



# Wave Asset Private Limited

Portfolio Management Services

**Disclosure Document**

**WAVE ASSET PRIVATE LIMITED**  
**DISCLOSURE DOCUMENT**

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

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**I. Declaration:**

- a) The Disclosure Document (hereinafter referred as the "**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 the SEBI (Portfolio Managers) Regulations, 2020 ("**Regulations**").
- b) 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 decision for engaging "Wave Asset Private Limited" (hereinafter referred as the "**Portfolio Manager**") as the portfolio manager.
- c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing and the investor may also be advised to retain the Document for future reference.
- d) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

<b>PRINCIPAL OFFICER</b>	<b>PORTFOLIO MANAGER</b>
<p><b>Name:</b> Mr. Ashwin R Agarwal</p> <p><b>Phone:</b> +91 98200 01645</p> <p><b>E-Mail:</b> <a href="mailto:contact@waveasset.in">contact@waveasset.in</a></p>	<p><b>Registered Address:</b> Flat No 902, RNA Mirage, S K Ahire Marg, Worli Mumbai 400030, Maharashtra, India</p> <p><b>Corporate Address:</b> Unit 602, 6<sup>th</sup> Floor, Lodha Supremus, Senapati Bapat Marg, Lower Parel, Mumbai – 400013</p> <p><b>SEBI Registration No:</b> INP000008428</p>

The Disclosure Document is dated 22nd December 2025

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# Part 1 – Static Section

### **III. Contents:**

#### **1. Disclaimer**

- (a)** Particulars of this Document have been prepared in accordance with the Regulations as amended till date and filed with SEBI.
- (b)** This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.
- (c)** 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 Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

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

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

- (d) **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.
- (e) **Agreement or Portfolio Management Services Agreement or PMS Agreement:** means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.

- (f) **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.
- (g) **Assets Under Management or AUM:** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
- (h) **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.
- (i) **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.
- (j) **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.
- (k) **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.
- (l) **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.
- (m) **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.
- (n) **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
- (o) **Depository:** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
- (p) **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.

- (q) **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.
- (r) **Disclosure Document or Document:** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
- (s) **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).
- (t) **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.
- (u) **Fair Market Value:** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
- (v) **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.
- (w) **Financial Year:** means the year starting from April 1 and ending on March 31 in the following year.
- (x) **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.
- (y) **Group Company:** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary
- (z) **HUF:** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
- (aa) **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.

**(bb) IT Act:** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.

**(cc) 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.

**(dd) Management Fee:** means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

**(ee) Non-resident Investors or NRI(s):** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.

**(ff) 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.

**(gg) NISM:** means the National Institute of Securities Markets, established by the Board.

**(hh) Performance Fee:** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

**(ii) 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.

**(jj) Portfolio:** means the total holdings of all investments, Securities and Funds belonging to the Client.

**(kk) Portfolio Entity:** means companies, enterprises, bodies corporate, or any other entities in the Securities of which the monies from the Client Portfolio are invested subject to Applicable Laws.

**(ll) Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the Client under the PMS from time to time.

**(mm) Portfolio Manager:** means Wave Asset Private Limited, a company incorporated under the Companies Act, 1956, registered with SEBI as a portfolio manager bearing registration number **INP00008428** and having its registered office at Flat No 902, RNA Mirage, S K Ahire Marg, Worli, Mumbai 400030, Maharashtra, India.

**(nn) 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.

**(oo) 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.

**(pp) 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;
- (x) such other person as may be specified by the Board:

Provided that,

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

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

### 3. Description

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

The Portfolio Manager is a Private Limited Company incorporated on 11<sup>th</sup> April 2012 under the provisions of the Companies Act, 1956, having its registered office at Flat No 902, RNA Mirage, S K Ahire Marg, Worli Mumbai 400030, Maharashtra, India. It is SEBI registered portfolio manager bearing registration number INP000008428 since December 13, 2023.

It seeks to provide discretionary portfolio management services, non-discretionary portfolio management services and advisory services to high net-worth individuals (HNIs), institutional clients, corporates, and other permissible class of investors.

