

FORM C

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

Affirma Capital Investment Adviser India Private Limited

Address: 9th Floor, Avighna House, Dr. Annie Besant Road, Worli, Mumbai – 400018, India.

Fax number: NA; E-mail: Central.Team@affirmacapital.com

We confirm that:

- i) the Disclosure Document forwarded to the Securities and Exchange Board of India is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Securities and Exchange Board of India 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 in the Portfolio Manager;
- iii) the Disclosure Document has been duly certified by an independent chartered accountant on January 30, 2026, by an independent Chartered Accountants Manohar Chowdhry & Associates having firm registration number 001997S, and office situated at 116, Udyog Mandir No. 1, 7-C, Bhagoji Keer Marg, Mahim West, Mumbai - 400016, Maharashtra, India. The contact number of the firm is: +91 22 24445064.

For Affirma Capital Investment Adviser India Private Limited



Ketan Chawla
Principal Officer

Date: January 30, 2026

Place: Mumbai



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

To,
The Directors,
Affirma Capital Investment Adviser India Private Limited,
Corporate Office,
9th Floor, Avighna House, Dr. Annie Besant Road, Worli,
Mumbai – 400018

Dear Sirs,

We, Manohar Chowdhry & Associates, Mumbai, have verified the Disclosure Document, audited accounts as on 31st March, 2025 and other relevant records and documents of Affirma Capital Investment Adviser India Private Limited (the Company) for the year ended 31st March, 2025. Based on our verification and information and explanations given to us, we hereby certify that the disclosures made in the Disclosure Document and annexed hereto are true, fair and adequate to enable the investors to make a well-informed decision. We further certify that Disclosure Document complies with the requirements specified in the Regulation 22 and circular dated September 09, 2025 (Ref: SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125) of Securities and Exchange Board (Portfolio Managers) Regulations, 2020.

Management Responsibility

The preparation of the information contained therein is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the same and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

The auditor's responsibility is to provide a reasonable assurance whether the above calculations and information in the statements enclosed have been accurately extracted from the books and records produced before us. We conducted our examination of the information required to be furnished herein in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the applicable criteria. The procedures selected depend on the auditor's judgement.

The certificate is issued as per the requirement specified in the Regulation 22 and circular dated September 09, 2025 (Ref: SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125) of Securities and Exchange Board (Portfolio Managers) Regulations, 2020. The Disclosure Document forms an integral part of certificate.

Thanking you,

Yours faithfully,

For **Manohar Chowdhry & Associates**
Chartered Accountants
FRN: 001997S

Simran M. Vishwakarma
Partner
M. No. 616407
UDIN: 26616407FWQGTJ9013
Place: Mumbai
Date: 30th January, 2026



DISCLOSURE DOCUMENT

AFFIRMA CAPITAL INVESTMENT ADVISER INDIA PRIVATE LIMITED

PORTFOLIO MANAGEMENT SERVICES

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PART-I- Static Section**1. DISCLAIMER CLAUSE**

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

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

2. DEFINITIONS

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

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

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.
4. **“Advisory Services”** means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
5. **“Agreement”** or **“Portfolio Management Services Agreement”** or **“PMS Agreement”** means client 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 the Agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.

6. **“Applicable Law/s”** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
7. **“Assets Under Management”** or **“AUM”** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
8. **“Associate”** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
11. **“Business Day”** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **“Client(s)” / “Investor(s)”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **“Disclosure Document”** or **“Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.

20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
21. **“Foreign Portfolio Investors”** or **“FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
23. **“Funds”** or **“Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. **“IT Act”** means the Income Tax Act, 1961, as amended, restated, re-enacted or supplemented from time to time along with the rules, notifications, circulars, ordinances and instructions issued thereunder.
28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
29. **“Non-resident Investors”** or **“NRI(s)”** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.

