

FISCALEYE PRIVATE LIMITED

No. 32 & 33, BBMP Khatha, "Savion"
BEML 3rd Stage, Rajarajeshwarinagar
Bangalore South, Bangalore,
Karnataka, India - 560098.
SEBI Reg. No.: INP000009278

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES

(As per Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)

The Disclosure Document has been filed with Securities and Exchange Board of India ("the Board") along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Manager) Regulations, 2020.

The purpose of the Disclosure Document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.

The Disclosure Document contains necessary information about the Portfolio Manager required by an investor before investing. The investor is advised to retain the Disclosure Document for future reference.

The name, phone number, e-mail address of the Principal Officer designated by the Portfolio Manager is:

Name of the Principal Officer	: Mr. Manjunath Shivalingayya Aourgol
Phone	: +91-080-31405960
Email	: manjunath.aourgol@fiscaleyeye.in
Address	: No. 32 & 33, BBMP Khatha, "Savion" BEML 3rd Stage, Rajarajeshwarinagar, Bangalore South, Bangalore - 560098, Karnataka, India.

Date: July 1st, 2025

Place: Bangalore

THE INVESTORS HAS THE OPTION OF ENROLLING WITH THE COMPANY EITHER DIRECTLY OR THROUGH A DISTRIBUTOR OR THROUGH A REGISTERED INVESTMENT ADVISOR (RIA).

INDEX

ITEM NO	CONTENTS	PAGE NO
1	Disclaimer Clause	3
2	Definitions	3
3	Description	6
4	Penalties, Pending litigation or proceedings etc.	9
5	Services Offered	9
6	Risk Factors	20
7	Client Representation	28
8	Financial performance of the Portfolio Manager	28
9	Portfolio Management performance of the Portfolio Manager	28
10	Audit Observations	28
11	Nature of Expenses	28
12	Taxation Policy	30
13	Accounting Policies	44
14	Investor Services	47
15	Details of investments in the securities of related parties of the Portfolio Manager	50
16	Details of the diversification policy of the Portfolio Manager	50

1. DISCLAIMER CLAUSE

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

Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of

1. The timing of inflows and outflows of funds; and
2. Differences in the portfolio composition because of restriction and other constraints.

2. DEFINITIONS

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively.

Term	Definition
Act	means the Securities and Exchange Board of India, Act 1992 (15 of 1992) and as amended from time to time.
Advisory Services	shall mean the non-binding investment advisory services rendered by the Portfolio Manager to its Client. The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the Client and shall not be responsible for the investment / divestment of Securities.
Agreement	means the agreement between Portfolio Manager and its Client and shall include all schedules and annexures attached thereto.
Application	means the application made by the Client to the Portfolio Manager as more particularly described in Schedule A to the Agreement, for investing the monies and/or Securities therein mentioned with the Portfolio Manager in the Products for rendering the services. Upon execution of the Agreement by the Parties, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.
Assets	means (i) the Portfolio and/or (ii) the Funds (as the case may be).
Associate	means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than 20% (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
Bank Account	means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or the Product (as may be applicable).
Board	means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act.
Body Corporate	defined under Section 2 (11) of the Companies Act, 2013, referring to any legal entity recognized by law other than an individual.
Chartered	means a chartered accountant as defined in Clause (b) of Sub-section (1) of

Accountant	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.
Client	means the person who enters into an Agreement with the Portfolio Manager for managing its Portfolio/Funds or for receiving advisory services.
Client Level	shall mean the Product under which all the Assets of the Client shall be managed on an individual basis through a separate Bank Account and Depository Account which will be opened in the name of the Client and operated by the Portfolio Manager.
Custodian	means any person who carries on or proposes to carry on the business of providing custodial services and shall be registered with SEBI.
Depository Account	means one or more account or accounts opened, maintained and operated by Portfolio Manager in the name of client or Product (as may be applicable) with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
Disclosure Document	shall mean this disclosure document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to the Regulations.
Discretionary Portfolio Management Services	shall mean the portfolio management services rendered to the Client, by the Portfolio Manager individually and independently, exercising its full discretion and/or advising and/or directing and/or undertaking on behalf of the Client, in respect of investments or management or administration of the Portfolio of the Assets of the Client in accordance with the various provisions of the Act, Rules, Regulations and/or laws in force and amendments made therein from time to time and on the terms and conditions set out in this Agreement.
Non-Discretionary Portfolio Management Services	shall mean service wherein Portfolio Manager shall manage the Assets in accordance with the directions of the Client under oral or written consents/instructions.
Financial year	means the year starting from April 1 and ending on 31st March of the following year.
Funds	means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the Application, any further monies that may be placed by the Client with the Portfolio Manager from time to time, for being managed pursuant to this Agreement, the proceeds of the 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.
Net Asset Value (NAV)	for the Products shall be calculated using the following method: NAV= Market value of all investments + Cash + Balance in ledger account with broker + Dividend/interest receivable - accrued expenses including Portfolio Management Fee.
Parties	means the Portfolio Manager and the Client; and "Party" shall be construed accordingly.
Person	includes any individual, partners in partnership, central or state