#### (ii) Promoters of the Portfolio Manager, Directors and their background

##### 1. Promoters and Directors of the Portfolio Manager

###### (a) Mr. Ashwin Agarwal

**Mr. Ashwin Agarwal** is a CFA Charter holder from CFA Institute, USA. He is the co-founder of Wave Asset Private Limited. Prior to that, he was associated as a Fund Manager with Newberry Capital Private Limited from 2017 to 2022, handling its Portfolio Management services. He was also an Equity Research Analyst at Inlev Research LLP where he was responsible for securities analysis. He has appeared several times on television espousing his views on the capital markets. He is a B.A.(Economics/Telecom) from Indiana University, USA.

###### (b) Mr. Rohan Agarwal

**Mr. Rohan Agarwal** is a seasoned professional with 15 years of total work experience in the capital markets spanning asset management, financial advisory and M&A. He is the co-founder and Director of Wave Asset Private Limited. He was registered with SEBI as an Investment Adviser from 2016 to 2023 where he was advising HNI clients on their asset allocation and investment selection. Rohan is a B.A.(Economics) & M.S.(Finance) from the University of Illinois at Urbana-Champaign, USA.

#### (iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis (latest audited financial statements may be used for this purpose)

The Portfolio Manager has no Group companies/firms.

**(iv) Details of the services being offered: Discretionary, Non-Discretionary and Advisory**

The Portfolio Manager proposes to primarily carry-on discretionary portfolio management services and if opportunity arises thereafter, it also proposes to render non-discretionary portfolio management services and advisory services.

Wave Asset Private Limited shall provide the above services to the following category of clients:

Client Category	Nature of services
Indian resident individuals, non – resident Indians, bodies corporate, partnership firms, trust, societies, association of persons, limited liability partnership and such other persons as may be deemed by the Portfolio Manager to be eligible to avail the services of the Portfolio Manager	Discretionary/ Non-discretionary/ Advisory
Foreign Portfolio Investors and their sub - accounts	Discretionary/ Non-discretionary/ Advisory

The key features of all the said services are provided as follows:

**(a) Discretionary Services:**

Under the discretionary PMS, the choice as well as the timing 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 assets of the Client. The Securities invested/divested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time except on the ground of fraud, malafide intent, conflict of interest (other than those already disclosed in the Agreement) or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws. Periodical statements in respect of the Client's assets under management shall be sent to the respective Clients in accordance with the Agreement and the Regulations.

**(b) Non - Discretionary Services:**

Under the non-discretionary PMS, the assets of the Client are managed in consultation with the Client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager, *inter*

alia, manages transaction execution, accounting, recording of corporate benefits, valuation, and reporting aspects on behalf of the Client.

**(c) Advisory Services:**

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the Portfolio Investment Approach and investment and divestment of individual securities on the Client Portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk, to all eligible categories of Investors. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment/divestment of Securities and/or any administrative activities on the Client 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.

**Direct onboarding of clients**

Pursuant to SEBI Master Circular No. EBI/HO/IMD/IMD-POD-1/P/CIR/2025/104 dated July 16, 2025, clients have an option to enter into an Agreement with the Portfolio Manager directly, without intermediation of persons engaged in distribution services. At the time of on-boarding of Clients directly, no charges except statutory charges will be levied.

4. **Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:**
  - i. **All cases of penalties imposed by SEBI, or the directions issued by SEBI under the SEBI Act or rules or regulations made thereunder.**  
None.
  - ii. **The nature of the penalty/direction.**  
Not Applicable.
  - iii. **Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.**  
None.
  - iv. **Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.**  
None.
  - v. **Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency.**  
None.
  - vi. **Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its partners, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer or employee, under the SEBI Act or rules or regulations made thereunder.**  
None.

## 5. Services Offered

- (i) The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in the Document for easy understanding of the potential investor.**

### **Investment Objective**

The investment objective of the Portfolio Manager is to endeavor to deliver superior risk-adjusted returns for the Client.

The Portfolio Manager seeks to deliver superior portfolio performance without taking undue risk thereby benefiting the Clients and helping them achieve their goals. Keeping the Clients' interests before its own, the Portfolio Manager intends to focus on best business practices of the fund management industry.

- (ii) Investment Approach of the Portfolio Manager**

Please refer to **Annexure I** for more details

- (iii) 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.**

The Portfolio Manager will not be making investments on behalf of the Client in its associates/group companies.

## 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

- (10) Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates,

changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.

- (11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
- (12) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

### **C. Risk associated with debt and money market securities**

#### **(13) Interest Rate Risk**

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

#### **(14) Liquidity or Marketability Risk**

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

#### **(15) Credit Risk**

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

**(16) Reinvestment Risk**

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

**D. Risk associated with derivatives instruments**

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

**E. Risk associated with investments in mutual fund schemes**

- (19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
- (20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- (21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- (22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately

large number of redemption requests or of a restructuring of the schemes.