34. **“Portfolio Manager”** means Affirma Capital Investment Adviser India Private Limited, a private limited company incorporated under the Companies Act, 2013, registered with SEBI as a portfolio manager bearing registration number INP000008321 and having its registered office at 9th Floor, Avighna House, Dr. Annie Besant Road, Worli, Mumbai – 400018, India.
35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
- (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
 - (ii) all other operations of the Portfolio Manager
36. **“Regulations”** or **“SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
37. **“Related Party”** means –
- (i) a director, partner or his relative;
 - (ii) a key managerial personnel or his relative;
 - (iii) a firm, in which a director, partner, manager or his relative is a partner;
 - (iv) a private company in which a director, partner or manager or his relative is a member or director;
 - (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
 - (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
 - (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
 - (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager - The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;
 - (ix) a related party as defined under the applicable accounting standards;

- (a) such other person as may be specified by the Board:

Provided that, any person or entity forming a part of the promoter or promoter group of the listed entity; or

- (b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;

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

3. DESCRIPTION

3.1 History, present business and background of the Portfolio Manager:

3.1.1 Affirma Capital Investment Adviser India Private Limited (“**Affirma Capital**”) is a private limited company incorporated under the Companies Act, 2013 on 31 January 2019, bearing Corporate Identification Number U67110MH2019FTC320460 and having its registered office at 9th Floor, Avighna House, Dr. Anine Besant Road, Worli, Mumbai – 400018, India.

3.1.2 Affirma Capital has been providing investment advisory services to Affirma Capital Managers (Singapore) Pte. Ltd. since 2nd August 2019. Affirma Capital serves as the Investment Manager to Agastya Capital India Trust, a Category II Alternative Investment Fund (“**AIF**”), registration number IN/AIF2/23-24/1266.

3.1.3 In addition to the above, Affirma Capital may also conduct research activities in investment and / or securities: gathering, collating and analyzing market information regarding financial, economic and political trends etc. in relation to Indian capital market.

3.2 Promoters of the Portfolio Manager, Directors and their background

Affirma Capital (Singapore) Pte. Ltd, is a Singapore private limited company and is the promoter of Affirma Capital. The details of Affirma Capital (Singapore) Pte. Ltd are provided below:

- **PAN:** AAXCA7160K
- **Address:** 152 Beach Road #06-03 / 04 Gateway East Singapore 189721
- **Telephone No.:** +65 6500 7920
- **Email:** Central.Team@affirmacapital.com

Directors: (i) Mr. Udai Dhawan; (ii) Mr. Nainesh Jaisingh; and (iii) Mr. Vijay Nallan Chakravarthi are the directors of Affirma Capital Investment Adviser India Private Limited.

No.	Name	Designation	Brief experience
1	Mr. Udai Dhawan	Whole-time Director	Udai Dhawan is a Founding Partner and Head of India Private Equity at Affirma Capital, and is based in Mumbai. Prior to Affirma Capital, Udai was Managing Director and Head of India for Standard Chartered Private Equity (SCPE). Having joined SCPE in 2008, Udai was helped build the India franchise and was involved with several of the fund’s investments including Endurance, Fortis Healthcare, GMR Airports, Interglobe, Northern Arc Capital, Prime Focus, Prodapt, Redington, Sterlite Powergrid, Travel Boutique Online, Tirupati Medicare and Varun