	government, company, body corporate, co-operative society, corporation, trust, society, Hindu Undivided family or any other body of persons, whether incorporated or not.
Portfolio	means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities that may be placed by the Client with the Portfolio Manager from time to time, for being managed pursuant to this Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.
Portfolio Manager	means any person who pursuant to a contract or arrangement with a Client, advises or directs or undertakes on behalf of the client the management or administration of portfolio of securities or the funds of the client, as the case may be. For the purpose of this Disclosure Document, Portfolio Manager is FISCALEYE PRIVATE LIMITED.
Portfolio Management Fees/Advisory Fee	shall have the meaning attributed thereto in Clause [11] of this Disclosure Document.
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.
Product	means any current investment Products or such Products that may be introduced at any time in the future by the Portfolio Manager.
RBI	means Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
Regulations	means the Securities and Exchange Board of India (Portfolio Managers) Regulation, 2020, and as may be amended from time to time.
Scheduled Commercial Bank	means any bank included in second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
SEBI	means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act 1992.
Securities	shall mean securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time. Provided that it shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the SEBI Regulations or other Applicable Law, for the time being in force.

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.

3. DESCRIPTION

3.1 History, Present Business and Background of the Portfolio Manager:

- FISCALEYE PRIVATE LIMITED ("Fiscaleye") was incorporated on January 16, 2024 under the provisions of Companies Act, 2013 and its Corporate Identification Number is U66190KA2024PTC183560. The Company is a SEBI registered Portfolio Manager having registration Number INP000009278 since Feb 28, 2025.
- As part of its business strategy, FISCALEYE PRIVATE LIMITED would like to offer Portfolio Management Services including Discretionary, Non-discretionary and Advisory Services exclusively to its clients.

3.2 Promoters of the Portfolio Manager, Directors and their Background

Promoters and Board of Directors:

1. Mr. Dharmendra Singha

Mr. Dharmendra Singha serves as the Chief Executive Officer and Executive Director of FISCALEYE PRIVATE LIMITED, where he leads the strategic growth of the company's wealth management business.

With over two decades of experience in the investment industry, Mr. Singha has successfully led diverse functions across the financial services spectrum. He began his career at J.P. Morgan Asset Management, and in 2024, co-founded Fiscaleye, bringing together a team of seasoned professionals with a shared vision.

His enduring commitment to value investing has been instrumental in shaping Fiscaleye's differentiated and focused investment strategies, positioning the company as a trusted partner in long-term wealth creation.

2. Mr. Dileep Nanjundaiah

Mr. Dileep Nanjundaiah is a Co-Founder of Fiscaleye and currently serves as the Executive Director and Chief Compliance Officer. A seasoned legal professional, he brings over 18 years of expertise in corporate law, financial regulations, and compliance management.

Prior to co-founding Fiscaleye, Mr. Nanjundaiah was the Head of Legal at Whitepoinsett Consultants LLP, where he led advisory practices in regulatory compliance, legal due diligence, and corporate governance. His deep understanding of SEBI regulations and securities law underpins Fiscaleye's commitment to operating with the highest standards of regulatory integrity.

3. Ms. Rinu John

Ms. Rinu John is a Co-Founder of Fiscaleye and currently serves as the Executive Director and Chief of PMS Operations. She brings over 13 years of diverse experience spanning technology consulting, client relationship management, strategic planning, and operational excellence.

Ms. John began her professional journey at Microsoft Corporation, where she developed a strong foundation in technology-driven solutions and client-centric delivery. In 2024, she co-founded Fiscaleye with a vision to integrate innovation, transparency, and service excellence in portfolio management services.

At Fiscaleye, she leads key initiatives focused on operational efficiency and client experience, overseeing seamless onboarding processes, transparent and timely reporting, and the effective resolution of investor queries. Her ability to foster meaningful client

relationships plays a pivotal role in reinforcing Fiscaleye's reputation for integrity, responsiveness, and long-term investor trust.

4. Mr. Tiparaya M Deginal

Mr. Tiparaya M. Deginal is a Co-Founder of Fiscaleye and currently serves as the Executive Director and Chief Operating Officer. With over 25 years of experience in technology consulting, strategic planning, and business development, Mr. Deginal plays a pivotal role in driving operational excellence and long-term strategic growth at Fiscaleye.