- (23) The Portfolio Manager shall not be responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- (24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- (25) While it would be the endeavour of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- (26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

#### **F. Risk arising out of Non diversification**

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

- (28) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- (29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavour to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
- (30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the

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 Expense:

The following are the general costs and expenses to be borne by the Clients availing the services of the Portfolio Manager. However, the exact nature of expenses relating to each of the following services is annexed to the Agreement in respect of each of the services provided.

### i. Management fee:

The management fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed or a combination of these, as agreed in the Agreement.

### ii. Advisory fees:

The advisory fees relate to the advisory services offered by the Portfolio Manager to the client. The fee may be a fixed charge or a percentage of the quantum of the funds being advised or may be return/performance based or a combination of any of these, as agreed in the Agreement.

### iii. Performance fee:

The performance fee relates to the share of profits charged by the Portfolio Manager, subject to hurdle rate and high-watermark principle as per the details provided in the Agreement.

### iv. Exit Load:

The Portfolio Manager may charge early withdrawal fee as a percentage of the value of the Portfolio /withdrawn Portfolio as per the terms and conditions of a particular Product as agreed in the Agreement.

### v. Custodian/Depository Fees

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization, rematerialization and other charges in connection with the operation and management of the depository accounts.

### vi. 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.

vii. Brokerage and transaction costs

The brokerage charges and other charges like statutory charges, turnover tax, exit and entry loads on the redemption of portfolio, bonds, debt, deposits, units and other financial instruments. All the investments / disinvestments by the portfolio manager will be made by using its own broking services and other external brokers.

viii. Other fees and expenses:

The Portfolio Manager may incur the following expenses which shall be charged/reimbursed by the Client:

- (a) Transaction expenses including, but not limited to, statutory fees, documentation charges, statutory levies, stamp duty, registration charges, commissions, charges for transactions in Securities, custodial fees, fees for fund accounting, valuation charges, audit and verification fees, depository charges, and other similar or associated fees, charges and levies, legal fees, incidental expenses etc.;
- (b) Legal and statutory expenses including litigation expenses, if any, in relation to the Portfolio;
- (c) Statutory taxes and levies, if any, payable in connection with the Portfolio;
- (d) Valuation expenses, valuer fees, audit fees, levies and charges;
- (e) All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above, whether agreed upon in the Agreement or not, arising out of or in the course of managing or operating the Portfolio.

Provided the Portfolio Manager shall not charge any up-front fees to the Client whether directly or indirectly. Notwithstanding the above, the Portfolio Manager may charge up-front costs and expenses so attributable to the Client in terms of the Agreement.

## 8. Tax implications

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

- **Definition of Specified Mutual Fund:**

Before 1st April 2025:

**Specified Mutual Fund** means a Mutual Fund by whatever name called, where not more than thirty-five 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 assessees. 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 up to 31 January 2018, COA is substituted with the indexed COA (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a 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 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

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

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

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

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

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

Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

#### **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 re-characterising 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
- Re characterising 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

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

which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

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

### **C. Valuation of portfolio investments**

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

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

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

## 10. Investor Services

The Portfolio Manager seeks to provide the Clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing using technology. The Client servicing essentially involves:

- (a) Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- (b) Attending to and addressing any client query with least lead time;
- (c) Ensuring portfolio reviews at predefined frequency.

**Name, address, and telephone number of the investor relation officer who shall attend to the investor queries and complaints:**

Name	Ashwin Agarwal
Designation	Principal Officer
Address	Unit 602, 6 <sup>th</sup> Floor, Lodha Supremus, Senapati Bapat Marg, Lower Parel, Mumbai – 400013
Telephone No	+91- 8591599274
Email id	<a href="mailto:grievance@waveasset.in">grievance@waveasset.in</a>

**Grievance redressal and dispute settlement mechanism:**

Grievance received by the Portfolio Manager shall be first resolved amicably through designated personnel of the Portfolio Manager. The clients are requested to send their grievances to [grievance@waveasset.in](mailto:grievance@waveasset.in) or call on +91 – 8591599274.