No.	Name	Designation	Brief experience
			<p>Beverages. Prior to SCPE, Udai worked for over a decade in corporate investing, M&A and corporate finance, across India and the United States with JP Morgan, Sabre Inc., Kotak Mahindra Capital and Arthur Andersen. Udai has 24 years of financial services experience, and has also previously served on the Executive Committee of the IVCA, India's premier private equity industry body. Udai has an MBA from the Wharton School, University of Pennsylvania and is also a chartered accountant from the Institute of Chartered Accountants of India.</p>
2	Mr. Nainesh Jaisingh	Director	<p>Nainesh Jaisingh is a Founding Partner and Chief Executive Officer at Affirma Capital, based in Singapore. Prior to leading the MBO of Standard Chartered Private Equity (SCPE) to form Affirma Capital, Nainesh was a founding member of the business within Standard Chartered Bank in 2002, and most recently the Global Head of the Principal Finance business of the Bank. Over two decades as a Private Equity investor in the Emerging Markets, Nainesh has a long track record of successful investments and exits, partnering with entrepreneurs and management teams to build leading businesses. During this period, Nainesh has been instrumental in building PE franchises in India, Southeast Asia and the Middle East, with high calibre teams. In 2003, he was instrumental in launching the Merlion India Fund, a joint venture between SCPE and Temasek, the Sovereign Wealth Fund of Singapore - which returned 3.7x to its sponsors. In 2001, he co-founded FinVentures, a proprietary Venture Capital Fund sponsored by SCB and headquartered in Singapore. His early career was with ANZ Investment Bank and ANZ Grindlays. Nainesh is an Engineer from the Indian Institute of Technology (IIT), BHU, and holds an MBA from the Indian Institute of Management (IIM), Bangalore.</p>
3	Mr. Vijay Nallan Chakravarthi	Whole-time Director	<p>Vijay Chakravarthi is a Partner in the India team for Affirma Capital and is based in Mumbai. Vijay has ~25 years of relevant experience, including 17 years of India private equity experience. Prior to Affirma Capital, Vijay was</p>

No.	Name	Designation	Brief experience
			with Standard Chartered Private Equity since 2012 and has a strong track record of investing and generating exits at attractive returns. Vijay has been involved with several of the fund's investments including TBO, RMSI, Northern Arc, Varun Beverages and Fortis Healthcare. Prior to SCPE, Vijay worked in private equity, strategy consulting and operations management across various locations including Mumbai and Chennai in India and Chicago and Milwaukee in the United States. Vijay's roles have included Vice President at Bain Capital where he concluded and managed multiple private equity investments of over USD 650 million, Project Leader at The Boston Consulting Group focused on private equity and M&A, and Six Sigma Black Belt and Operations Leader at General Electric Company. Vijay has an MBA from the Kellogg School of Management, Northwestern University, MS from The Ohio State University and Bachelor of Engineering from University of Madras.

3.3 Top 10 group companies / firms of the Portfolio Manager on turnover basis

S. No.	Name of the entity
1.	Affirma Capital (Singapore) Pte. Ltd.

3.4 Details of services being offered by the Portfolio Manager

The Portfolio Manager offers portfolio management services under discretionary, non-discretionary, advisory and co-investment categories.

3.5 Direct on-boarding of clients by Portfolio Managers

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

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

4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATION 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 thereunder - **NIL**
- (ii) The nature of the penalty/direction - **NIL**
- (iii) Penalties/fines 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:
 - The Portfolio Manager had received an administrative warning dated 25th July 2025 from SEBI in connection with onboarding certain clients prior to being registered with a SEBI-registered KYC Registration Agency and uploading KYC information on the system of such KRA, which was held to be non-compliant with Regulation 16 of the SEBI KYC (Know Your Client) Registration Agency Regulations, 2011 read with the applicable Master Circular on KYC norms. The Portfolio Manager has taken the necessary corrective actions, including appointment of a SEBI-registered KRA and completion of KYC registration of the relevant clients, and has strengthened its internal compliance and monitoring mechanisms to remedy the said deficiencies and prevent recurrence of such non-compliances.
 - The Portfolio Manager had received an administrative warning dated 19th November 2025 from SEBI in connection with a delay in intimating SEBI and clients about a change in its registered and principal office address and in filing an updated disclosure document incorporating such change, which was held to be non-compliant with Regulation 22(7) of the SEBI (Portfolio Managers) Regulations, 2020. The Portfolio Manager has taken the necessary corrective actions to remedy the said deficiencies / non-compliances.
- (vi) Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder. - **NIL**

5. SERVICES OFFERED

- A. Affirma Capital shall offer Discretionary Portfolio Management Services, Non-Discretionary Portfolio Management Services, Advisory Services and Co-investment Portfolio Management Services.

