

**GREEN LANTERN CAPITAL LLP**  
**PORTFOLIO MANAGEMENT SERVICES**

# DISCLOSURE DOCUMENT

## GREEN LANTERN CAPITAL LLP

### Key Information

1. This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of 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 Green Lantern Capital LLP (GLC) as a Portfolio Manager.
3. This disclosure document sets forth concisely the necessary information about GLC that is required by a prospective investor before investing.
4. The investor should carefully read the entire disclosure document prior to making a decision to avail of the Portfolio Management Services and should retain this Disclosure document for future reference.

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## **DISCLAIMER CLAUSE**

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

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

## PART 1 – STATIC SECTION

### DEFINITIONS

In this disclosure document, the following words and expressions shall have the meanings specified herein, unless the context otherwise requires:

<b>Accreditation Agency</b>	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.
<b>Accredited Investor</b>	<p>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:</p> <p>(a) annual income of atleast two crore rupees; or</p> <p>(b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets</p> <p>(c) 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</p> <p>(ii) in case of a body corporate, has net worth of at least fifty crore rupees;</p> <p>(iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees</p> <p>(iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation</p> <p>Provided that the Central Government and the State Governments, developmental agencies set up under the agencies of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.</p>
<b>Act</b>	means the Securities and Exchange Board of India Act, 1992 (15 of 1992)
<b>Advisory Services</b>	means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.
<b>Agreement or Portfolio Management Services Agreement or PMS Agreement</b>	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.
<b>Applicable Law/s</b>	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.
<b>Associate</b>	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

<b>AUM (Assets Under Management)</b>	means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients
<b>Benchmark</b>	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
<b>Board or SEBI</b>	means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
<b>Business Day</b>	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.
<b>Client or Investor</b>	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 for availing the services of portfolio management as provided by the Portfolio Manager
<b>Custodian</b>	mean any person with whom the custody of the Securities of the Client (whether in physical or dematerialized form) are to be entrusted with, pursuant to the Communication given by the Client from time to time and who has to perform the functions of a custodian of Securities, pursuant to such agreement, understanding or writing as may be executed between the Client and the Custodian or executed between GLC on behalf of the Client with the Custodian.
<b>Depository</b>	means the depository as defined in the Depositories Act, 1996 (22 of 1996)
<b>Depository Account</b>	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.
<b>Direct On boarding</b>	means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services
<b>Disclosure Document</b>	This document issued by GLC for offering Portfolio management services, prepared in terms of Regulations 22 of SEBI (Portfolio Managers) Regulations, 2020.
<b>Discretionary Portfolio Management Services</b>	Discretionary Portfolio Management Services” means Portfolio Management Services provided by the Portfolio Manager exercising any degree of discretion as to investments, or management of the Portfolio of the securities or the funds of clients, as the case may be, as per the Agreement relating to portfolio management and to ensure that all benefits accrue to the Client’s Portfolio, for an agreed fee structure, and for a definite period as described, entirely at the Client’s risk.
<b>Distributor</b>	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)
<b>Eligible Investors</b>	means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
<b>Fair Market Value</b>	means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
<b>Financial Year</b>	means the year starting from April 1 and ending on March 31 of the following year or as prescribed under Laws.
<b>Foreign Portfolio Investors or FPI</b>	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
<b>Funds</b>	means the money placed by the Client with the Portfolio Manager and any accretions thereto.
<b>Funds Managed</b>	means the market value of the Portfolio of the Client as on date.

<b>Funds or Capital Contribution</b>	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
<b>Group Company</b>	shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary
<b>HUF</b>	means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
<b>Initial Corpus</b>	means the value of the funds and the market value of readily realizable investments brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
<b>Investment Amount</b>	The money or securities accepted by the Portfolio Manager from the Client in respect of which the portfolio management services are to be rendered by the Portfolio Manager.
<b>Investment Approach</b>	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.
<b>IT ACT</b>	means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder
<b>Large Value Accredited Investor</b>	means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupee
<b>NAV</b>	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
<b>NISM</b>	means the National Institute of Securities Markets, established by the Board.
<b>Non-discretionary Portfolio Management Services</b>	Non-discretionary Portfolio Management Services” means a Portfolio Management Services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, for an agreed fee structure, and for a definite period as described period, invests in respect of the Client’s account in any type of security entirely at the Client’s risk and to ensure that all benefits accrue to the Client’s Portfolio.
<b>NRI OR Non-Resident Indian</b>	shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
<b>Person</b>	includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
<b>Portfolio</b>	means any of the current investment Portfolio or such Portfolio that may be constructed at any time in future by the Portfolio Manager.
<b>Portfolio Manager</b>	shall have the same meaning as in the SEBI (Portfolio Managers) Regulations, 2020 and for the purpose of this document shall mean Green Lantern Capital incorporated under the LLP Act, 2008, vide LLP registration number AAH-9384 dated December 26, 2016 and registered with SEBI vide Registration No. INP000005829 dated September 07, 2017
<b>Principal Officer</b>	means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for: (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and (ii) all other operations of the Portfolio Manager.

<b>RBI</b>	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
<b>Regulations</b>	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.
<b>Related Party</b>	<p>(i) a director, partner or his relative;</p> <p>(ii) a key managerial personnel or his relative;</p> <p>(iii) a firm, in which a director, partner, manager or his relative is a partner;</p> <p>(iv) a private company in which a director, partner or manager or his relative is a member or director;</p> <p>(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;</p> <p>(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;</p> <p>(vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;</p> <p>(viii) any body corporate which is:</p> <p>(a) a holding, subsidiary or an associate company of the Portfolio Manager; or</p> <p>(b) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary;</p> <p>(c) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;</p> <p>(ix) a related party as defined under the applicable accounting standards;</p> <p>(x) such other person as may be specified by the Board:</p> <p>Provided that,</p> <p>(i) any person or entity forming a part of the promoter or promoter group of the listed entity; or</p> <p>(ii) any person or any entity, holding equity shares:</p> <p>(a) of twenty per cent or more; or</p> <p>(b) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;</p>
<b>Securities</b>	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.

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in “Regulations.

## DESCRIPTION

### (i) HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

GLC has been incorporated on December 26, 2016, Mumbai, under the LLP ACT, 2008 vide registration no AAH-9384. GLC received SEBI Registration Vide No. INP000005829 dated September 07, 2017 under Securities and Exchange Board of India (Portfolio Manager) Regulations, 2020. As on 31st March, 2025 GLC has been rendering Portfolio Management Services to 737 clients having assets of INR 948.02 Crores under its Discretionary Services and Nil and No AUM under Advisory services.

### (ii) PROMOTERS OF THE PORTFOLIO MANAGERS, DESIGNATED PARTNERS AND THEIR BACKGROUND

#### I. Mr. Nilesh Vasantrai Doshi - CEO & Managing Partner

**Qualification:** B. Tech. Chemical Engineering from Indian Institute of Technology (IIT), Mumbai.

**Experience:** Nilesh brings over 35 years of rich experience in Industry and equity research, having worked with leading institutions such as Pidilite, Praxair, and Edelweiss Financial. He previously served as Head of Equity Research at Way2Wealth Brokers Pvt. Ltd., Mumbai (including the acquired Techno Shares & Stocks Pvt. Ltd.) for more than a decade, and later as Head of Mid-Cap Research in the Institutional Department at Edelweiss Securities Ltd.

At Way2Wealth, Nilesh advised a wide spectrum of clients—including prominent domestic institutions like UTI MF, Tata MF, Reliance PMS, insurance companies, and banking treasuries—delivering actionable investment ideas. His expertise also supported a vast retail and HNI client base across the country, with Way2Wealth Broking serving more than 600 franchises and 20,000+ active customers nationwide.

Before transitioning into equities, Nilesh built a strong foundation in the manufacturing sector with companies such as Pidilite Industries, Floatglass India, Herdillia Unimers, Chemtex Engineering, Praxair India, and Jesons Industries. During this period, he gained hands-on exposure across project financing, implementation, production, marketing, supply chain, and international trade. This diverse experience enables him to evaluate businesses with depth, foresight, and a pragmatic investment lens.

Presently Nilesh is working as CEO & Managing Partner of Green Lantern Capital LLP and will be responsible for ensuring Sales, Marketing, and overall supervision of Operations.

**Date of Appointment** : December 03, 2016

**Other Directorship** : NIL

#### II. Mr. Abhishek Bhardwaj - Managing Partner, Principal Officer & Portfolio Manager

**Qualification:** Chartered Accountant, Institute of Chartered Accountants of India

**Experience:** Abhishek brings over two decades of expertise in equity fund management and research, with a proven track record across leading financial institutions. Before co-founding Green Lantern Capital, he served as an Equity Portfolio Manager at Star Union Dai-ichi Life Insurance Company, where he successfully managed equity strategies.

Earlier, Abhishek worked with the Indian sub-advisors of two prominent FII's investing in India—Heritage Capital India (2008–2012) and Monsoon Capital (2012–2013)—holding key roles as Head of Research and Senior Analyst. Prior to that, he was part of Reliance Capital Asset Management, where he began as a Research Analyst in Mutual

Funds and later joined Reliance PMS. His strong performance earned him a promotion to Portfolio Manager in July 2007, a role he held until March 2008.

Abhishek's career began at Credit Analysis and Research Ltd. (CARE Ratings) as a Credit Rating Analyst (2002–2004), giving him a solid grounding in credit evaluation before transitioning into equity markets.

At Green Lantern Capital, Abhishek plays a pivotal role as Principal Officer under SEBI regulations and Portfolio Manager, bringing with him deep market insight, disciplined investment expertise, and a client-focused approach.

**Date of Appointment** : December 03, 2016

**Other Directorship** : NIL

### III. Mr. Nitin Pandey – Partner

**Qualification:** PGDBA

**Experience:** Nitin brings two decades of capital market experience across reputed institutions such as Reliance Capital AMC and Edelweiss Financials. With deep expertise in portfolio management, macroeconomics, sectoral and business analysis, he also specializes in Behavioral Finance, helping investors unlock the full potential of their portfolios with a long-term perspective.

In his most recent role as Investment Manager at Miras Investments, a USD 2 billion global family office based in Oman, Nitin gained valuable exposure to international markets and global investment practices.

At Green Lantern Capital, Nitin spearheads Client Servicing, Sales, Marketing, and Business Development, combining his market insights with a strong client-centric approach

**Date of Appointment** : October 23, 2020

**Other Directorship** : NIL

### IV. Mr. Pradeep Gokhale – Partner & Portfolio Manager

**Qualification:** Chartered Accountant, Institute of Chartered Accountants of India and Chartered Financial Analyst, CFA Institute USA

**Experience:** Pradeep brings over 23 years of expertise in fund management, equity research, credit evaluation, and ratings, with a proven track record of building and managing successful investment strategies.

Before joining Green Lantern Capital LLP, he was Head of Equity at ITI Asset Management Ltd., where he joined at the start-up stage and played a pivotal role in scaling the fund house to an AUM of over INR3,000 crores. As Head of Equity, he was instrumental in shaping investment policies, establishing robust research processes, mentoring a team of young analysts, launching innovative fund products, and designing comprehensive risk management frameworks across schemes.