The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle Client complaints. The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Client. Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. **Quick action-** As soon as any grievance comes to the knowledge of the aforesaid personnel, it would be identified and resolved. This will lower the detrimental effects of the grievance.
2. **Acknowledging grievance-** The aforesaid officer shall acknowledge the grievance put

forward by the Client and investigate the complaint impartially and without any bias.

3. **Gathering facts**- The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
4. **Examining the causes of grievance**- The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
5. **Decision making** - After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analyzed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
6. **Review** - After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance Officer and subject to the Regulations. The Compliance Officer will endeavor to address such grievance in a reasonable manner and time. The coordinates of the Compliance Officer are provided as under:

Name	Karan Gupta
Designation	Compliance Officer
Address	Unit 602, 6 <sup>th</sup> Floor, Lodha Supremus, Senapati Bapat Marg, Lower Parel, Mumbai – 400013
Telephone No	+91- 8591599274
Email id	<a href="mailto:compliance@waveasset.in">compliance@waveasset.in</a>

If the Client remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Portfolio Manager shall abide by the following mechanisms:

#### **A) SCORES:**

1. SEBI Complaints Redressal System (SCORES): SEBI has set up an online complaints redressal system (SCORES- <https://scores.sebi.gov.in/> ) for easy retrieval and tracking of complaints. The client can lodge a complaint through SCORES.

2. Such complaints shall be resolved on a best effort basis within a period of 21 calendar days from the receipt of such complaint. Such a complaint will also be forwarded simultaneously to Association of Portfolio Managers of India (APMI). An Action Taken Report (ATR) will be submitted within 21 calendar days of receipt of the complaint.
3. If the client is satisfied with the action taken by APMI, the complaint shall be disposed-off on SCORES.
4. If the Client is not satisfied with the action taken by the entity, the client shall request the review of the complaint within 15 calendar days of ATR. APMI shall then take cognizance of such a complaint. The Portfolio Manager will provide required clarification on the ATR and APMI shall then forward a revised ATR within 10 calendar days to the client through SCORES.
5. The Client may seek second review of the ATR provided by APMI within 15 calendar days from the date of submission of ATR by APMI.
6. If the Client is satisfied with the action taken by APMI, the complaint shall be disposed of on SCORES.
7. If the Client is not satisfied with the ATR provided by APMI, SEBI will take cognizance of second review of the complaint through SCORES.
8. The second review complaint shall be treated as 'resolved' 'disposed' or 'closed' only when SEBI disposes or closes the complaint in SCORES.

**B) Online Dispute Resolution (ODR):**

If the Client is still not satisfied with the resolution of grievance, the Client can also submit the complaint on ODR portal. The link to ODR portal is <https://smartodr.in>.

**C) Arbitration and Conciliation:**

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be before three arbitrators, with each party entitled to appoint an arbitrator and the third arbitrator being the presiding arbitrator appointed by the two arbitrators. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. Such arbitration proceedings shall be held at Mumbai and the language of the arbitration shall be English. The courts of Mumbai shall have

the exclusive jurisdiction to adjudicate upon the claims of the parties.

## 11. Details of diversification policy of the Portfolio Manager

Portfolio diversification is a strategy of risk management used in investing, which allows to reduce risks by allocating the funds in multiple asset types. It helps to mitigate the associated risks on the overall investment portfolio.

The Portfolio Manager shall focus through a collection of core holdings and may or may not seek diversification across the various sectors of the equity market. Securities shall be chosen amongst a wide spectrum of market capitalizations, from SME to large capitalization equities. However, from time to time on an opportunistic basis, may also choose to invest in money market instruments, units of mutual funds, ETFs or other permissible securities/products in accordance with the Applicable Laws. The Portfolio Manager may also, from time to time, engage in hedging strategies by investing in derivatives and permissible securities/instruments as per Applicable Laws.

No investments are made into associate/related parties of the Portfolio Manager. Hence, the Portfolio Manager has not instituted diversification policy for investments in securities of associate/related parties.