5.1 *Discretionary Portfolio Management Services*

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager, and the Portfolio Manager can exercise any degree of discretion in the investments or management of Portfolio of the Client in accordance with the Client Contract Agreement ("**PMS Agreement**"). Under Discretionary Portfolio Management Services, the Portfolio Manager may invest Clients' Funds in listed securities, securities which are traded on a recognized stock exchange, money market instruments (including, but not limited to, commercial paper, trade bill, treasury bills, certificate of deposit and usance bills), units of mutual funds and other securities as specified by SEBI from time to time, on behalf of the Clients, in accordance with Applicable Law.

The Securities invested / disinvested by the Portfolio Manager for Clients may differ from client to client. Separate client-wise account shall be maintained by the Portfolio Manager with a scheduled commercial bank. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's Funds is absolute and final and can never be called in question or be open to review at any time during the currency of the Agreement or at any time thereafter except on the ground of error of judgment, wilful misfeasance or gross negligence adjudicated by the highest court of competent jurisdiction. This right of the Portfolio Manager shall be exercised strictly in accordance with Applicable Law.

While discharging the Discretionary Portfolio Management Services, the Portfolio Manager shall ensure that the liability of the client will not exceed its investment with the Portfolio Manager. The Portfolio Manager shall individually and independently manage the funds of each client in accordance with the needs of the Client, in a manner which does not partake character of a mutual fund. In case of the Client falling under the category of Large Value Accredited Investor, the Portfolio Manager may invest up to 100% of the assets under management in unlisted Securities. Further, unless otherwise agreed, periodical statement / report (not exceeding a period of 3 months) in respect of Client's Portfolio shall be sent to the respective Clients.

5.2 *Non-Discretionary Portfolio Management Services*

Under the Non-Discretionary Portfolio Management Services, the Portfolio of the Client will be managed as per the PMS Agreement under the explicit instructions of the Client from time to time. The Portfolio Manager shall execute orders as per the mandate received from Client and the Client will have complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager shall *inter alia* manage transaction execution, accounting, providing research, investment advice, recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk. Separate bank account with a scheduled commercial bank and segregated data for each Client shall be maintained by the Portfolio Manager.

The Portfolio Manager shall invest or manage the Portfolio of the Client at the instruction of the Client, but always subject to the PMS Regulations. The Portfolio Manager will provide the

Client with investment recommendations that it considers fit and in accordance with the terms of the PMS Agreement and investment specifications agreed with the Client from time to time. Only after receiving the approval of the Client shall the Portfolio Manager invest in any one or a combination of the financial instruments mentioned in this Disclosure Document. Further, the Portfolio Manager offering Non-Discretionary Services to the clients may invest up to 25% of the assets under management of such clients in unlisted securities, in addition to securities permitted for Discretionary Portfolio Management in lines with PMS Regulations. In case of Client falling under the category of Large Value Accredited Investors, the Portfolio Manager may advise to invest up to 100% of the assets under management in unlisted Securities.

The Client shall accept that the restrictions it may impose on investments may compel the Portfolio Manager to make recommendations or manage Portfolio in a manner which may reduce the likelihood of achieving the investment objectives. The Portfolio Manager shall invest or disinvest or hold the securities in accordance with the Client's instructions and confirmation. Further, the Portfolio Manager shall also provide periodic report to the Clients in accordance with the rules, regulations, guidelines made under the PMS Regulations and any other any other laws / rules / regulation / guidelines etc.

5.3 **Advisory Services**

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Client and agreed upon in the PMS Agreement. The Portfolio Manager shall render the best possible advice (to the best of its abilities) to the Client having regard to the Client's needs and the environment, and his own professional skills. The same can be binding or non - binding in nature or in such terms as mentioned in the PMS Agreement. Separate bank account with a scheduled commercial bank and segregated data for each Client shall be maintained by the Portfolio Manager.