Prior to ITI, Pradeep spent 15 years at Tata Asset Management Ltd., serving as Senior Fund Manager. He managed a wide spectrum of funds—including large-cap, multi-cap, tax-saving, offshore, and thematic schemes—such as the Tata Large Cap Fund, Tata Large & Midcap Fund, Tata India Tax Savings Fund, Tata Hybrid Equity Fund (Equity Segment), Tata India Offshore Opportunities Fund, and Tata Ethical Fund. Collectively, these strategies oversaw an AUM exceeding INR5,000 crores.

His career journey also includes valuable experience at CARE Ratings Ltd., Bombay Dyeing, Tata International, and Lubrizol India Ltd., providing him with a well-rounded perspective across industries and asset classes.

At Green Lantern Capital, Pradeep serves as a Portfolio Manager, leveraging his deep market insight and seasoned expertise to deliver long-term value for clients.

**Date of Appointment** : September 26, 2023

**Other Directorship** : NIL

**(iii) TOP 10 GROUP COMPANIES/ FIRMS OF THE PORTFOLIO MANAGER ON TURNOVER BASIS**

Based on latest audited Financial Statement as of March 31, 2025 GLC has no group companies/ firms.

**(iv) DETAILS OF SERVICES BEING OFFERED: DISCRETIONARY / NON-DISCRETIONARY / ADVISORY:**

**I. Discretionary Services**

The Portfolio Manager will provide Discretionary Portfolio Management Services, which shall be in the nature of investment management and may include the responsibility of managing, renewing, and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividends, bonus, buy-backs, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any security as per executed agreement and make such changes in the investments and invest some or all the Client's account in such manner, and such markets as it deems fit would benefit the Client. The Portfolio Manager's decision in deploying the Client's account is absolute and final and can never be called into question or be open to review at any time during the currency of the agreement or any time thereafter. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Act, rules and regulations, guidelines, and notifications in force from time to time.

**II. Advisory Services**

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations, 1993, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy, sectoral allocation and investment and divestment of individual securities in the client portfolio, for an agreed fee structure, entirely at the Client's risk; to all eligible category of investors who can invest in the Indian market including domestic institution, NRIs, FIIs, etc.

The Portfolio Manager shall be solely an advisor to the Client's portfolio and shall not be responsible for the investment/divestment of securities and/or administrative activities on the Client's portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and/or directives issued by the regulatory authorities and/or the Client, from time to time, in this regard.

**(v) BENCHMARK**

APMI by circular ref no: APMI/2022-23/02 dated March 23, 2023 has prescribed following benchmarks for each strategy to enable the investor to evaluate relative performance of the Portfolio Managers:

Strategy	Benchmark 1	Benchmark 2	Benchmark 3
Equity	Nifty 50	BSE 500 TRI	MSEI SX 40
Debt	Nifty Medium to Long	CRISIL Credit Index \$	CRISIL Composite

Strategy	Benchmark 1	Benchmark 2	Benchmark 3
	Duration Debt Index	<b>Composition:</b>	Bond Fund Index
		33%: AA+/AA	
		17%: AA-	
		50%: A+/A/A- with a 2- 2.5-year duration	
Hybrid	Nifty 50 Hybrid	BSE S&P Hybrid \$	Crisil Hybrid 50+50
	Composite Debt 50:50 Index	<b>Composition:</b>	Moderate Index
		50%: BSE 500 Index & 50%:S&P BSE Arbitrage Rate Index	
Multi-Asset	NSE Multi Asset Index	NSE Multi Asset Index	Crisil Multi Asset Index
	1\$	2 \$	3 \$ **
	<b>Composition:</b>	<b>Composition:</b>	<b>Composition:</b>
	50%: Nifty 500	50%: NIFTY 500	50%: S&P BSE 500
	40%: Nifty 50 Arbitrage Index	20%: NIFTY Medium Duration Index	20%: S&P BSE Arbitrage Rate Index
	10%: REIT & INVIT	20%: NIFTY Arbitrage index	20%: Gold
		10%: INVIT/REIT	10%: REIT & INVIT

\$ These are customized indices and have a pre-defined time line for construction.

\*\*CRISIL will provide the composite benchmark including BSE 500 TRI.NOTE:

All equity indices are TRI.

#### (vi) **MINIMUM INVESTMENT AMOUNT**

The first minimum lump-sum investment amount to be invested under the portfolio is INR 50,00,000/- (INR Fifty Lacs Only) or any other amount as prescribed by SEBI. The requirement of minimum investment amount per client shall not apply to an accredited investor.

#### (vii) **DIRECT ON-BOARDING OF CLIENTS BY PORTFOLIO MANAGERS**

Clients shall have the option to be on-boarded persons directly to avail the services of the Portfolio Manager, without intermediation of engaged in distribution services.

At the time of onboarding of Clients directly, no charges except statutory charges will be levied by the Portfolio Manager.

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

(i)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under	Nil
(ii)	The nature of the penalty / direction	Not Applicable
(iii)	Penalties imposed for any economic offence and / or for violation of any securities laws	Nil
(iv)	Any pending material litigation / legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any	Nil
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency	Nil
(vi)	Any enquiry / adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under.	Nil

## **SERVICES OFFERED**

GLC is offering to build portfolio of securities that attempts to meet the investment rationale while following investment principals/ methodology believed and followed by the Portfolio Manager. The Portfolio Manager offers bespoke portfolio built over a period of time, depending upon market opportunity at the time of customer providing capital.

### **DISCRETIONARY SERVICES**

GLC offers two Investment Approaches under its Discretionary Services.

#### **Name of Investment Approach: GLC Growth Fund**

**Investment Objective:** The fund's strategy is designed to deliver superior risk-adjusted returns across varying market conditions by focusing predominantly on mid- and small-cap companies. These segments often offer significant growth potential, yet require disciplined research and prudent selection to manage inherent volatility.

With an investment horizon of 3-5 years, the fund is positioned as an ideal long-term opportunity for investors seeking sustainable wealth creation. The portfolio is carefully constructed around businesses that are industry leaders or emerging leaders within their sectors, demonstrate the ability to consistently generate healthy returns on equity (ROE), and are available at valuations that provide a significant margin of safety.

By combining rigorous fundamental research with a focus on quality and value, the strategy seeks to balance growth opportunities with downside protection, ultimately aiming to compound capital effectively over time.

**Strategy:** GLC Growth Fund is an equity strategy.

**Appropriate benchmark to compare performance:** BSE 500 Total Return Index

#### Investment Approach:

- Investment under this Investment Approach will be in listed equities, mutual funds, money market instruments, cash and cash equivalents.
- The portfolio will be diversified with around 20-30 stocks across sectors and market capitalization with a higher focus on mid-capitalization companies.
- The primary focal point of our investment philosophy is the 'Margin of Safety', i.e. the difference between the purchase price and intrinsic value. A disciplined approach of protecting capital by buying the business at less than its true/potential value should generate superior long-term returns for our clients.
- The portfolio will consist of 0-25% large cap companies and 75%-100% small & mid cap companies. In case of macro turmoil, we can create a significant cash position to protect capital and take advantage of lower share prices.
- The Portfolio Manager aims to invest through a combination of top-down and bottom-up stock picking in emerging & existing themes to take advantage of the overall economic growth cycle.
- Invest in companies with a reasonable business size in terms of revenue, are capital efficient, and have low financial leverage and/or special moat business.
- Portfolio Managers would focus on companies with solid management, sustainable competitive edge, scalable businesses, and the presence of pricing power in their products or services.
- Preference is for growth stocks with the potential to generate revenue growth and reasonable Return on Equity (ROE)/ Return On Capital Employed (ROCE).
- The Portfolio Manager would like to adopt a buy-and-hold approach for investment and would attempt to participate through the entire cycle of value unlocking, which can happen over a more extended period.
- Investments will be actively monitored with periodic meetings with different levels of management, internal and external constituents of the companies, and competing businesses to continuously assess the validity of the investment hypothesis.
- Cash to be a default position: We shall invest in companies only when we conclude that potential returns adequately compensate for the risk we take by investing.
- The Portfolio Manager will regularly monitor the Fund's exposure by company and industry concentration, capitalization, liquidity, and valuations of individual positions.

Risk specific to Investment Approach: Being equity strategy and looking at the nature of investments, there are no specific risks for this Investment Approach other than general risk defined in section Risk Factors.

#### **Name of Investment Approach: GL Alpha Fund**

Investment Objective: The fund's strategy seeks to deliver superior risk-adjusted returns across diverse market conditions by investing primarily in large-cap and large mid-cap companies, within the flexibility of a broad multi-cap allocation framework. This approach combines the stability of established businesses with the growth potential of rising leaders, creating a balanced and resilient portfolio.

Designed as an ideal long-term investment (3-5 years), the fund focuses on building a carefully curated basket of market leaders - companies distinguished by robust balance sheets, strong earnings growth, and consistent free cash flow generation. By emphasizing financial strength and sustainable performance, the strategy aims to generate steady compounding and protect capital while capturing growth opportunities across sectors.

Strategy: GLC Alpha Fund is an equity strategy.

Appropriate benchmark to compare performance: BSE 500 Total Return Index

#### Investment Approach:

- Investment under this Investment Approach will be in listed equities, mutual funds, money market instruments, cash and cash equivalents.
- The portfolio will be diversified with around 20-30 stocks across sectors and market capitalization.

- The primary focal point of our investment philosophy is capturing growth opportunities with a long-term compounding mindset. A disciplined approach of investing in medium to long-term compounders coupled with strategically buying the business at less than their true/potential value should generate superior long-term returns for our clients.
- The portfolio will consist of 0-60% large cap companies, 20-30% mid cap and 0-30% small cap companies. In case of macro turmoil, we can create a significant cash position to protect capital and take advantage of lower share prices.
- on to protect capital and take advantage of lower share prices.
- The Portfolio Manager aims to invest through a combination of top-down and bottom-up stock picking in existing & emerging themes to take advantage of the overall economic growth cycle.
- Invest in companies that have a reasonable business size in terms of revenue, are capital efficient, and have low financial leverage.
- Portfolio Managers would focus on companies with solid management, sustainable competitive edge, scalable businesses, and the presence of pricing power in their products or services.
- Preference is for growth stocks with the potential to generate revenue growth and reasonable ROE/ ROCE.
- The Portfolio Manager would like to adopt a buy-and-hold approach for investment and would attempt to participate through the entire cycle of value unlocking, which can happen over a more extended period.
- Investments will be actively monitored with periodic meetings with different levels of management, internal and external constituents of the companies, and competing businesses to continuously assess the validity of the investment hypothesis.
- Cash to be a default position: We shall invest in companies only when we conclude that potential returns adequately compensate for the risk we take by investing.
- The Portfolio Manager will regularly monitor the Fund's exposure by company and industry concentration, capitalization, liquidity, and valuations of individual positions.

**Risk specific to Investment Approach:** Being equity strategy and looking at the nature of investments, there are no specific risks for this Investment Approach other than general risk defined in section Risk Factors.

## **ADVISORY SERVICES**

**Investment Objective:** The fund strategy endeavors to generate superior risk adjusted returns, in varying market conditions, by investing mostly in mid & small cap companies. Ideal long-term investment (2-4 year horizon) option for investors where we build a portfolio of companies that are Industry leaders, have potential to generate healthy ROE, and are trading at high margin of safety.