## Part II – Dynamic Section

## 12. Client representation

### (i) Client & AUM Details – As of March 31<sup>st</sup>, 2025

Category of Clients	No. of Clients	Funds Managed (Rs. In Crs)	Discretionary/ Non-Discretionary/ Advisory
Associates/ Group Companies (FY24-25)	NIL	NIL	N/A
Associates/ Group Companies (20 <sup>th</sup> March 24 – 31 <sup>st</sup> March 24)	NIL	NIL	N/A
Others (FY24-25)	14	10.72	Discretionary
Others (20 <sup>th</sup> March 24 – 31 <sup>st</sup> March 24)	1	0.5	Discretionary
Total	15	11.22	

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

Related Party Disclosures as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India are detailed below-

#### Related Parties:

1. Rohan Agarwal (Director)
2. Ashwin Agarwal (Director)

#### Details of Related Party transactions

Particulars (Amount in '000's)	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Loans Taken</b>		
Rohan Agarwal	1,689	2,287
Ashwin Agarwal	1,769	1,931
<b>Total</b>	<b>3,458</b>	<b>4,218</b>
<b>Loans Repayment</b>		
Rohan Agarwal	1,415	2,547
Ashwin Agarwal	1,326	2,177
<b>Total</b>	<b>2,741</b>	<b>4,724</b>

**13. The Financial Performance of Portfolio Manager (based on audited financial statements)  
(In Rs.)**

Particulars	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2023
Net Profit	7,16,852	6,84,786	7,33,618
Net Worth	5,21,44,705	5,14,27,852	5,07,43,067

#### 14. PERFORMANCE OF THE PORTFOLIO MANAGER (As on 31<sup>st</sup> October 2025)

APPROACH	Inception Date	1 Month	3 Months	6 Months	1 Year	2 Years *	3 Years *	5 Years *	Since Inception*
Wave Bloom	03-05-2025	4.16%	6.73%	7.02%	20.44%	-	-	-	25.39%
Benchmark – BSE 500 (TRI)		4.27%	3.72%	8.33%	5.32%	-	-	-	9.16%

\* Since Inception date for Wave Bloom is 3<sup>rd</sup> May 2024

APPROACH	Inception Date	1 Month	3 Months	6 Months	1 Year	2 Years *	3 Years *	5 Years *	Since Inception*
Wave Pure Alpha	20-03-2024	2.49%	6.02%	13.52%	17.79%	-	-	-	16.39%
Benchmark – BSE 500 (TRI)		4.27%	3.72%	8.33%	5.32%	-	-	-	13.27%

\* Since Inception date for Wave Pure Alpha is 20<sup>th</sup> March 2024

Portfolio Performance (%) is net of all expenses, fees and charges levied by the portfolio manager and is calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

## 15. Audit observations

The portfolio accounts of the portfolio manager are audited annually by an independent chartered accountant. There are no adverse observations since inception.

**16. Details of Investments in the securities of related parties of the Portfolio Manager**

Portfolio Manager has not made any investments in its related parties or associates as on date.

**For and on behalf of Wave Asset Private Limited**

<b>Ashwin Agarwal</b> Director	:	
<b>Rohan Agarwal</b> Director	:	

**Place:** Mumbai

**Date:** 22<sup>nd</sup> December 2025

## Annexure I – Investment Approach

### **1. Pure Alpha**

#### **Fund Manager**

Rohan Agarwal

#### **Investment Objective**

The Pure Alpha strategy seeks to deliver long-term, risk-adjusted outperformance by investing in listed securities and mutual funds. The approach involves capitalizing on mispriced investments by buying and holding them across multiple time frames.

#### **Description of Types of Securities**

Listed Equities, ETFs, bonds, equity derivatives & mutual funds across asset classes.

#### **Basis of selection of such types of securities as part of the investment approach**

The approach is based on identifying mispriced investments and then buying & holding them across various timeframes. Selection of Securities will be done to meet investor's objectives on best effort basis depending on market conditions.

#### **Allocation of portfolio across types of securities**

Asset Class	Proportion of Net Assets – Minimum (%)	Proportion of Net Assets – Maximum (%)
Equity	0	100
Other investible securities	0	100

Derivatives can be used for hedging purposes as and when needed unless explicitly disallowed by the client. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

#### **Benchmark to compare performance**

S&P BSE 500 TRI

#### **Basis for choice of benchmark**

Since the strategy aims to diversify equity holdings across market cap, sector, style & geography, the strategy will be benchmarked against the broad-based S&P BSE 500 TRI

#### **Indicative tenure or investment horizon**

3+ Years

## Use of Derivatives

Derivatives can be used for hedging and portfolio balancing purposes as and when needed. The exposure to derivatives will not deviate from prescribed rules and prospective investors can specify when they don't want to allow use of derivatives in their portfolios.

## Strategy

Equity

## Risks associated with the investment approach

The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

**Company risk:** The performance of the investment approach will depend upon the business performance of the Portfolio Entity and its future prospects. Portfolio Manager's focus on business fundamentals through the detailed approach mentioned above will help the Portfolio Manager in mitigating these sector or company risks.