For such services, the Portfolio Manager shall charge the Client a fee mentioned in the PMS Agreement. The advice may be either general or specific in nature and may pertain to a particular Portfolio. The Portfolio Manager shall also ensure that the investors are provided with true and adequate information without making any misleading or exaggerated claims and are made aware of attended risks before any investment decision is taken by them. In accordance with the terms of PMS Regulations, the Portfolio Manager offering Advisory Services to the clients may provide advice for investment up to 25% of the assets under management of such clients in unlisted securities, in addition to securities permitted for Discretionary Portfolio Management. In case of client(s) falling under the category of Large Value Accredited Investors, the Portfolio Manager may advise to invest up to 100% of the assets under management in unlisted Securities.

The Portfolio Manager shall be solely acting as an advisor in respect of Portfolio of the Client and shall not be responsible for the investment / divestment of securities and / or administrative activities of the Client's Portfolio.

5.4 **Co-investment Portfolio Management Services**

The Portfolio Manager shall also act as a co-investment portfolio manager and offer co-investment portfolio management services to existing investors of Agastya Capital India Trust and schemes thereunder (including Agastya Capital India Growth Fund), a SEBI registered Category II Alternative Investment Fund with the registration No. IN/AIF2/23-24/1266 ("AIF"), an AIF managed by the Portfolio Manager, to facilitate investment in unlisted Securities of the

portfolio companies alongside the AIF, as per applicable law, this Disclosure Document, and other relevant documents, along with administering and managing such portfolios in accordance with applicable law.

The terms of exit from the co-investment including the timing of exit shall be identical to the terms applicable to the AIF's exit from the said investment. The early withdrawal of funds by the investors with respect to co-investments shall be allowed to the extent that the AIF has also made an exit from respective investment in such Portfolio Companies.

B. Investment Objective:

Affirma Capital intends to provide investment opportunities to Clients as per the applicable law, disclosure documents, and other relevant documents, along with administering and managing such portfolios in accordance with applicable law. The objective and purpose are to create a portfolio that can provide long-term capital appreciation. The Portfolio Manager aims to generate superior, risk-adjusted returns for Clients by backing experienced professionals turned entrepreneurs/founders and are building companies with strong operating fundamentals. The aim is to identify cash-flow generating companies that will grow sustainably in the long term, weathering economic cycles, and with a high probability of remaining attractive for a follow-on investment.

C. Investment Approaches of the Portfolio Manager

Description of types of securities: Consistent with the investment objective and subject to the regulations of SEBI, the Client's funds may be invested in such securities mentioned below:

- (i) Listed (equity, equity linked securities, preference shares whether or not convertible in equity, debt securities / instruments including any debt security / instrument convertible (fully or partially) into equity (including warrants), in quasi debt instruments, etc.);
- (ii) Unlisted (equity securities / instruments, any other security / instrument convertible (fully or partially) into equity (including warrants), limited liability partnership interest, units of venture capital undertakings, body corporate, etc.).

Appropriate benchmark to compare performance of listed Securities and basis for choice of benchmark:

S&P BSE 500 TRI: The index has been selected from the options on the APMI portal. It is a comprehensive index that tracks the performance of the top 500 companies listed on the Bombay Stock Exchange. It covers large-cap, mid-cap, and small-cap segments, representing over 90% of the total market capitalization on the BSE.

Indicative tenure or investment horizon:

Long term capital appreciation (i.e., 3 Years +).

D. The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines.

Prior to the investments being made in the securities of associate or group entities, the



Portfolio Manager shall evaluate in the same manner as is applied to other investments. Any such investments in securities of associate or group entities will be made in strict accordance with the pre-defined limits established in the respective client agreements and will fully comply with all applicable laws, regulations, and guidelines issued by SEBI, from time to time.

6. RISK FACTORS

A. General Risks Factors

- (1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
- (2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
- (3) Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager.
- (4) The names of the Investment Approach do not in any manner indicate their prospects or returns.
- (5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
- (6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
- (7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
- (8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- (9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

B. Risk associated with equity and equity related instruments

- (1) 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.

- (2) 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.
- (3) 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.

C. Risk associated with debt and money market securities

(1) Interest Rate Risk

Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.