### **Investment Strategy/ Approach:**

- The portfolio will be diversified with around 20-30 stocks across sectors and market capitalization with a higher focus on Mid-capitalization companies.
- The primary focal point of our investment philosophy is the 'Margin of Safety', i.e. the difference between the purchase price and intrinsic value. A disciplined approach of protecting capital by buying the business at less than its true/potential value should generate superior long-term returns for our clients.
- The portfolio will consist of 0-25% Large Cap companies and 75%-100% Small & Mid Cap companies. In case of macro turmoil, we can create a significant cash position to protect capital and take advantage of lower share prices.
- take of lower share prices.
- The Portfolio Manager aims to invest through a combination of top-down and bottom-up stock picking in emerging & existing themes to take advantage of the overall economic growth cycle.
- Invest in companies with a reasonable business size in terms of revenue, are capital efficient, and have low financial leverage and/or special moat business.
- Portfolio Managers would focus on companies with solid management, sustainable competitive edge, scalable businesses, and the presence of pricing power in their products or services.
- Preference is for growth stocks with the potential to generate revenue growth and reasonable ROE/ ROCE.

- The Portfolio Manager would like to adopt a buy-and-hold approach for investment and would attempt to participate through the entire cycle of value unlocking, which can happen over a more extended period.
- Investments will be actively monitored with periodic meetings with different levels of management, internal and external constituents of the companies, and competing businesses to continuously assess the validity of the investment hypothesis.

The Portfolio Manager will regularly monitor the Fund's exposure by company and industry concentration, capitalization, liquidity, and valuations of individual positions.

## RISK FACTORS

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

## 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 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.
- 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.

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

### **RISK ASSOCIATED WITH INVESTMENTS IN MUTUAL FUND SCHEMES**

- 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.
- 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.
- Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- 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.
- 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.
- The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- 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.
- 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.

### **RISK ARISING FROM INVESTMENT OBJECTIVE, INVESTMENT STRATEGY AND ASSET ALLOCATION**

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made in the Portfolio. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well-developed and liquid secondary market for debt securities would result, at time, in potential losses to the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.

- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may however increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and may lead to the investments incurring losses till the security is finally sold.
- Interest Rate Risk: As with debt securities, changes in interest rates may affect valuation of the Portfolio's as the prices of securities generally increase as interest rates decline and generally decrease as interest rate rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility to price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.
- Liquidity or Marketability Risk: This refers to the ease with which a debt security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- 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.
- Reinvestment Risk: This refers to the interest rate levels at which cash flows received from the securities under a Portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

### **RISKS ARISING OUT OF NON-DIVERSIFICATION**

Diversification of portfolio across asset classes, investment themes, sectors and securities is normally construed to be less risky for investors. It is to be noted that the portfolio is likely to be more focused on a single asset class, i.e. equities which inherently is very volatile. Further the portfolio could be subject to more risk on account of its concentration of investments into a few sectors or a limited number of securities. In addition to limited/inadequate diversification across asset classes, themes and sectors, the portfolio could be prone to higher risk on account of non-diversification across market capitalizations, particularly if the portfolio has a bias towards mid-cap and small-cap companies

### **NATURE OF EXPENSES**

The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements of each of the services availed at the time of execution of such agreements.

#### **(a) MANAGEMENT FEES:**

Green Lantern Capital may offer clients two fee structure options under its Portfolio Management Services. These options represent the maximum permissible limits, and the applicable fee structure within these limits will be mutually agreed upon and documented in the PMS Agreement.

- Fixed Fee Structure
  - Under this model, the maximum Fixed Management Fee charged to the client shall not exceed 3% of the assets under management.
- Variable Fee Structure
  - Performance Linked Management Fee: 25% per annum on returns.

**OR**

- Fixed Management Fee: Up to 2.5% per annum.
- Performance Linked Management Fee: 12% per annum on returns exceeding a 10% Hurdle Rate of Return, subject to a High-Water Mark principle.

**Additional Notes:**

- Management Fees relate to the Portfolio Management Services offered to clients and may be levied as a fixed charge, a percentage of funds managed, linked to portfolio performance, or a combination thereof, as agreed in the PMS Agreement.
- Any Fees may also be structured at a percent as mutually agreed and reflected in Schedule V – Fees and Charges of the PMS Agreement.
- All Management and Performance Fees are subject to GST at the applicable rate.
- The above fee structure applies to only Discretionary PMS Services offered by the Portfolio Manager
- No fees shall be charged more than the cap mentioned here under.

**(b) OTHER CHARGES**

include the following below expenses, includes custodian and depository charges, fund accounting charges, audit fees, and any other administrative charges that are directly attributable to the portfolio management services. Operating expenses, excluding brokerage, and over and above the fees charged for Portfolio Management Services, shall not exceed 0.15% per annum of the Client's average daily Assets Under Management. 0.15% Per Annum calculated on Average Value of the Portfolio or as shall be charged as mutually decided as per the agreement.

**(c) CUSTODIAN/ DEPOSITORY FEES**

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts these charges are a part of other charges mentioned above, they are included in 0.15%.

**(d) REGISTRAR AND TRANSFER AGENT FEE**

Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.

**(e) BROKERAGE AND TRANSACTION COSTS**

The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments. Brokerage rates will be determined through a mutually agreed arrangement with empaneled brokers and shall not exceed 0.20%.

**(f) CERTIFICATION AND PROFESSIONAL CHARGES**

Charges payable for out sourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.

**(g) INCIDENTAL EXPENSES**

Charges in connection with the courier expenses, service tax, postal, telegraphic, opening and operation of bank accounts etc.

### **(h) ANY OTHER CHARGES**

as mutually decided as per the client agreement.

### **(i) INITIAL INVESTMENT PERIOD AND VOLUNTARY TERMINATION**

The Initial Investment Period refers to the first 24 months from the date of portfolio activation, as notified by the Portfolio Manager. During this period, any voluntary termination of the Agreement or withdrawal, whether full or partial, by the Client shall be subject to an exit load as per the structure below:

<b>Duration</b>	<b>Percentage</b>
First 12 months	3% of Redemption Amount
12 - 24 months	2% of Redemption Amount
Post 24 months	No Exit Load

## **TAX IMPLICATIONS**

The tax information described in this Document is as per the provisions of the Income-tax Act, 1961 ('the Act') in force in India as of the date hereof, applicable to the assessment year 2025-26

The information given is included only for general purpose and not representations of the Company to induce any client, prospective or existing, to invest in the portfolio management services of the Company. 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.

The tax incidence to investors could vary materially based on residential status, characterization of income (i.e. capital gains versus business profits) accruing to them.

Investors, prospective or existing, are advised to consult their tax practitioners with respect to tax consequences that may be faced by them on account of their participation in any of the Strategies of the Portfolio Manager. The Portfolio Manager shall not be responsible for assisting or completing the fulfillment of the obligations of an Investor. Wherever required by the relevant Act, rules and regulations, tax will be deducted at source by the Portfolio Manager. The obligation of paying Advance Tax installment shall lie on the Investors.

The information set forth below is based on the Portfolio Manager's understanding of the Tax Laws as of the date of this Disclosure Document, applicable to the assessment year 2025-26. The client should seek advice from his/her/its own professional advisor if he/she/it is in any doubt regarding the taxation consequences of investing in the Products offered under Portfolio Management Services.

### **(a) INCOME TAX SLABS**

The maximum tax rates applicable to different categories of assessee are as follows:

<b>Category Of Assessee</b>	<b>Maximum Tax Rate Applicable</b>
Resident individual & HUF <sup>1</sup>	30% + surcharge and cess
Partnership Firms & Indian Companies (other than specified companies below)	30% + surcharge and cess
Indian Companies having turnover less than INR 4000 million during the financial year 2017-18	25% + surcharge and cess
Company opting for section 115BA (Manufacturing domestic companies)	25% + surcharge and cess
Company opting for section 115BAA <sup>2</sup>	22% + surcharge and cess
Company opting for section 115BAB <sup>3</sup>	15% + surcharge and cess
Non-resident Indians	30% + surcharge and cess

### Special Tax Rate for Individual and HUFs

- The new tax regime is the default tax regime for the Individual or HUF.
- Further, the benefit of new tax regime has also extended to Association of Persons (AOP) / Body of Individuals (BOI) and Artificial Juridical Person (AJP). If one to opt-out from default new tax regime, he has to exercise the option under Section 115BAC (6).
- The tax rates under the new tax regime applicable from assessment year 2026-27 are as under:

Net Income Range	Tax rate
Upto INR 4,00,000	Nil
From INR 4,00,001 to INR 8,00,000	5 %
From INR 8,00,001 to INR 12,00,000	10 %
From INR 12,00,001 to INR 16,00,000	15 %
From INR 16,00,001 to INR 20,00,000	20 %
From INR 20,00,001 to INR 24,00,000	25 %

### (b) SURCHARGE

Surcharge is levied on the amount of income-tax at following rates if total income of an assessee exceeds specified limits:

Sl. No.	Category of Assessee	Range of Income	Rate of Surcharge
1	Individual and HUF (including for Individual and HUF to tax the income at lower tax rates under Section 115BAC)	INR 50 Lakhs to INR 1 Crore	10%
		INR 1 Crore to INR 2 Crores	15%
		INR 2 Crores to INR 5 Crores	25%
		Exceeding INR 5 Crores	37%
2	Partnership Firm and Limited Liability Partnership	Exceeding INR 1 Crore	12%
3	Local Authority	Exceeding INR 1 Crore	12%
4	Domestic Company (Where its total turnover or gross receipt during the previous year 2019-20 does not exceed INR 400 crore)	--	25%
	Domestic Company (Where its total turnover or gross receipt during the previous year 2020-21 does not exceed INR 400 crore)	--	--
	Domestic Company (Where it opted for Section 115BAA or Section 115BAB)	--	10%
	Any other Domestic Company (including companies opting for Section 115BA)	INR 1 crore but not exceeding INR 10 crore	7%
exceeds ten crore rupees		12%	
5	Foreign Company	INR 1 crore but not exceeding INR 10 crore	2%
		exceeds ten crore rupees	5%

#### Notes:

1. The enhanced surcharge of 25% & 37%, as the case may be, is not levied, on dividend income or income chargeable to tax under sections 111A, 112, 112A and 115AD(1)(b). Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.
2. The surcharge rate for AOP with all members as a company, shall be capped at 15%.
3. The surcharge rate is nil if the total income of a 'specified fund' as referred to in section 10(4D) includes any income in respect of securities as given under section 115AD(1)(a).
4. In case of Individual and HUF, marginal relief is available from surcharge in following manner-
  - i. in case where net income exceeds INR 50 lakh but doesn't exceed INR 1 Crore, the amount payable as income tax and surcharge shall not exceed the total amount payable as income tax on total income of INR 50 Lakh by more than the amount of income that exceeds INR 50 Lakhs.
  - ii. in case where net income exceeds INR 1 crore but doesn't exceed INR 2 crore, marginal relief shall be available from surcharge in such a manner that the amount payable as income tax and surcharge shall not exceed the total amount payable as income-tax on total income of INR 1 crore by more than the amount of income that exceeds INR 1 crore.
  - iii. in case where net income exceeds INR 2 crores but doesn't exceed INR 5 crores, marginal relief shall be available from surcharge in such a manner that the amount payable as income tax and surcharge shall not exceed the total amount payable as income-tax on total income of INR 2 crores by more than the amount of income that exceeds INR 2 crores.
  - iv. in case where net income exceeds INR 5 crores, marginal relief shall be available from surcharge in such a manner that the amount payable as income tax and surcharge shall not exceed the total amount payable as income-tax on total income of INR 5 crores by more than the amount of income that exceeds INR 5 crores.
5. In case of partnership firm (including LLP), the surcharge shall be subject to marginal relief (where income exceeds one crore rupees, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of one crore rupees by more than the amount of income that exceeds one crore rupees).
6. Health and Education Cess is levied at the rate of 4% on the amount of income-tax plus surcharge.
7. The Health and Education Cess is nil if the total income of a 'specified fund' as referred to section 10(4D) includes any income in respect of securities as given under section 115AD(1)(a).
8. Under the old tax regime, a resident individual (whose net income does not exceed INR 5,00,000) can avail rebate under section 87A. It is deductible from income-tax before calculating education cess. The amount of rebate is 100 per cent of income-tax or INR 12,500, whichever is less.
9. Under the new tax regime specified in Section 115BAC(1A), a maximum rebate of INR60,000 is allowable under Section 87A from the income tax payable on total income. This rebate is available only if the total income of the assessee chargeable under Section 115BAC(1A) does not exceed INR12,00,000. The rebate shall not apply to income taxable at special rates, such as long-term capital gains (LTCG) or short-term capital gains (STCG) on equity shares.