**Market Risk:** The Portfolio Manager endeavours to hedge part or all of the portfolio when warranted and invest in securities using sound analysis and research rather than trying to time the market.

**Valuation risk:** The Portfolio Manager will assess the Portfolio Entities from varied valuation methods and will consider various parameters in order to establish whether the valuations are reasonable while investing and reassessing the same from time to time.

**Liquidity Risk:** The Portfolio Manager will make a number of investments in small-cap and mid-cap companies where there may be an issue in market liquidity and hence the impact cost of buying or selling may be substantial.

**Concentration Risk:** The Portfolio Manager will endeavour to have a sufficiently diversified portfolio across stocks and sectors.

## Other salient features, if any.

N.A.

## 2. Bloom

### Fund Manager

Ashwin Agarwal

### Investment Objective

The Bloom strategy seeks to deliver superior long-term, risk-adjusted returns by investing in listed securities and mutual funds.

### Description of Types of Securities

Listed Equities, ETFs, bonds, equity derivatives & mutual funds across asset classes.

### Basis of selection of such types of securities as part of the investment approach

Investments will be made by a combination of top down and bottom-up approach. Top-down analysis to decide tactical asset allocation and the best sectors to invest in. Bottom-up approach is to find the securities that offer the best risk/return trade-off.

### Allocation of portfolio across types of securities

Asset Class	Proportion of Net Assets – Minimum (%)	Proportion of Net Assets – Maximum (%)
Equity	0	100
Other investible securities	0	100

Derivatives can be used for hedging and portfolio balancing purposes as and when needed. The exposure to derivatives will not deviate from prescribed rules and prospective investors can specify when they don't want to allow use of derivatives in their portfolios.

### Benchmark to compare performance

S&P BSE 500 TRI

### Basis for choice of benchmark

Since the strategy aims to diversify equity holdings across market cap, sector, style & geography, the strategy will be benchmarked against the broad-based S&P BSE 500 TRI.

### Indicative tenure or investment horizon

3+ Years

### Use of Derivatives

Derivatives can be used for hedging and portfolio balancing purposes as and when needed. The exposure to derivatives will not deviate from prescribed rules and prospective investors can specify when they don't want to allow use of derivatives in their portfolios.

## Strategy

Equity

### **Risks associated with the investment approach**

The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

**Company risk:** The performance of the investment approach will depend upon the business performance of the Portfolio Entity and its future prospects. Portfolio Manager's focus on business fundamentals through the detailed approach mentioned above will help the Portfolio Manager in mitigating these sector or company risks.

**Market Risk:** The Portfolio Manager endeavours to hedge part or all of the portfolio when warranted and invest in securities using sound analysis and research rather than trying to time the market.

**Valuation risk:** The Portfolio Manager will assess the Portfolio Entities from varied valuation methods and will consider various parameters in order to establish whether the valuations are reasonable while investing and reassessing the same from time to time.

**Liquidity Risk:** The Portfolio Manager will make a number of investments in small-cap and mid-cap companies where there may be an issue in market liquidity and hence the impact cost of buying or selling may be substantial.

**Concentration Risk:** The Portfolio Manager will endeavour to have a sufficiently diversified portfolio across stocks and sectors.

### **Other salient features, if any.**

N.A.

### **3. Asset Allocator**

#### **Fund Manager**

Rohan Agarwal

#### **Investment Objective**

The Asset Allocator strategy aims for risk-adjusted outperformance through a dynamic asset allocation approach, investing in diverse asset and sub-asset classes using mutual funds and listed securities.

#### **Description of Types of Securities**

Listed Equities, ETFs, bonds, equity derivatives & mutual funds across asset classes.

#### **Basis of selection of such types of securities as part of the investment approach**

The methodology includes creating a portfolio by determining optimal weights for different asset classes and subsequently buying investments within each asset class and holding them across varying time frames. Selection of Securities and asset/sub-asset class weighting will be done to meet investor's objectives on best effort basis depending on market conditions.

#### **Allocation of portfolio across types of securities**

<b>Asset Class</b>	<b>Proportion of Net Assets – Minimum (%)</b>	<b>Proportion of Net Assets – Maximum (%)</b>
Equity	0	100
Other investible securities	0	100

Derivatives can be used for hedging and portfolio balancing purposes as and when needed. The exposure to derivatives will not deviate from prescribed rules and prospective investors can specify when they don't want to allow use of derivatives in their portfolios.