(2) Liquidity or Marketability Risk

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

(3) 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.

(4) Reinvestment Risk

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

D. Risk associated with derivatives instruments

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

E. Risk associated with investments in mutual fund schemes

- (1) 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.
- (2) 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.
- (3) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- (4) 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.
- (5) 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.
- (6) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.

- (7) 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.
- (8) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of Non-diversification

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

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

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

7. NATURE OF EXPENSES

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/or the agreements in respect of each of the services availed by the Client at the time of execution of such agreements.

7.1 **Investment management and advisory fees:**

The fees charged by the Portfolio Manager would be fixed fees or return based of a combination of both as per Regulation 22(11) of the SEBI (Portfolio Managers) Regulations, 2020.

The Portfolio Manager shall at all times comply with paragraph 6 of SEBI Master Circular SEBI/HO/IMD/IMD-POD-1/P/CIR/2025/104 dated 16 July 2025 (“**Master Circular**”) and other respective provisions of fees and charges as prescribed from time to time.

7.2 **Custodian fee:**

Over and above the performance fee and the transactions cost as mentioned above, the Portfolio Manager would recover charges levied by the custodian for acquiring, holding, sale and transfer of investments in de-materialised form (like custody charges, transaction charges, depository charges, out of pocket expenses, etc., at actuals), audit fees for auditing and reporting of individual Client’s account and any other charges that the Portfolio Manager may have to incur while running the portfolio management services.

These include:

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.

Registrar and transfer agent fee: The Registrar and transfer agent fee charges would be payable at actuals

7.3 **Brokerage costs: The brokerage charges would be payable at actuals.**

The fees charged by the Portfolio Manager from the client for rendering portfolio management services is without guaranteeing or assuring, either directly or indirectly, any return. The Portfolio Manager shall charge no upfront fee, directly or indirectly, to the clients.

8. TAXATION

A. General

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

B. Tax deducted at source

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

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

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

C. Long term capital gains

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

Period of Holding

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

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

Definition of Specified Mutual Fund:

Before 1st April 2025:

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

On and after 1st April 2025:

“Specified Mutual Fund” means, —

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

Definition of debt and money market instruments:

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

Definition of Market Linked Debenture:

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

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

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

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

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

The long term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to “step up” the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

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

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

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

Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 12.5% plus applicable surcharge and education cess,. The capital gains are computed after taking into account cost of acquisition and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; with effect from 23 July 2024.

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

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

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

Long term capital gains, arising on sale of shares and securities are taxable at the rate of 12.5% with effect from 23 July 2024. Such gains would be calculated without considering benefit of indexation for the COA.

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

Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 12.5% (plus applicable surcharge and cess) with effect from 23 July 2024.

D. Short term capital gains

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section

48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

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

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

E. Profits and gains of business or profession

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head “Profits and Gains of Business or Profession” under section 28 of the IT Act. The gain/ loss is to be computed under the head “Profits and Gains of Business or Profession” after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

Interest income arising on Securities could be characterized as ‘Income from other sources’ or ‘business income’ depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

F. Losses under the head capital gains/business income

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

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

G. General Anti Avoidance Rules (GAAR)

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

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or

- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

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

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

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

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

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

H. FATCA Guidelines

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

- (a) the name, address, taxpayer identification number and date and place of birth;

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

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

I. Goods and Services Tax on services provided by the portfolio manager

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

9. ACCOUNTING POLICIES

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

A. Client Accounting

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

B. Recognition of portfolio investments and accrual of income

- (1) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- (2) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (3) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- (4) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- (5) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

- (6) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- (7) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

C. Valuation of portfolio investments

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

The Investor may contact the compliance officer of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

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

10. INVESTORS SERVICES

- (i) Name, address and telephone number of the investor relation officer/compliance officer who shall attend to the investor queries and complaints:

Name	: Bhadresh Mehta
Designation	: Compliance Officer
Address	: 9th Floor, Avighna House, Dr. Annie Besant Road, Worli, Mumbai – 400018
Telephone number	: 9619002270
E – mail address	: Compliance.India@affirmacapital.com ; Central.Team@affirmacapital.com

- (ii) Grievance redressal and dispute settlement mechanism:

The objective of grievance redressal system is to ensure that all clients are treated fairly at all times and that any complaints raised by the clients are dealt with courtesy and on time. The Portfolio Manager shall endeavour to address all complaints regarding services, deficiencies or causes for grievances, for whatsoever reason, in a reasonable and timely manner.