### **(c) ALTERNATE MINIMUM TAX (AMT)**

- i. An assessee, other than a company, is liable to pay Alternate Minimum Tax where tax payable by him, on his total income computed as per normal provisions of the Act, is less than 18.5% of 'adjusted total income'. In such a case the 'adjusted total income' is taken as income of such individual and he shall be liable to pay tax at the rate of 18.5% of such 'adjusted total income'.
- ii. However, AMT is levied at the rate of 9% (plus surcharge and cess as applicable) in case of an assessee other than a company, being a unit of an International Financial Services Centre and deriving its income solely in convertible foreign exchange.
- iii. g a unit of an International Financial Services Centre and deriving its income solely in convertible foreign exchange.
- iv. "Adjusted total income" for this purpose shall be the total income increased by deductions claimed under section C of chapter VI-A (other than section 80P), deduction claimed, if any, under section 10AA and deduction claimed under section 35AD reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed.
- v. respect of the assets on which the deduction under that section is claimed.
- vi. The provisions of AMT shall apply to any person who has claimed any deduction under chapter VI-A (other than section 80P) or under section 10AA or under section 35AD.

- vii. AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person if the adjusted total income of such person does not exceed INR 20 lakhs.
- viii. Further, the credit of AMT can be carried forward to fifteen subsequent years and set off in the year(s) where regular income tax exceeds the AMT.
- ix. If an assessee has opted for new tax regime, the provisions of AMT shall not be applicable.

#### **(d) TAX IMPLICATIONS TO DIFFERENT CATEGORIES OF INVESTORS FOR VARIOUS STREAMS OF INCOME**

A PMS Client may earn:

- Income from dividend on shares and units of mutual fund
- Proceeds on buy-back of shares by company
- Business Income (loss) from purchase and sale of Securities (shares, debentures, rights renunciations, units, etc.)
- Short-term and/or long-term capital gains (or losses) on sale of Securities (shares, debentures, rights renunciations, units, etc.)

Each such income has a separate tax treatment in the hands of the PMS Client as discussed hereunder.

#### **Income from Dividend on Shares and Units of Mutual Fund**

1. Taxability in hands of shareholders
  - (a) With effect from April 01, 2020, Finance Act 2020 has abolished the Dividend Distribution Tax charged under section 115O and section 115R of the Act on the dividends paid by the domestic company and Mutual Fund, respectively, thereby transferring the tax burden completely in the hands of the shareholders / unitholders.
  - (b) Resultantly, section 10(34) and section 10(35) of the IT Act has also been deleted.
  - (c) Currently, the dividend is taxable in the hands of the unitholders / shareholders and also, subject to withholding of taxes at source by the Mutual Fund / Company, at applicable rates.
  - (d) In addition to the above, where any income distributed up to March 31, 2020 which is subject to tax on distribution is received on or after April 01, 2020, the same shall continue to be exempt in the hands of shareholders / unitholders under section 10(34) / 10(35) of the Act.
2. Withholding tax
  - (a) As per the Section 194, which shall be applicable to dividend distributed, declared or paid on or after 01-04-2020, an Indian company shall deduct tax at the rate of 10% from dividend distributed to the resident shareholders if the aggregate amount of dividend distributed or paid during the financial year to a shareholder exceeds INR 5,000.
  - (b) However, where the dividend is payable to a non-resident or a foreign company, the tax shall be deducted under Section 195 in accordance with relevant Double Taxation Avoidance Agreements ("DTAA").
  - (c) As per Section 195, the withholding tax rate on dividend shall be as specified in the Finance Act of the relevant year or under DTAA, whichever is applicable in case of an assessee.
  - (d) Dividend income is generally chargeable to tax in the source country as well as the country of residence of the assessee and, consequently, country of residence provides a credit of taxes paid by the assessee in the source country. Thus, the dividend income shall be taxable in India as per provisions of the Act or as per relevant DTAA, whichever is more beneficial
3. The taxability of dividend and tax rate thereon shall depend upon many factors like residential status of the shareholders, relevant head of income. Thus, if shares are held for trading purposes, then the dividend income shall be taxable under the head business or profession. Whereas, if shares are held as an investment, then income arising in nature of dividend shall be taxable under the head other sources.
4. For the purpose of computation of business income, a taxpayer can follow either mercantile system of accounting or cash basis of accounting. However, the method of accounting employed by the assessee does not affect the basis of charge of dividend income as Section 8 of the Act provides that final dividend

including deemed dividend shall be taxable in the year in which it is declared, distributed or paid by the company, whichever is earlier.

5. accounting or cash basis of accounting. However, the method of accounting employed by the assessee does not affect the basis of charge of dividend income as Section 8 of the Act provides that final dividend including deemed dividend shall be taxable in the year in which it is declared, distributed or paid by the company, whichever is earlier.
6. Whereas, interim dividend is taxable in the previous year in which the amount of such dividend is unconditionally made available by the company to the shareholder. In other words, interim dividend is chargeable to tax on receipt basis.
7. other words, interim dividend is chargeable to tax on receipt basis.
8. Deductions from dividend income
  - (a) Where dividend is assessable to tax as business income, the assessee can claim the deductions of all those expenditures which have been incurred to earn that dividend income such as collection charges, interest on loan etc.
  - (b) Whereas if dividend is taxable under the head other sources, the assessee can claim deduction of only interest expenditure which has been incurred to earn that dividend income to the extent of 20% of total dividend income. No further deduction is allowed for any other expenses including commission or remuneration paid to a banker or any other person to realise such dividend.
  - (c) commission or remuneration paid to a banker or any other person to realise such dividend.
9. Tax rate on dividend income
  - (a) The dividend income shall be chargeable to tax at normal tax rates as applicable in case of a resident assessee.
  - (b) The dividend income, in the hands of a non-resident person (including FPIs and non-resident Indian citizens (NRIs)), is taxable at the rate of 20% without providing for deduction under any provisions of the Income-tax Act.
10. Taxability under DTAA
  - (a) Dividend income is generally chargeable to tax in the source country as well as the country of residence of the assessee and, consequently, country of residence provides a credit of taxes paid by the assessee in the source country.
  - (b) Thus, the dividend income shall be taxable in India as per provisions of the Act or as per relevant DTAA, whichever is more beneficial.
11. Inter-corporate Dividend
  - (a) The provisions of section 80M removes the cascading effect by providing that intercorporate dividend shall be reduced from total income of company receiving the dividend if same is further distributed to shareholders one month prior to the due date of filing of return.
12. Advance tax liability on dividend income
  - (a) If the shortfall in the advance tax instalment or the failure to pay the same on time is on account of dividend income, no interest under section 234C shall be charged provided the assessee has paid full tax in subsequent advance tax instalments.
  - (b) Any taxpayer whose total tax liability on dividend income exceeds INR10,000 in a financial year is required to pay advance tax under Sections 208 to 211 of the Income-tax Act, 1961. Advance tax on dividend income is payable in scheduled instalments (15th June, 15th September, 15th December, and 15th March) along with other advance tax liabilities. If any instalment is underpaid or not paid on time due to dividend income, no interest under Section 234C shall be levied, provided that the full advance tax liability on such dividend income is paid in the remaining instalments within the same financial year. This applies to dividend income chargeable under Section 115A (for non-residents) and Section 115BAC (for residents opting for the new tax regime).

### **Proceeds on Buy-Back of Shares by Company**

1. The sum paid by a domestic company for purchase of its own shares shall be treated as dividend in the

hands of shareholders, who received payment from such buy-back of shares and shall be charged to income-tax at applicable rates.

2. No deduction for expenses shall be available against such dividend income while determining the income from other sources.
3. The cost of acquisition of the shares which have been bought back would generate a capital loss in the hands of the shareholder as these assets have been extinguished. Therefore, when the shareholder has any other capital gain from sale of shares or otherwise subsequently, he would be entitled to claim his original cost of acquisition of all the shares (i.e. the shares earlier bought back plus shares finally sold). It shall be computed as follows:
  - (a) deeming value of consideration of shares under buy-back (for purposes of computing capital loss) as nil;
  - (b) allowing capital loss on buy-back, computed as value of consideration (nil) less cost of acquisition;
  - (c) allowing the carry forward of this as capital loss, which may subsequently be set-off against consideration received on sale and thereby reduce the capital gains to this extent.

### **Characterization of Income Derived from Sale of Securities**

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

The applicable tax rate depends on the nature of income i.e., capital gains or business income. Gains on disposition of securities that are held as "stock-in-trade" should be considered as "business profits" whereas those held as "investment" should be considered as "capital gains".

Judicial precedents have not evolved any specific test that could be universally applied in determining whether gains on disposition of securities are "capital gains" or "business profits". The answer to this question would necessarily depend upon all relevant factors and circumstances of a case.

The Central Board of Direct Taxes ('the CBDT') in its instruction no.1827 dated August 31, 1989 had laid down certain tests to distinguish between shares held as stock-in-trade and shares held as investment.

The CBDT has issued draft instructions seeking comments from all stakeholders on the supplementary instructions proposed to be issued. The following supplementary instructions in this regard will provide further guidelines for determining whether a person is a trader in stocks or an investor in stocks:

- a. Whether the purchase and sale of securities was allied to his usual trade or business / was incidental to it or was an occasional independent activity;
- b. Whether the purchase is made solely with the intention of resale at a profit or for long term appreciation and/or for earning dividends and interest;
- c. Whether scale of activity is substantial;
- d. Whether transactions were entered into continuously and regularly during the assessment year;
- e. Whether purchases are made out of own funds or borrowings;
- f. The stated objects in the Memorandum and Articles of Association in the case of a corporate assessee;
- g. Typical holding period for securities bought and sold;
- h. Ratio of sales to purchases and holding;
- i. The time devoted to the activity and the extent to which it is the means of livelihood;
- j. The characterization of securities in the books of account and in balance sheet as stock in trade or investments;

- k. Whether the securities purchased or sold are listed or unlisted;
- l. Whether investment is in sister/related concerns or independent companies;
- m. Whether transaction is by promoters of the company;
- n. Total number of stocks dealt in; and
- o. Whether money has been paid or received or whether these are only book entries.