An integral part of the founding team, he has been instrumental in shaping the company's vision from its inception. His disciplined leadership and forward-thinking approach have guided the development of robust operational frameworks and scalable business processes.

Mr. Deginal's deep expertise in aligning technology with business strategy continues to provide the organization with a strong foundation for innovation, efficiency, and sustainable growth. His contributions have been central to conceptualizing and executing Fiscaleye's business development roadmaps and operational blueprints.

3.3 Top Group companies/firms of the Portfolio Manager on turnover basis:

Fiscaleye Private Limited does not have group companies/firm.

3.4 Details of Services being offered by the Portfolio Manager:

The Portfolio Manager broadly offers Discretionary portfolio management services, Non-discretionary portfolio management services and Advisory services to corporate, institutional clients, private clients and other permissible class of investors. The details of the services are given below.

The minimum value of investment/securities to be contributed by the investor shall be ₹50 lakhs or as may be provided in the applicable regulations, as amended from time to time.

a) Discretionary Portfolio Management Services:

Under these services the Portfolio Manager shall have the sole and absolute discretion to invest the Client's assets in any type of securities as per executed Agreement and make such changes in the investments and invest some or all of the Client's funds in such manner and in such markets as it deems fit and would benefit the Client. The Securities invested/disinvested by the Portfolio Manager for Clients in the same Product may differ from Client to Client.

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

The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' assets is absolute and final and cannot be called in question or be open to review at any time during the continuity of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, with regard to the Client's assets and accretions thereto. Account consisting of

investments, accruals and monetary and non-monetary corporate action & benefits if any. Every product shall have separate term sheet and risk factors that would be read, understood, agreed and signed by the Client before taking an investment decision.

Notes:

- Investment under Portfolio Management Services will be only as per the applicable SEBI Regulations.
- The un-invested amounts forming part of the Client's Assets may at the discretion of the Portfolio Manager be held in cash or deployed in Liquid fund schemes, Exchange Traded Index Funds, debt-oriented schemes of Mutual funds, Gilt schemes, Bank deposits and other short-term avenues for Investment.
- The Portfolio Manager, with the consent of the Client, may lend the securities through an Approved Intermediary, for interest.
- All the strategies are based on client's investment objective(s) and should not be construed as any Scheme promoted by the Company.

b) Non-Discretionary Portfolio Management Services:

Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client. Under this service, the Assets will be managed as per express prior instructions issued by the Client from time to time. The Client will have complete discretion to decide on the investment (Stock, Quantity, and Price or amount). Under this service, the Portfolio Manager inter alia manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

The deployment of the client's funds and securities by the Portfolio Manager on the instructions of the client is absolute and final. However, for client(s) other than those falling under the category of Large Value Accredited Investors, the portfolio manager may invest only up to 25% of the assets under management of the client in unlisted securities in addition to the securities permitted for discretionary portfolio management services. In case of client(s) falling under the category of Large Value Accredited Investors, the portfolio manager may invest up to 100% of the assets under management in unlisted securities.

c) Advisory Services:

The Portfolio Manager will provide Advisory Services which shall be in the nature of non-binding investment advice, and may include the responsibility of inter alia advising for renewing and reshuffling the portfolio, buying and selling the securities. Additionally, the Portfolio Manager may advise on the safe custody of the securities and monitor book closures, dividend, bonus, rights etc. and any other benefits that accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described in the Products from time to time, entirely at the Client's risk.

Direct onboarding of clients: Pursuant to SEBI Master Circular No. SEBI/HO/IMD/TMD-POD-1/P/CIR/2024/80 dated June 7, 2024, clients can avail the portfolio management services 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. Clients can onboard with Fiscaleye Portfolio directly by contacting us on our investor desk email ID - pmservice@fiscaleye.in

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)	Any cases of penalties imposed by SEBI or directions issued by SEBI under the Act or Rules or Regulations made thereunder on FISCALEYE PRIVATE LIMITED as a Portfolio Manager.	NO
(ii)	Penalties/fines were imposed for any economic offence and/ or for violation of any securities laws on FISCALEYE PRIVATE LIMITED acting as a portfolio Manager.	NO
(iii)	Any pending material litigation/legal proceedings or criminal cases pending against FISCALEYE PRIVATE LIMITED or its key personnel acting as a portfolio manager	NO
(iv)	Any deficiency in the systems and operations of the portfolio manager observed by SEBI or any regulatory agency.	NO
(v)	Any enquiry/adjudication proceedings have been initiated by SEBI against FISCALEYE PRIVATE LIMITED (acting as the Portfolio Manager) or its directors, principal officer or employee of the Portfolio Management Division or any person connected directly or indirectly in providing the services of a Portfolio Manager as required under SEBI Act or Rules and Regulations made there under.	NO

No penalties / directions have been issued by the SEBI under the SEBI Act or Regulations made there against the Company. There are no pending material litigations or legal proceedings, findings of inspections or investigations for which action has been taken or initiated by any regulatory authority against the Portfolio Manager or its Directors, principal officers or employees or any person directly or indirectly connected with the Portfolio Manager under the SEBI Act and Regulations made there under relating to Portfolio Management Services.