To ensure the same, the following system shall be put in place:

- (a) The Client should promptly notify any grievances to the Compliance Officer in writing, giving sufficient details to enable the Portfolio Manager to take necessary steps.
- (b) The Compliance Officer, on receipt of any such grievances, shall take prompt action to redress the same no later than 1 month from the date of receipt of complaint. The Compliance Officer shall also inform SEBI about the number, nature and other particulars of the complaints received.
- (c) If the grievance persists, all claims and disputes arising out of or in connection with the PMS Agreement or its performance shall be settled by arbitration by a sole arbitrator mutually acceptable to the Parties to such arbitration. If the Parties fail to agree on the appointment of a sole arbitrator within 30 days of the dispute being referred to arbitration, the sole arbitrator shall be appointed in accordance with the Arbitration & Conciliation Act, 1996 as amended from time to time. The arbitration shall be governed by the provisions of the Arbitration & Conciliation Act, 1996 as amended from time to time and unless otherwise agreed by the Parties to such arbitration, the arbitration proceedings shall be held in Mumbai and the proceedings shall be conducted in English language. Any action or suit involving the PMS Agreement with a Client, or the performance of the PMS Agreement by either Party of its obligations will be exclusively in courts located at any place in India subject to

the jurisdiction clause in the PMS Agreement. All the legal actions and proceedings are subject to the exclusive jurisdiction of court in Mumbai only and are governed by Indian laws.

- (d) Alternatively, with effect from September 2011, SEBI has launched a web based centralized grievance system called SCORES i.e., SEBI Complaints Redressal System, for online filing, forwarding and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the company <https://scores.gov.in/scores/complaintRegister.html>.
- (e) In accordance with the paragraph 7.2 of the Master Circular, the following information shall be available on the website of the Portfolio Manager:
 - (i) The investor charter prescribed by SEBI (<https://affirmacapital.com/>); and
 - (ii) Monthly data on all complaints received against the Portfolio Manager, including SCORES complaints, by the 7th day of every month (<https://affirmacapital.com/>).

11. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

For investments in securities of associates/ related parties, the Portfolio Manager shall comply with the following:

Up to a maximum of 30% of the Client's asset under management in the securities of associates/ related parties of Portfolio Manager, can be invested. The Portfolio Manager shall ensure compliance with the following limits:

Security	Limit for investment in single associate /related party (as percentage of Client's AUM)	Limit for investment across multiple associates /related parties (as percentage of Client's AUM)
Equity	15%	25%
Debt and hybrid securities	15%	25%
Equity + Debt + Hybrid securities	30%	

In case of any passive breaches of the abovementioned limits, the portfolios will be rebalanced to bring the weights back to the above limits within a period of 90 (ninety) days from the date of such breach.*

Part-II- Dynamic Section

12. CLIENT REPRESENTATION

Category of clients	No. of clients	Funds managed (Rs. Cr.)	Discretionary / Non-Discretionary (if available)
Associates / group companies (Last 3 years)	0	0	Not Applicable
Others (last 3 years)	2	50	Non-discretionary
Total	2	50	-

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

(a) Names of related parties and nature of relationship

Name of the related parties	Relationship
Affirma Capital (Singapore) Pte Ltd	Holding Company
Affirma Capital Limited	Ultimate Holding Company
Affirma Capital Managers (Singapore) Pte Ltd	Fellow Subsidiary
Udai Dhawan (Since 31/01/2019)	Key Management Personnel
Ivo Philipps (Since 26/06/2019 to 29/07/2024)	Key Management Personnel
Vijay Nallan Chakravarthi (Since 31/01/2019)	Key Management Personnel
Nainesh Jaisingh (Since 29/07/2024)	Key Management Personnel