The Assessing Officers also advised that no single criterion listed above is decisive and total effect of all these criteria should be considered to determine the nature of activity.

On 15 June 2007, the CBDT issued Circular no. 4/2007, to update its earlier instruction for the guidance of the tax officer. This circular provides further guidance on determining whether the shares are held by the assessee as investment or stock-in-trade.

This circular is a supplement to instruction no.1827 dated 31 August 1989.

Considering 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.

With effect from 1 April 2014, any security held by Foreign Portfolio Investor (Foreign Institutional Investors) would be treated as capital asset and any income arising from transfer of such security would be in nature of capital gains.

The CBDT further issued instructions to the AO regarding the treatment to be adopted when surplus is generated from sale of listed securities – Circular No. 6/2016. The AO in holding whether the surplus generated from the sale of listed shares or other securities would be treated as capital gain or business income, shall take into account the following: -

- a. Where the assessee itself, irrespective of the period of holding the listed shares and securities, opts to treat them as stock-in-trade, the income arising from transfer of such shares/securities would be treated as its business income,
- b. In respect of listed shares and securities held for a period of more than 12 months immediately preceding the date of its transfer, if the assessee desires to treat the income arising from the transfer thereof as Capital Gain, the same shall not be put to dispute by the Assessing Officer. However, this stand, once taken by the assessee in a particular Assessment Year, shall remain applicable in subsequent Assessment Years also and the taxpayers shall not be allowed to adopt a different/contrary stand in this regard in subsequent years;
- c. In all other cases, the nature of transaction (i.e. whether the same is in the nature of capital gain or business income) shall continue to be decided keeping in view the aforesaid Circulars issued by the CBDT.

Further, the CBDT has issued a clarification on 2 May 2016 vide F. No. 225/12/2016/ITA. II that the income arising from transfer of unlisted shares would be considered under the head 'capital gain' irrespective of the period of holding, with a view to avoid disputes / litigation to maintain a uniform approach. However, this would not apply in situations where: -

- a. The genuineness of transactions in unlisted shares itself is questionable; or
- b. The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- c. The transfer of unlisted shares is made along with the control and management of underlying business.

### **Profits and Gains of Business or Profession**

As per the Finance Act 2008, deduction in respect of securities transaction tax paid is allowed in the computation of business income. However, if the income on sale of securities is treated as capital gains (treatment separately discussed), no deduction of securities transaction tax paid will be allowed from the gains derived.

Under section 43(5) of the Act, transactions in stocks and shares ultimately settled otherwise than by actual delivery are regarded as speculative transactions.

However, Finance Act 2005 has inserted proviso (d) to Section 43(5), whereby transactions in respect of trading in derivatives shall not be considered as a Speculative Transaction, provided the transaction is carried out electronically on screen-based systems through a stock broker or sub-broker or intermediary registered under SEBI or by banks or mutual funds on a recognized stock exchange and is supported by time stamped contract note.

Profits / loss arising on sale / purchase / close out of derivatives on the recognized stock exchange should be considered as Business Profits.

There is no withholding tax on income arising on sale trades through the recognized stock exchange and so tax is payable as advance tax during the year of sale.

Business Profits are taxed as normal income at the rates prescribed under Income tax Act, 1961.

Losses under the head business income: Business loss can be set off against the income from any other source under the same head or income under any other head (except income from Salary) in the same assessment year.

Further, if such loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business, within the period of eight subsequent assessment years.

Where the principal business of the company is of trading in shares such company shall not be deemed to be carrying on speculation business. So, in case of assessee, which has its principal business of trading in shares, the loss on sale of shares ought to be treated as business loss (and not speculative loss).

Under the provisions of Section 94 (7) of the Act, short-term capital loss arising on sale of shares, which are bought within 3 months prior to the record date of declaration of dividend and sold within 3 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such shares.

Under the provisions of Section 94 (7) of the Act, loss arising on sale of units, which are bought within 3 months prior to the record date (i.e., the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive the income) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Additionally, as per section 94 (8) of the Act, wherein in case of securities or units purchased within a period of three months prior to the record date for entitlement of bonus and sold within nine months after the record date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be treated as cost of acquisition of such bonus units.

### **Capital Gains Tax**

According to Section 45(1), capital gains are chargeable to tax in the year in which the capital asset is transferred. It is the date of the transfer that determines the previous year in which the capital gain is to be taxed.

Where the date of the transfer falls in the previous year 2024-25, it becomes essential to carefully identify the date of transfer because the amendments made by the Finance (No. 2) Act, 2024, with effect from 23-07-2024, could impact the following factors, which are important in computing the capital gains and tax thereon:

- a. The period of holding of capital assets
- b. Availability of indexation
- c. Applicable tax rates

If the transfer is made before July 23, 2024, the old provisions shall continue to apply. However, if the transfer is made on or after July 23, 2024, there shall be the following consequences:

- The new holding periods shall apply to determine the nature of capital gains.
- The tax on short-term capital gains covered under Section 111A shall be 20% instead of 15%.
- A uniform tax rate of 12.5% shall apply to long-term capital gains under Section 112, although a grandfathering provision is introduced for land or building in the case of resident individuals or HUFs.
- The tax on long-term capital gains covered under Section 112A shall be 12.5% instead of 10%.
- No benefit of indexation shall be available on long-term capital gains.
- The tax rate on capital gains arising from non-residents will be higher, in line with changes to Sections 111A, 112, and 112A.
- Withholding tax on capital gains will be aligned with changes to Sections 111A, 112, and 112A.

Thus, it is essential to understand what constitutes a transfer [see Para 1.2-1] and when a capital asset is considered to be transferred.

#### When a capital asset is considered to be transferred?

The CBDT, vide Circular No. 704, dated 28-04-1995, has clarified the following in respect of securities:

- a. When the securities are transacted through stock exchanges, it is the established procedure that the brokers first enter into contracts for the purchase/sale of securities and, thereafter, follow it up with the delivery of shares. Thus, these transactions are completed on a T+1 basis, meaning one day after the transaction occurs. The CBDT has clarified that the date of the broker's note should be treated as the date of transfer, provided these transactions are followed by the delivery of shares. Therefore, the date of the broker's note, not the date of delivery, is regarded as the date of transfer for securities. Considering this clarification, if a person executes a sale order on or before July 22, 2024, the period of holding for such cases shall be computed according to the old law, even if the delivery of the shares takes place on or after July 23, 2024.
- b. as the date of transfer, provided these transactions are followed by the delivery of shares. Therefore,
- c. the date of the broker's note, not the date of delivery, is regarded as the date of transfer for securities. Considering this clarification, if a person executes a sale order on or before July 22, 2024, the period of holding for such cases shall be computed according to the old law, even if the delivery of the shares takes place on or after July 23, 2024.
- d. In case the transactions occur directly between the parties and not through stock exchanges, the date of the contract of sale as declared by the parties shall be treated as the date of transfer, provided it is followed up by the actual delivery of shares and the transfer deeds.
- e. shall be treated as the date of transfer, provided it is followed up by the actual delivery of shares and the transfer deeds.

#### Period of Holding for the Classification of Capital Assets into Long-Term and Short-Term

For the purpose of computing capital gains, capital assets are classified into short-term and long-term assets. This distinction is based on the holding period of the asset before transfer. A capital asset is treated as a long-term capital asset if it is not classified as a short-term capital asset.

The Finance (No. 2) Act has simplified the holding periods; now only two categories prevail, 12-month and 24-month period, for classification of any capital asset into long-term or short-term. Holding period of 36 months (except in the case of business undertaking) has been done away with.

The following table summarizes the classification:

Nature of Securities	Before July 23, 2024		On or After July 23, 2024	
	Listed	Unlisted	Listed	Unlisted
Equity Shares	12 months	24 months	12 months	24 months
Units of Equity Oriented Funds	12 months	12 months	12 months	12 months
Units of UTI	12 months	12 months	12 months	12 months
Units of Business Trust	36 months	36 months	12 months	24 months
Other Units	36 months	36 months	12 months	24 months
Preference Shares	12 months	24 months	12 months	24 months
Debentures	12 months	36 months	12 months	24 months
Government Securities	12 months	36 months	12 months	24 months
Zero coupon bonds	12 months	12 months	12 months	24 months
Other Bonds	12 months	36 months	12 months	24 months
Other securities	12 months	36 months	12 months	24 months

#### Tax Rates

There are notable changes in the tax rates which have been summarized below:

Particulars	Tax rate for transfer before July 23, 2024	Tax rate for transfer on or after July 23, 2024
Short-term capital gains (STCG) on listed securities being shares, units of equity oriented mutual fund and units of business trust under Section 111A	15%	20%
STCG on capital assets other than above	Applicable corporate rate / slab rate	Applicable corporate rate / slab rate
Long-term capital gains (LTCG) on listed securities being shares, units of equity oriented mutual fund and units of business trust under Section 112A	10%	12.50%
LTCG on capital assets other than above	20%	12.50%

The above rates shall be increased by the applicable surcharge and health and education cess as mentioned in Annexure 1.

#### Transfer of listed equity shares, or a unit of an equity-oriented fund or a unit of a business trust as referred to in Section 112A

Long Term Capital Gains: Long-term capital gains arising from transfer of listed equity share, or a unit of an equity-oriented fund or a unit of a business trust as referred to in Section 112A shall be chargeable to tax as follow:

- 10% in excess of INR 1,00,000 for any transfer which takes place before 23-07-2024; and
- 12.5% in excess of INR 1,25,000 for any transfer which takes place on or after 23-07-2024.

The aggregate limit of INR 1,25,000 shall be considered to compute long-term capital gains from transfer made

during 01-04-2024 to 31-03-2025.

The following amounts shall be deductible from the full value of consideration, to arrive at the amount of capital gains:

- a. Cost of acquisition of securities, and
- b. Expenditure incurred wholly and exclusively in connection with such transfer.

A cost step up by way of substitution of the actual cost of acquisition for the fair market value as of January 31, 2018 is provided. The cost of acquisition in respect of Listed Equity Shares or Units of Equity Oriented Funds or Units of Business Trust as referred to in Section 112A acquired before February 1, 2018., shall be deemed to be higher of the following:

- a. Actual cost of acquisition of such asset; and
- b. Lower of Fair Market Value ('FMV') of such asset and Full value of consideration received or accruing as a result of transfer of such asset.

FMV means:

Listed on recognized stock exchange	Listed on recognized stock exchange but not traded on 31 January 2018	Unit – Not listed on recognized stock exchange
Highest price quoted on January 31, 2018	Highest price of asset (when the said asset was traded) on date immediately prevailing before January 31, 2018	NAV as on January 31, 2018

In case of Individuals and HUF (being a resident), where taxable income as reduced by such long- term capital gains is upto / below the basic exemption limit, the long-term capital gains shall be reduced to the extent of the shortfall and only the balance long-term capital gains shall be subjected to the flat rate of income-tax.

Short Term Capital Gains: Short-term capital gains arising from the transfer of Equity Shares, Units of an Equity Oriented Funds or a unit of a business trust which is chargeable to securities transaction tax shall be taxed under section 111A at:

- 15% for any transfer which takes place before 23-07-2024; and
- 20% for any transfer which takes place on or after 23-07-2024.