#### **Benchmark to compare performance**

S&P BSE 500 TRI

#### **Basis for choice of benchmark**

Since the strategy aims to diversify holdings across market cap, sector, style & geography, the strategy will be benchmarked against the broad-based S&P BSE 500 TRI.

#### **Indicative tenure or investment horizon**

3+ Years

#### **Use of Derivatives**

Derivatives can be used for hedging and portfolio balancing purposes as and when needed. The exposure to derivatives will not deviate from prescribed rules and prospective investors can specify when they don't want to allow use of derivatives in their portfolios.

## Strategy

Multi-asset

### Risks associated with the investment approach

The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

**Company risk:** The performance of the investment approach will depend upon the business performance of the Portfolio Entity and its future prospects. Portfolio Manager's focus on business fundamentals through the detailed approach mentioned above will help the Portfolio Manager in mitigating these sector or company risks.

**Market Risk:** The Portfolio Manager endeavours to hedge part or all of the portfolio when warranted and invest in securities using sound analysis and research rather than trying to time the market.

**Valuation risk:** The Portfolio Manager will assess the Portfolio Entities from varied valuation methods and will consider various parameters in order to establish whether the valuations are reasonable while investing and reassessing the same from time to time.

**Liquidity Risk:** The Portfolio Manager will make a number of investments in small-cap and mid-cap companies where there may be an issue in market liquidity and hence the impact cost of buying or selling may be substantial.

**Concentration Risk:** The Portfolio Manager will endeavour to have a sufficiently diversified portfolio across stocks and sectors.

### Other salient features, if any.

N.A.

**FORM C**

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

<b>Name</b>	Wave Asset Private Limited
<b>Registered Address</b>	Flat No 902, RNA Mirage, S K Ahire Marg, Worli Mumbai 400030, Maharashtra, India
<b>Phone</b>	+91 8591599274
<b>Email</b>	contact@waveasset.in

We confirm that:

- (i) the Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI 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, on 22<sup>nd</sup> December 2025. The details of the Chartered Accountant are as follows:

Name of the Firm : Kantilal Jain & Co.

Registration Number : 104739W

Partner : CA Divesh K. Jain

Membership Number: 139654

Address: : 103, So Lucky Corner Comm., Andheri Kurla Road, Andheri East, Andheri (East), Mumbai - 400099

Telephone Number : +91 9930749132

(Enclosed is a copy of the Chartered Accountants' 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 and on behalf of Wave Asset Private Limited**

**Ashwin Agarwal**

Principal Officer

**Date:** 22<sup>nd</sup> December 2025

**Place:** Mumbai

**Address:** 902, RNA Mirage,  
S K Ahire Marg, Worli  
Mumbai - 400030,  
Maharashtra, India

**KANTILAL JAIN & CO.**  
**CHARTERED ACCOUNTANTS**

**DIVESH K. JAIN**  
B.Com, FCA, CS

103, So Lucky Corner Comm.,  
Andheri Kurla Rd., Andheri (E),  
Mumbai 400 099

**DIMPLE N. PUNMIYA**  
B.Com, F.C.A.

Mob : 9930749132  
EMail :cakkjain@yahoo.com

**CA CERTIFICATE**

We have verified the Disclosure Document for Portfolio Management Services dated 22<sup>nd</sup> December 2025 prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 by M/s. Wave Asset Private Limited (SEBI Reg. No. INP000008428), having its Registered Office at Flat No 902, RNA Mirage, S K Ahire Marg, Worli, Mumbai, Maharashtra, 400030.

Our certification is based on the examination of records, data made available and information & explanations provided to us.

Based on such examination we certify that:

- a. The Disclosure made in the document is true, fair and correct
- b. The information provided in the Disclosure Document is adequate to enable the investors to make well-informed decisions.

This certificate has been issued solely for submission to the Securities and Exchange Board of India for the sole purpose of certifying the contents of the Disclosure Document for the portfolio management and should not be used or referred to for any other purpose without our prior written consent.

**FOR KANTILAL JAIN & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM NO. 104739W**

**CA DIVESH K. JAIN**  
**PARTNER**  
**MEM NO. 139654**

**PLACE :MUMBAI**  
**DATE : 22/12/2025**

**UDIN: 25139654GCUBAT5149**