Transactions with related parties As at March 31, 2025:

Income:	
Affirma Capital Managers (Singapore) Pte Ltd	(Amounts in ₹ '000)
- Sub-Advisory Fee	249,844.00
Expenditure:	
Affirma Capital Managers (Singapore) Pte Ltd	
- Data subscription	8,733.66
- Professional Fees	1,111.94
Director remuneration:	
Udai Dhawan	24,251.66
Vijay Nallan Chakravarthi	28,821.80

Outstanding balance at the end of year	As at March 31, 2025
I.) Receivables	
Affirma Capital Managers (Singapore) Pte Ltd	127,849.93
II.) Payables	
Affirma Capital Managers (Singapore) Pte Ltd	9,845.60

13. FINANCIAL PERFORMANCE

The Financial Performance of the portfolio manager based on audited financial statements and in terms of procedure specified by the Board for assessing the performance. – **Refer Annexure 1**

14. PERFORMANCE OF PORTFOLIO MANAGER

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 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

[Provided that this sub-clause shall not apply in case of the Co-investment Portfolio Manager.]

Particulars	Current Year (April 01, 2025 – as on December 31, 2025)	Year 1 (FY24/25)
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager	48.85%	-50.47%
Benchmark Performance (%) – S&P BSE Sensex 30 TRI	-	7.21%
Benchmark Performance (%) – S&P BSE 500 TRI	14.02%	-

15. AUDIT OBSERVATIONS

Audit observations of the preceding 3 years:

Details of Non-Compliance	Corrective Actions Taken
<p>The portfolio manager has not filed monthly reports with APMI.</p>	<p>The portfolio manager was not aware that this was a requirement to be complied with but has since complied with this requirement.</p>
<p>The portfolio manager has maintained KYC in a format different from the KYC Application Form prescribed by SEBI. The portfolio manager has not made registration with KRA.</p>	<p>Although the KYC had been maintained in a format different from the KYC Application Form prescribed by SEBI, the portfolio manager can in substance satisfy the SEBI requirements and have obtained all supporting documentation required from the clients.</p> <p>The portfolio manager has since made registration with KRA.</p>

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

The details of investment of client's funds by the portfolio manager in the securities of its related parties or associates.

NIL

Date: January 30, 2026

Place: Mumbai

Signature by two Directors of the Portfolio Manager




Udai Dhawan	Vijay Nallan Chakravarthi
Whole-time Director	Whole-time Director
DIN: 03048040	DIN: 08020248
Place: Mumbai	Place: Mumbai
Date: 30 th January 2026	Date: 30 th January 2026

Annexure 1
Summary of Financial Statements

Particulars	As on 31.03.2025 (Rs.)	As on 31.03.2024 (Rs.)	As on 31.03.2023 (Rs.)
<u>Profit & Loss Statement</u>			
<u>Income</u>	253,237,230	467,571,630	292,713,510
<u>Expenditure</u>	212,296,680	389,960,250	244,231,040
Profit/(Loss) before Tax	40,940,550	77,611,380	48,482,470
Provision for Tax Expense	10,306,410	19,581,540	12,471,970
Profit/(Loss) after Tax	30,634,140	58,029,840	36,010,050
<u>Balance Sheet</u>			
<u>A. EQUITY AND LIABILITY</u>			
1) <u>Shareholder's Fund</u>	157,919,200	127,285,060	69,255,220
2) Non-Current Liabilities	10,035,890	3,936,170	4,345,170
3) Current Liabilities	49,120,460	35,617,120	68,708,870
Total	217,075,550	166,838,350	142,309,260
<u>B. ASSETS</u>			
1) Non-Current Assets	35,318,680	11,694,020	15,668,400
2) Current Assets	181,756,870	155,144,330	126,640,860
Total	217,075,550	166,838,350	142,309,260