However, in case of Individuals and HUF (being a resident), where taxable income as reduced by short-term capital gains arising on sale of equity shares or units of an equity-oriented fund is upto / below the basic exemption limit, the short-term capital gains shall be reduced to the extent of the shortfall and only the balance short-term capital gains shall be subjected to the flat rate of income-tax. Securities transaction tax is not deductible while computing capital gains.

In case of non-resident investor (including FPI) who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (which is in force) income tax is payable at the rate provided in the Act or the rate provided in the said agreement, whichever is more beneficial to such non-resident investor.

For non-residents claiming such tax treaty benefits, it is mandatory to obtain a tax residency certificate ('TRC') from the home country tax authority. Further, the non-residents would also be required to furnish additional information in Form no. 10F and permanent establishment certificate along with the TRC. Long-term capital gains arising to a non-residents or foreign company from transfer of unlisted securities shall be taxed at the following rates without giving benefit for indexation;

- 10% for any transfer which takes place before 23-07-2024; and
- 12.5% for any transfer which takes place on or after 23-07-2024.

The investors should obtain specific advice from their tax advisors regarding the availability of the tax treaty benefits.

Transfer of securities (other than listed securities being shares, units of equity oriented mutual fund and units of business trust under Section 111A referred to above)

Long-term Capital Gains: Long-term capital gains arising on sale of securities (other than listed securities being shares, units of equity oriented mutual fund and units of business trust under Section 111A referred to above), shall be taxable under Section 112 of the Act at the rates specified in the table above under 'Tax Rates'.

The Finance (No. 2) Act, 2024 removed the indexation benefit and introduced a uniform tax rate of 12.5% on long-term capital gains. As per the amendment, no indexation benefit is allowed while computing capital gain from long-term capital assets transferred on or after 23-07-2024.

The following amounts shall be deductible from the full value of consideration, to arrive at the amount of capital gains:

- a. Cost of acquisition of securities as adjusted by Cost Inflation Index notified by the Central Government, and
- b. Expenditure incurred wholly and exclusively in connection with such transfer.

In case of Individuals and HUF (being a resident), where taxable income as reduced by long-term capital gains arising on sale of securities (other than listed securities being shares, units of equity oriented mutual fund and units of business trust under Section 111A referred to above) is upto / below the basic exemption limit, the long-term capital gains shall be reduced to the extent of the shortfall and only the balance long-term capital gains shall be subjected to the flat rate of income-tax.

Foreign Institutional Investors:

Section 115AD of the Income Tax Act, 1961, deals with Tax on income of Foreign Institutional Investors from securities [excluding income from units of mutual fund which are taxed under Section 115AB] or capital gains arising from the transfer of such securities.

Long-term Capital Gains: In case of long-term capital gains arising from the transfer of a long-term capital asset being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust chargeable to STT shall be calculated at the rate of:

- 10% in excess of INR 1,00,000 for transfer of such assets takes place before July 23, 2024; and
- 12.5% in excess of INR 1,25,000 for transfer of such asset takes place on or after the July 23, 2024

The aggregate limit of INR 1,25,000 shall be considered to compute long-term capital gains from transfer made during 01-04-2024 to 31-03-2025.

Long-term capital gains arising from transfer of securities (other than equity share in a company or a unit of an equity-oriented fund or a unit of a business trust chargeable to STT) shall be liable to tax at the rate of 10%.

Tax rate shall be increased by applicable surcharge and health and education cess mentioned in Annexure 1. Such gains shall be calculated without inflation index and currency fluctuation adjustment.

Short-term Capital Gains: In case of short-term capital gains arising from the transfer of a short-term capital asset being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust chargeable to STT shall be calculated at the rate of:

- 15% for transfer of such assets takes place before July 23, 2024; and
- 20% for transfer of such asset takes place on or after the July 23, 2024

Short-term capital gains arising from transfer of securities (other than equity share in a company or a unit of an equity-oriented fund or a unit of a business trust chargeable to STT) shall be liable to tax at the rate of 30%.

Tax rate shall be increased by applicable surcharge and health and education cess mentioned in Annexure 1. Such gains shall be calculated without inflation index and currency fluctuation adjustment.

Non-Resident Individuals and HUF:

Short-term Capital Gains: In case of short-term capital gains arising from the transfer of a short-term capital asset being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust chargeable to STT shall be calculated at the rate of—

- 15% for transfer of such assets takes place before July 23, 2024; and
- 20% for transfer of such asset takes place on or after the July 23, 2024

Where the total income as reduced by such short-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such short-term capital gains shall not be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax. It means that short-term capital gains are taxable @ 15% irrespective of total income not exceeding the maximum amount which is not chargeable to income-tax.

However, short-term capital gains arising from the transfer of a short-term capital asset (other than equity share in a company or a unit of an equity-oriented fund or a unit of a business trust chargeable to STT) are taxable on progressive basis, as given below:

<b>Income Slab</b>	<b>Tax Payable</b>
Where total income for a tax year (April to March) is less than or equal to INR 2,50,000 (the basic exemption limit)	Nil
Where such total income is more than INR 2.50,000 but is less than or equal to INR 5,00,000	5% of the amount by which the total income exceeds INR 2.50,000
Where such total income is more than INR 5,00,000 but is less than or equal to INR 10,00,000	INR 12,500 plus 20% of the amount by which the total income exceeds INR 500,000
Where such total income is more than INR 10,00,000	INR 1,12,500 plus 30% of the amount by which the total income exceeds INR 10,00,000

The basic exemption limit for resident individuals of the age of 60 years or more is INR 3 lac, for individuals of the age of 80 years or more (very senior citizens) is INR 5 lac. The said tax rates shall be increased by surcharge and health and education cess, as mentioned in Annexure 1.

However, non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (which is in force), income-tax is payable at the rate provided in the Act or the rate provided in the said agreement, whichever is more beneficial to such other non-resident investor.

For non-residents claiming such tax treaty benefits, it is mandatory to obtain a tax residency certificate ('TRC') from the home country tax authority. Further, the non-residents would also be required to furnish additional information in Form no. 10F along with the TRC.

Any 'non-resident' can approach "Advance Rulings Authority" under Chapter XIX-B of the Income Tax Act, 1961, to determine the tax implications in India for the transaction proposed to be entered.

#### Long-term Capital Gains:

In case of long-term capital gains arising from the transfer of a long-term capital asset being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust chargeable to STT shall be calculated at the rate of

- 10% in excess of INR 1,00,000 for transfer of such assets takes place before July 23, 2024; and
- 12.5% in excess of INR 1,25,000 for transfer of such asset takes place on or after the July 23, 2024

The aggregate limit of INR 1,25,000 shall be considered to compute long-term capital gains from transfer made during 01-04-2024 to 31-03-2025.

Long-term capital gains arising from transfer of securities (other than equity share in a company or a unit of an equity oriented fund or a unit of a business trust chargeable to STT) shall be liable to tax at the rate of 20%.

Tax rate shall be increased by applicable surcharge and health and education cess mentioned in Annexure 1. Such gains shall be calculated without inflation index and currency fluctuation adjustment.

Where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall not be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax. It means that long-term capital gains are taxable @ 10% or 12.5%, as the case may be, irrespective of total income not exceeding the maximum amount which is not chargeable to income-tax.

### **Dividend Income**

Dividend income received from domestic companies continues to be taxable in the hands of shareholders as “Income from Other Sources” under Section 56.

For non-resident shareholders and foreign companies, dividend income is taxable in India at a special rate of 20% (plus applicable surcharge and cess) under Section 115A(1)(a)(A).

If a lower rate is prescribed under an applicable Double Taxation Avoidance Agreement (DTAA), such beneficial rate may be applied, subject to furnishing the following documents:

- Tax Residency Certificate (TRC) from the country of residence;
- Form No. 10F as prescribed under Rule 21AB; and
- A declaration confirming beneficial ownership of the dividend income and absence of a Permanent Establishment (PE) in India.

No deduction for any expenses is allowed against such dividend income.

### **Tax Deducted at Source**

As per Section 195 of the Income-tax Act, 1961, any person responsible for paying to a non-resident (including a foreign company) any interest or any other sum chargeable under the provisions of the Act (other than salary) is required to deduct tax at source at the time of credit or payment, whichever is earlier.

The rate of tax to be deducted shall be as prescribed under the Act or under the relevant Double Taxation Avoidance Agreement (DTAA), whichever is more beneficial to the assessee.

TDS on dividend income shall be deducted at the rate of 20% under Section 115A(1)(a)(A).

Short-term capital gains arising from the transfer of equity shares, units of equity-oriented funds, or units of business trusts chargeable to STT shall be subject to TDS at 15% if the transfer takes place before July 23, 2024, and at 20% if the transfer takes place on or after that date.

Short-term capital gains on other assets not chargeable to STT shall be subject to TDS at 30%.

Long-term capital gains arising from the transfer of listed equity shares, units of equity-oriented funds, or units of business trusts chargeable to STT shall be subject to TDS at 12.5% with effect from 1 April 2025, while long-term capital gains on other securities not chargeable to STT shall be subject to TDS at 20%.

### **Relief under Tax Treaties and Advance Ruling**

However, non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (which is in force), income-tax is payable at the rate provided in the Act or the rate provided in the said agreement, whichever is more beneficial to such other non-resident investor.

For non-residents claiming such tax treaty benefits, it is mandatory to obtain a tax residency certificate ('TRC') from the home country tax authority. Further, the non-residents would also be required to furnish additional information in Form no. 10F along with the TRC.

Any non-residents can approach "Advance Rulings Authority" under Chapter XIX-B of the Income Tax Act, 1961, to determine the tax implications in India for the transaction proposed to be entered.

### **Set Off of Capital Losses**

This is applicable for all Investors.

Long-term capital loss cannot be set off against any income other than income from long-term capital gain. However, short-term capital loss can be set off against long-term or short-term capital gain.

Loss under head "Capital gains" cannot be set off against income under other heads of income.

In the subsequent year(s), such loss can be adjusted only against income chargeable to tax under the head "Capital gains", however, long-term capital loss can be adjusted only against long-term capital gains. Short-term capital loss can be adjusted against long-term capital gains as well as short-term capital gains.

Such loss can be carried forward for eight years immediately succeeding the year in which the loss is incurred.

Such loss can be carried forward only if the return of income / loss of the year in which loss is incurred is furnished on or before the due date of furnishing the return, as prescribed under section 139(1).

Each Investor is advised to consult his / her or its own professional tax advisor before claiming set off of long-term capital loss arising on sale of shares and units of an equity-oriented fund referred to above, against long-term capital gains arising on sale of other assets.

Under the provisions of Section 94 (7) of the Act, short-term capital loss arising on sale of shares, which are bought within 3 months prior to the record date of declaration of dividend and sold within 3 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such shares. Under the provisions of Section 94 (7) of the Act, loss arising on sale of units, which are bought within 3 months prior to the record date (i.e., the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive the income) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Additionally, as per section 94 (8) of the Act, wherein in case of securities or units purchased within a period of three months prior to the record date for entitlement of bonus and sold within nine months after the record date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be treated as cost of acquisition of such bonus units.

