereof for the time being

in force. Such Arbitration proceedings shall be held at Hyderabad, India.

11. Details of the Diversification Policy of the Portfolio Manager

The objective of the Portfolio Manager is to generate consistent long-term wealth creation through Equity or Equity related Portfolio which is agnostic to Sector/Market Capitalization (with a minimum threshold of Rs.250Cr.).

The Investment Philosophy is not guided by any particular style ideology and is a combination of both Bottom-Up and Top-Down approaches.

Though the Portfolio Manager intends to generate performance consistently, some of the Investments might not work out as anticipated or envisaged at the time of investing or initiating exposure. To mitigate such risks arising out of Portfolio Investments, it would be the Portfolio Manager's endeavor to reasonably diversify the Portfolio and build a Portfolio with holdings not exceeding 50.

However, under special/tactical situations where the Portfolio Manager identifies a tactical Investment opportunity which requires investments to be made in a group/basket of Companies belonging to a particular Sector or a Theme or a Special Situation which is likely to play out in the near to medium term, the Portfolio Manager can invest in a "basket of Companies" in which case, the overall holdings can extend beyond 50, until the intended tactical investment opportunity plays out as expected or otherwise, and the Portfolio Manager wishes to exit these "basket Investments" completely.

12. Client Representation

Category of clients	No. of clients	Funds managed (Rs. Cr.)	Discretionary / Non-Discretionary (if available)
Associates / group companies (Last 3 years)			
As on 31.03.2023	4	42.07	Discretionary
As on 31.03.2024	5	78.57	Discretionary
As on 31.03.2025	5	110.44	Discretionary
Others (last 3 years)			
As on 31.03.2023	49	172.59	Discretionary
As on 31.03.2024	55	256.55	Discretionary
As on 31.03.2025	60	335.68	Discretionary

ZEN Wealth Management Services Ltd

Above Clients under “Associates Group” include Sri. K. Satish, Managing Director of ZWMSL, Sri. K. Pratap, Sri. P. Sambasiva Rao, Directors of ZWMSL & Invsearch Solutions Pvt Ltd, a Group Company, Zen Money Insurance Broking Services Private Limited – 100% Subsidiary Company.

- a. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.
 - i. List of Related Parties: Zen Securities Limited, Sri. K. Satish
 - ii. Transactions with Related Parties during the Year ended 31st March, 2025

Particulars	Relationship	Nature of Transactions	Rs
Zen Securities Ltd	Directors are Interested	Rent received from Office Premises as per prevailing rates	22,14,463
Sri. K. Satish	Managing Director	Remuneration including allowances and perquisites	47,25,000

13. Financial Performance of the Portfolio Manager (based on Standalone audited Financial Statements) – Last 3 Financial years

Income Statement

Particulars	FY 23	FY 24	FY 25
Revenue from Operations	1,63,39,268	8,10,19,309	2,58,32,013
Total Expenses	1,22,81,952	1,52,14,191	1,68,58,832
Net Profit / Loss for the year before Tax	1,43,66,364	8,91,20,904	2,32,51,371
Less: Provision for Tax	30,33,465	2,02,11,083	48,74,213
Provision for deferred tax	38,636	(55,490)	(16,949)
Profit / Loss after Tax	1,12,94,263	6,89,65,311	1,83,94,107

Balance Sheet

Particulars	FY 23	FY 24	FY 25
Equities and Liabilities			
Shareholders' Funds			
Share Capital	4,61,84,000	4,16,23,040	4,16,23,040
Reserves & Surplus	14,98,70,623	19,01,56,179	20,85,50,286
Non-Current Liabilities	26,65,554	26,65,554	26,65,554
Current Liabilities	50,85,154	3,16,42,170	65,99,146
Total Equities and Liabilities	20,38,05,331	26,60,86,943	25,94,38,026
Assets			
Non-Current Assets			
Property, Plant, Equipment and Intangible Assets	5,71,41,158	5,65,39,624	5,84,60,732
Intangible Assets	75,000	7,89,083	4,58,166
Non-Current Investments	8,25,16,516	7,18,67,202	10,14,16,854
Deferred Tax Asset	2,28,164	2,83,654	3,00,603
Long-term Loans and Advances	79,40,271	31,34,492	21,81,205
Total Non-Current Assets	14,79,01,109	13,26,14,055	16,28,17,560
Current Assets			
Current Investments	3,91,78,921	4,21,72,339	7,36,66,958
Cash and Equivalents	45,61,133	79,26,769	1,00,55,967
Short-term Loans and Advances	35,54,936	76,72,257	54,76,405
Other Current Assets	86,09,233	7,56,51,523	74,21,136
Total Current Assets	5,59,04,223	13,34,72,888	9,66,20,466
Total Assets	20,38,05,331	26,60,86,943	25,94,38,026

14. Portfolio Performance of the Portfolio Manager for the last 3 Financial Years

Multicap Strategy

Details	FY 23	FY 24	FY 25
Multicap Strategy – Aggregate Return, TWRR*	5.46%	42.70%	5.66%
S&P BSE 500 Total Return Index	(0.91%)	40.04%	5.96%
NSE 500 Index	(2.26%)	39.14%	5.35%

**Net of all Expenses, Fees*

Emerging Opportunities Strategy

Details	FY 23	FY 24	FY 25
Emerging Opportunities Strategy – Aggregate Return, TWRR*	25.06%	56.38%	11.16%
S&P BSE 500 Total Return Index	(0.91%)	40.04%	5.96%
BSE Smallcap Index	(4.46%)	60.13%	8.04%

**Net of all Expenses, Fees*

Focused Strategy

Details	FY 23	FY 24	FY 25
Focused Strategy – Aggregate Return, TWRR*	NA	NA	-18.42%
S&P BSE 500 Total Return Index	(0.91%)	40.04%	5.96%

**Net of all Expenses, Fees*

15. Audit Observations

No major Audit observations were found in the past 3 years.

16. Details of Investments in the Securities of Related Parties of the Portfolio Manager: NIL

17. The Portfolio Managers' decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.

List of Custodians involved for Portfolio Management activities

- i. Kotak Mahindra Bank Ltd.
- ii. Orbis Financial Corporation Ltd.

18. Termination of Agreement

- a. Notwithstanding anything contained above, the funds or securities can be withdrawn or taken back by the Client before maturity of the contract under the following circumstances, namely -
 - i. Voluntary or compulsory termination of Portfolio Management Services by the Portfolio Manager or the Client.
 - ii. Suspension or cancellation of the Certificate of registration of the Portfolio Manager by the Board.
 - iii. Bankruptcy or liquidation of the Portfolio Manager.
- b. There shall be written intimation about such termination by the terminating party.
- c. On termination of the agreement, the Portfolio Manager shall give a detailed statement of accounts to the Client and settle the account with the Client as agreed in the agreement.

19. List of Approved Share Broker(s), involved for Portfolio Management activities:

- a. Zen Securities Limited
Single SEBI Registration No. INZ000195436
- b. Kotak Securities Limited
Single SEBI Registration No. INZ000200137
- c. Emkay Global Financial Services Limited
Single SEBI Registration No. INZ000203933

20. General

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement.

FOR ZEN WEALTH MANAGEMENT SERVICES LIMITED

Mr. Satish Kantheti, Managing Director

Mr. Pratap Kantheti, Director

Place: Hyderabad

Date: 29.09.2025