### **(e) MINIMUM ALTERNATE TAX (MAT)**

#### All Corporate Investors

Unless specifically exempted from MAT provisions, every company including foreign company whose tax payable on total income in respect of any assessment year is less than 15% of book profit is liable to pay MAT at the rate of 15% of its book profit.

Any income accruing or arising to any foreign company by way of capital gains arising on transactions in securities, interest, dividend, royalty or fees for technical services shall be excluded from the ambit of MAT i.e., by excluding both the income and corresponding expenses in the computation.

MAT credit is the amount paid over and above the normal tax liability, which can be carried forward and can be utilised for 15 years. However, MAT credit to the extent of difference between the foreign tax credits allowed against MAT over such credit allowable against the tax under the other provisions of the Income-tax Act will not be eligible to be carried forward.

MAT provisions shall not be applicable to a foreign company if it is resident of a country with which India has a tax treaty and it does not have a PE in India or it is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law relating to companies. However, MAT provisions will not apply to foreign companies where their total income is solely derived from shipping business, exploration of mineral oils, business of aircraft, civil construction in turnkey projects and income thereon is offered to tax as per specific provisions provided under the Income-tax Act.

The domestic company who has opted for special taxation regime under Section 115BAA & 115BAB is exempted from provision of MAT. However, no exemption is available in case where section 115BA has been opted.

#### **(f) SECURITIES TRANSACTION TAX**

Investor shall be liable to pay securities transaction tax in respect of certain transactions listed hereunder:

<b>Nature of Transaction</b>	<b>Payable By</b>	<b>Value on Which Tax shall be Levied</b>	<b>Rates (%)</b>
Delivery based purchase / sale transaction of an equity shares in accompany or a unit of a business trust entered in a recognized stock exchange	Purchaser / Seller	Value at which shares are bought / sold	0.100
Delivery based purchase transaction in units of equity-oriented fund entered in a recognized stock exchange	Purchaser	Value at which units are bought	0.000
Delivery based sale transaction in units of equity-oriented fund entered in a recognized stock exchange	Seller	Value at which units are sold	0.001
Non-delivery-based sale transaction in equity shares or units of equity-oriented fund or a unit of a business trust entered in a recognized stock exchange	Seller	Value at which shares / units are sold	0.025
Transaction for sale of futures in securities	Seller	Value at which futures are traded	0.020
Transaction for sale of an option in securities	Seller	Option premium	0.100
Transaction for sale of an option in securities, where the option is exercised	Purchaser	Intrinsic Value <sup>#</sup>	0.125
Sale of units of an equity-oriented fund to the mutual fund	Seller	Value at which units are sold	0.001
Transaction on sale on unlisted shares in an Initial Public Offer, which subsequently listed on a recognised stock exchange	Seller	Value at which units are sold	0.200
Transaction on sale of unlisted units of a business trust in an Initial Public Offer, which subsequently listed on a recognised stock exchange	Seller	Value at which units are sold	0.200

<sup>#</sup>The expression "intrinsic value" means the difference between the settlement price and the strike price

"Equity-oriented fund" means a fund set up under a scheme of a mutual fund specified under Section 10 (23D) or under a scheme of an insurance company comprising unit linked insurance policies to which exemption

under clause (10D) of the said Section does not apply on account of the applicability of the fourth and fifth provisos thereof and,

- a. In a case where the fund invests in the units of another fund which is traded on a recognized stock exchange,
  - A minimum of 90 per cent of the total proceeds of such funds is invested in the units of such other fund; and
  - such other fund also invests a minimum of 90 per cent of its total proceeds in the equity shares of domestic companies listed on recognized stock exchange; and
- b. in any other case, a minimum of 65 per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on recognized stock exchange.

Provided that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of opening and closing figures.

Provided further that in case of a scheme of an insurance company comprising unit linked insurance policies to which exemption under Section 10 clause (10D) does not apply on account of the applicability of the fourth and fifth provisos thereof, the minimum requirement of ninety per cent or sixty-five per cent, as the case may be, is required to be satisfied throughout the term of such insurance policy

### **(g) GENERAL ANTI-AVOIDANCE RULES (GAAR)**

GAAR are a set of regulations under the Income-tax Act, 1961, introduced to curb aggressive tax planning strategies that exploit loopholes in tax laws to avoid paying taxes. It is applicable only if the tax benefit exceeds INR 3 crore in a financial year and allows tax authorities to re-characterize or disregard such transactions. Impermissible arrangements include those that result in misuse of tax provisions, lack arm's length principles, or create artificial rights or obligations. GAAR empowers authorities to deny tax benefits like exemptions, deductions, or incentives, ensuring fairness and curbing aggressive tax avoidance strategies.

GAAR came into effect from April 1, 2017, and applies to arrangements after this date.

### **(h) DETAILS UNDER FATCA/ FOREIGN TAX LAWS**

Tax Regulations require us to collect information about each investor's tax residency. If you have any questions about your tax residency, please contact your tax advisor. Foreign Account Tax Compliance Provisions (FATCA) are covered under the Internal Revenue Code (IRC) of the United States, which were introduced as part of the Hiring Incentives to Restore Employment (HIRE) Act, 2010. Applicants are required to refer and fill / sign off a separate FATCA declaration form. Applications without this information / declaration being filled / signed off will be deemed as incomplete and are liable to be rejected. Investors are requested to note that information to be provided in the application form may undergo a change on receipt of communication / guidelines form SEBI.

The tax liability explained here is a guideline, we suggest you to consult your tax advisor to understand the exact tax liabilities.

The above taxation details set forth Portfolio Manager's views based on the reliance on the relevant provisions of:

- a. The Income-tax Act, 1961 (as amended and the rules and regulations thereunder) currently in force;
  - b. The Finance Act, 2024 (No. 2); and
  - c. The judicial and administrative interpretations of the same,
- which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could be sometimes retroactive, could have an effect on the validity of the details provided above.

## ACCOUNTING POLICIES

- a. The company 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.
- b. Following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts, records for the client.

### **Basis of accounting:**

- The financial statements are prepared on an accrual basis of accounting, under the historical cost convention and in accordance with the applicable regulations and the accounting policies as set out below.

### **Investments**

- Transactions for purchase and sale of investments are recognized as of the trade date at cost of acquisition 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.
- The cost of the investments acquired or purchased would include brokerage, stamp charges and any charges customarily included in the broker's contract note or levied by any statute except Securities Transaction Tax ('STT').
- Investments in equity shares / units of mutual funds are reported at cost of acquisition as at the reporting date.
- In determining the holding cost of investments in equity shares and mutual funds in these financial statements as at the reporting date and for the purpose of computation of gain or loss on sale or redemption of investments, the "first-in-first-out" ('FIFO') method is followed. The differential between the sale value of investments and the cost of investments sold is recognized as a gain or loss in the statement of profit and loss.
- STT incurred on buying and selling of securities is charged to profit and loss account.
- Corporate actions such as Bonus / split / rights entitlements are recognized as investments on the ex-bonus / ex-split / ex-rights date respectively.
- The market value of Investments in listed equity and debt instruments are valued at the closing market prices on the National Stock Exchange (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the Bombay Stock Exchange (BSE) will be used for valuation of securities. In case of the securities are not traded on the valuation date, the last available traded price shall be used for the valuation of securities.
- The market value of Investments in units of Mutual Funds shall be valued at the repurchase price of the previous day declared for the relevant Scheme on the date of the report.
- Market value of investment in Government securities, bonds etc. will be valued on the basis of valuation prices as provided by CRISIL Ltd Bond valuer (CRISIL) or as displayed on the website of FIMMDA (Fixed Income Money Market and Derivatives Association of India). However, in case of illiquid / thinly traded securities or for the securities when the closing market price is not available in CRISIL/FIMMDA or when the closing price does not reflect the fair value, the same will be valued based on the criteria determined and approved by the investment committee.
- Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which the portfolio obtains an enforceable obligation to pay the price or, in the event of a sale, when the portfolio obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- Open positions in derivative transactions, will be marked to market on the valuation day.
- Private equity / Pre-IPO placements are valued at cost or at a last deal price available at which company has placed shares to other inventors.
- In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.

- Unrealised gain / losses are the differences, between the current market value / Net Asset Value and the historical cost of the securities.

#### **Capital**

- Capital denotes aggregate amount of cash / securities contributed by the Client at the time of initial investment with the Portfolio Manager and includes any subsequent injections of cash/ securities contributed and adjustments on account of repayments or redemptions, in accordance with the PMS agreement.
- Where securities have been received from the clients towards initial / additional corpus, the closing market value on the previous day of activation of the account / receipt of securities in the books, as initial/additional corpus, is considered as capital contribution and deemed to be the cost of investments for the purpose of tracking performance. Closing market value of the investments is based on last quoted closing price on the 'BSE' (in case the securities are not listed on BSE, the last quoted closing price on the 'NSE' is used).
- initial/additional corpus, is considered as capital contribution and deemed to be the cost of investments for the purpose of tracking performance. Closing market value of the investments is based on last quoted closing price on the 'BSE' (in case the securities are not listed on BSE, the last quoted closing price on the 'NSE' is used).
- Where securities have been withdrawn by the Client towards Partial / Full redemption, the closing market value of the previous day of such securities is considered for the purpose of determining the value of the capital withdrawn. Closing market value of the securities is based on last quoted closing price on the 'BSE' (in case the securities are not listed on BSE, the last quoted closing price on the 'NSE' is used). Difference in cost and Market Value of the securities at the time of Partial / Full Redemption is recorded as gain/loss of the portfolio for accounting purpose.

#### **Fee and expenses**

- As per the PMS agreement, Portfolio Management Fees may comprise of Fixed Fees, Performance Fees, and Exit Fees. Expenses include any other cost and expenses arising out of or incurred in the course of managing or operating the Client portfolio.
- Fixed fees/ Management fees is based on fixed percentage of the capital contribution / net assets value (as the case may be) as per the PMS Agreement with the Client and is accounted on accrual basis and is charged on the basis of daily weighted average balance of the asset under management of the Clients, at the end of every applicable charge period i.e. monthly or quarterly or yearly as per the PMS Agreement or on termination of PMS Agreement, whichever is earlier.
- Performance fees is based on portfolio returns and is accounted on the termination of the PMS agreement or on completion of a year from the date of activation, unless otherwise stated in the PMS agreement, whichever is earlier and is calculated based on the high water mark principles set out in the Regulations and in the PMS Agreement.
- Exit fees are payable and accounted at the time of exit from the investments of a particular product based on the fixed percentage as per the PMS Agreement entered with the Client.
- All expenses are accounted on accrual basis of accounting in the financial statements so that expenses payable by the client shall be accrued as and when Liability is incurred.
- Portfolio Management fees is calculated on daily weighted average balance of the asset under management of the Clients and charged on periodic, as mutually agreed.

#### **Income Recognition**

- Dividend income earned by a Client 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.
- Interest income is recorded on accrual / receipt whichever is earlier.
- 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 up to 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.

#### Taxes

- Provision for taxes has not been made in respect of the income reported in the Statement of Profit and Loss during the period since the liability to pay applicable taxes is the sole responsibility of the Client.
- Tax deducted at source ('TDS') on interest / TDS on dividend received on equity shares and TDS on capital gain (for Non-resident Indian clients) is shown as withdrawal from corpus.
- For clarification, TDS on capital gains is not deducted for resident clients and is the responsibility of the Client to pay such taxes to the authorities.

## INVESTOR SERVICES

### i. Name, Address and Telephone Number of the Investor Relations Officer, who shall attend to the Investor Queries and Complaints.

Name: Mr. Nitin Pandey  
Address: A/501, Takshashila, Samant Estate, Goregaon – East, Mumbai - 400 063  
Telephone: +91-93240 81820  
Email: investor@glcapital.in

### ii. Grievance Redressal and Dispute Settlement Mechanism

The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. The Investment Relation Officer(s) shall be responsible for redressing the grievances of the Clients.

All disputes, differences, claims and questions whatsoever arising from (i) the Agreement between the Client and the Portfolio Manager and (ii) the services to be rendered by the Portfolio Manager and / or their respective representatives shall be attempted to be resolved by discussions between the parties and amicable settlement. After exhausting above options for resolution of the grievance, if the Clients is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution Portal ("ODR Portal"). Alternatively, the investor/client can initiate dispute resolution through the ODR Portal if the grievance lodged with Portfolio Manager was not satisfactorily resolved or at any stage of the subsequent escalations mentioned above (prior to or at the end of such escalation/s). Portfolio Manager may also initiate dispute resolution through the ODR Portal after having given due notice of at least 15 calendar days to the Clients for resolution of the dispute which has not been satisfactorily resolved between them.

The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in terms of the above paragraph or SCOREs guidelines as applicable or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law (including when moratorium under the Insolvency and Bankruptcy Code is in operation due to the insolvency process or if liquidation or winding up process has been commenced against the Portfolio Manager).

The Client and Portfolio Manager agree to undertake online conciliation and/or online arbitration by participating in the ODR Portal and/or undertaking dispute resolution in the manner specified in SEBI Circular SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 or any amendments thereto in this regard.

In addition to the above, the Clients can also Login to the SEBI SCORES website [www.scores.gov.in](http://www.scores.gov.in) to register their grievances/complaints.

## DIVERSIFICATION POLICY

The Portfolio Manager will not invest/make any investments in its associate & group companies. The Portfolio Manager will have a bottom-up fundamentals-oriented philosophy where the Portfolio Manager will create a list of portfolio companies based on the fundamental strength and execution track record of those companies against various factors such as macroeconomic factors, competitive intensity, and other parameters. The fundamental strength of these selected companies is that they provide the biggest source of downside protection against volatility in the external operating environment. To manage diversification risk and to reduce the exposure of massive drawdown in a single stock, the Portfolio Manager will diversify in a different type of Stocks and Sectors. The average number of stocks in each portfolio is as per the Investment approach. Further, the investment approach will be sector agnostic.

## PART 2 – DYNAMIC SECTION

### CLIENT REPRESENTATION

- i. GLC is currently offering Discretionary Portfolio Management Services. There are 708 clients serviced by GLC as on December 31, 2025.

Category of Clients	No. of Clients	Funds Managed (in INR Crores)	Discretionary / Non-Discretionary
<b>Associate / Group Companies</b>			
FY 2020-21	Nil	Nil	N.A.
FY 2021-22	Nil	Nil	N.A.
FY 2022-23	Nil	Nil	N.A.
FY 2023-24	Nil	Nil	N.A.
FY 2024-25	Nil	Nil	N.A.
<b>Others</b>			
FY 2020-21	17	20.14	Discretionary
FY 2021-22	25	30.12	Discretionary
FY 2022-23	64	82.64	Discretionary
FY 2023-24	315	426.61	Discretionary
FY 2024-25	737	948.02	Discretionary
<b>Advisory</b>			
FY 2020-21	0	0	N.A.
FY 2021-22	2	14.79	Discretionary
FY 2022-23	0	0	N.A.
FY 2023-24	0	0	N.A.
FY 2024-25	0	0	N.A.
<b>Total</b>			
FY 2020-21	17	20.14	Discretionary
FY 2021-22	27	44.91	Discretionary
FY 2022-23	64	82.64	Discretionary
FY 2023-24	315	426.61	Discretionary
FY 2024-25	737	948.02	Discretionary

## FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Following table captures key financial data of GLC based on Audited Financial Statements as on March 31, 2023 and March 31, 2025:

Particulars	As on March 31, 2025 (Rounded off to the nearest rupee)	As on March 31, 2024 (Rounded off to the nearest rupee)
<b>Sources of Funds</b>		
Share Capital	5,50,00,000.00	5,50,00,000.00
Reserves & Surplus	20,94,30,736.00	4,97,76,064.00
Current Liabilities	9,79,20,100.00	3,26,11,722.00
<b>Application of Funds</b>		
/Non-Current Assets	24,58,49,082.00	9,74,92,676.00
Current Assets	11,65,01,753.00	3,98,95,109.00
<b>Net Worth (as per the method of calculation defined in the Regulations)</b>	<b>26,44,30,736.00</b>	<b>10,47,76,064.00</b>
Total Income	32,23,61,687.00	10,61,98,851.00
Net Profit (before tax)	23,24,32,672.00	7,12,97,351.00

## PORTFOLIO MANAGEMENT PERFORMANCE

Portfolio Management performance of the Portfolio Manager for the last three years, and in case of discretionary Portfolio Manager disclosure of performance indicators calculated using weighted average method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time.

Currently, the portfolios being managed by the Portfolio Manager are in the nature of Discretionary Equity Portfolio Management Services.

Historical Performance Indicator for Discretionary Portfolio Management Services vis-à-vis the Benchmark Index as on March 31, 2025:

Particulars	1 Year	2 Year (CAGR)	3 Year (CAGR)	4 Year (CAGR)	5 Year (CAGR)	Since Inception (CAGR)
<b>Equity Oriented</b>						
GLC Growth Fund	24.62	62.03%	47.49%	49.42%	58.05%	24.97%
BSE 500 Total Return Index	5.96%	21.85%	13.74%	15.82%	26.31%	13.66%
GL Alpha Fund	12.93%	43.52%	32.67%	31.99%	41.88%	24.14%
BSE 500 Total Return Index	5.96%	21.85%	13.74%	15.82%	26.31%	17.13%

\* Returns over 1 year period are annualized and adjusted for inflows/outflows.

\* Returns are calculated after expenses on TWRR basis.

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

**NIL.**

(This disclosure is extracted from the Information provided in the audited accounts of GLC as on March 31,2025.)

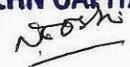
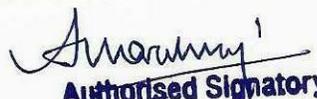
Related Parties where control exists:

Sr. No.	Name of the Related Party	Nature of Transaction
1	Nilesh Doshi	N/A
2	Abhishek Bhardwaj	N/A
3	Nitin Pandey	N/A
4	Pradeep Gokhale	N/A

Other related parties with whom transactions have been taken place during the period. As on March31, 2025 following have invested into the Portfolio Management Services:

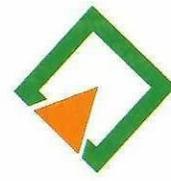
Sr. No.	Name of the Related Party	Amount Invested (in INR)	Fund
1.	Green Lantern Capital LLP	2,11,00,000.00	GLC Growth Fund
2.	Green Lantern Capital LLP	81,00,000.00	GL Alpha Fund

**Names and Signatures of at least two Directors of the Portfolio Manager Services company:**

Sr. No.	Name of Directors (Designated Partners)	Signature
1.	Mr. Nilesh Doshi	<p><b>For GREEN LANTERN CAPITAL LLP</b></p>  <p><b>Authorised Signatory</b></p>
2.	Mr. Abhishek Bhardwaj	<p><b>For GREEN LANTERN CAPITAL LLP</b></p>  <p><b>Authorised Signatory</b></p>

Date: October 24, 2025

Place: Mumbai



GREEN  
LANTERN  
CAPITAL  
LLP

## FORM C

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

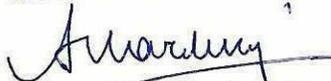
### GREEN LANTERN CAPITAL LLP

A/501, Takshashila, Samant Estate, Goregaon – East, Mumbai - 400 063.  
Telephone No: +91-022-40967201 /02

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 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 the Portfolio Manager.
- iii. The Disclosure Document has been duly certified by an independent chartered accountant (Indicate name, address, phone number and registration number of the chartered accountant) on (date).
- iv. Enclose a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision.

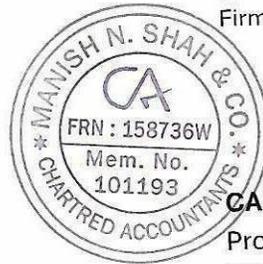
For Green Lantern Capital LLP,  
**For GREEN LANTERN CAPITAL LLP**

  
**Authorised Signatory**

**Mr. Abhishek Bhardwaj**

Principal Officer

For Manish N. Shah & Co.  
Chartered Accountants  
Firm Registration No. 158736W





**CA Manish N. Shah**

Proprietor

Membership No. 101193

Date: October 24, 2025  
Place: Mumbai  
Address: A/501, Takshashila, Samant Estate, Goregaon –  
East, Mumbai - 400 063.



## CERTIFICATE

**The Partners**  
**Green Lantern Capital LLP,**  
**201, Udyog Bhavan,**  
**Sonawala Marg,**  
**Goregaon (East),**  
**Mumbai – 400063**

You have requested us to provide a certificate on the Disclosure document for Portfolio Management services ("the Disclosure Document") of Green Lantern Capital LLP, having its address 201, Udyog Bhavan, Sonawala Marg, Goregaon - (East), Mumbai- 400 063, and PAN NO. AAQFG3684C, SEBI Registration No. INP000005829, LLP Identification No. AAH-9384 ("the LLP"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").

1. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the SEBI Regulation") and the Guidelines issued by SEBI dated February 13, 2020 is the responsibility of the management of the company. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
2. The disclosure made in the document is made on the model disclosure document as stated in Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020.
3. In respect of the information given in the Disclosure document, we state that:
  - (a) The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the company.
  - (b) The partner's qualification, experience, ownership details are as declared by them and have been accepted without further verification.
  - (c) We have relied on the representations given by the LLP about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
4. Read with above and on the basis of our examination of the audited books of accounts, records, statements produced before us for the year ended March 31, 2025, and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated October 16, 2025





Manish N. Shah & Co.  
Chartered Accountants (Regd.)

73045 44020,  
98332 60202,  
manish@camanishshah.com  
info@camanishshah.com

Flat No. 412, "C" Wing,  
Alka Society, S. V. Road,  
Andheri (West),  
Mumbai – 400 058

are true and fair in accordance with the disclosure requirements laid down in Regulation 22 read with Chapter V to the SEBI Regulations and the information provided in the Disclosure Document is adequate to enable the investors to make well-informed decisions. A management certified copy of the disclosure document is enclosed herewith.

This certificate is prepared solely for the purpose of submitting the same to Securities Exchange Board of India and sharing with clients.

The enclosed document is stamped and initialled / signed by us for the purpose of identification.

**For Manish N. Shah & Co.**  
Chartered Accountants  
Firm Registration No. 158736W

4-

**CA Manish N. Shah**  
Proprietor

Place : Mumbai

Date : October 24, 2025

Membership Number 101193

UDIN : 25101193BMLMTS6974