5. SERVICES OFFERED

FISCALEYE PRIVATE LIMITED provides both Discretionary and Non-Discretionary Portfolio Management and Investment Advisory Services to corporate entities, institutional investors, and private clients and other permissible class of investors. Each portfolio is thoughtfully customized to align with the client's unique risk tolerance, return expectations, and stated investment objectives, as outlined in their application.

We emphasize the importance of consistent, sustainable returns over time, rather than pursuing short-term gains that may lead to significant volatility. While benchmarking remains an essential tool for performance evaluation, we believe meaningful investment analysis requires a long-term perspective—ideally spanning 5 to 10 years—to encompass full market cycles, including both bull and bear phases.

Scope of Instruments

Fiscaleye's investment capabilities span a broad range of asset classes, with core expertise in equities, derivatives, fixed income instruments, equity mutual funds, and other related securities. Portfolio allocation decisions are guided by our commitment to optimizing risk-adjusted returns while maintaining disciplined risk management.

5.1 FISCALEYE PRIVATE LIMITED intends to offer below Strategies/Products to its clients under Discretionary Services:

I. FORESIGHT STRATEGIC FUND

Investment Theme: Equity

Investment Objective:

Foresight Strategic Fund seeks to achieve long-term capital appreciation through an actively managed portfolio primarily comprising equity and equity-related securities of mid- and small-cap companies. While the core focus remains on these market segments, the investment strategy maintains the flexibility to allocate across the full market capitalization spectrum as opportunities arise. It is important to note that there can be no assurance or guarantee that the investment objective will be realized.

Description of type of securities:

- (1) Equity and equity related securities including convertible bond and debentures and warrants carrying the right to obtain equity shares.
- (2) Units of liquid funds
- (3) Cash and cash equivalents
- (4) Government securities
- (5) Any other instruments as may be permitted by SEBI/RBI/such other Regulatory Authorities from time to time.

Basis of selection of type of securities:

The investment approach seeks to invest in mid cap and small cap companies with a flexibility to invest in companies across the entire market capitalization spectrum, if required. The portfolio manager intends to do the same by buying equities of these companies and hence, equity and equity related securities are chosen for investment. The portfolio manager will focus on companies which have potential to deliver high growth.

The portfolio manager also reserves the right to invest in liquid and overnight schemes of Mutual Fund including cash & cash equivalents.

The portfolio manager may invest in derivatives, or any other instrument as may be permitted by SEBI/ RBI/ such other Regulatory Authority from time to time as may be decided by the portfolio manager. The portfolio manager may also participate in the Securities Lending Scheme.

However, it is expressly clarified that clients are not being offered any guaranteed / assured returns and that the portfolio manager only endeavours to meet the investment objective.

The investment approach would adopt the list of large cap, mid cap & small cap companies prepared by AMFI. Presently large cap companies comprise of companies from 1st to 100th companies in terms of full market capitalization, mid cap companies will comprise of companies from 101st to 250th companies in terms of full market capitalization and small cap companies from 251st companies in terms of full market capitalization.

Allocation of portfolio across type of securities:

- >= 70% in equity and equity-linked instruments
- Up to 30% in money market, liquid funds, Govt. securities or bank balance

Appropriate Benchmark to compare performance and basis for choice of benchmark:

BSE 500 TRI

Indicative Investment Horizon: >3 Years

Risk associated with Investment Approach:

Deployment of monies under the investment approach will be oriented towards equity and equity related securities of companies belonging to mid-cap and small cap. Stocks of these companies usually have lower trading volumes on the exchanges, which may result into higher impact costs and longer execution time compared to large cap stocks. These companies tend to be less researched compared to large cap stocks and this may result into longer waiting period for the stock to reach their potential intrinsic value. A lot of smaller companies can be highly volatile and hence tend to have large up and down movements which may result in periods where the investor may see drawdowns. Further, small cap companies have higher opportunities of growth but these come with higher amount of risk as well and therefore, are suitable only for those investors who have higher risk appetite. It is likely that the portfolio may also experience period of volatile performance and liquidity challenges in view of its exposure towards mid and small cap companies. These companies will also be affected by the broader macro-economic environment such as interest rate changes, liquidity, cross border fund flows, statutory/regulatory changes etc.

Withdrawals or Redemption:

Withdrawals from the Foresight Strategic Fund can be requested on any working day and the liquidation for the same may take up to 7 working days to execute depending on the liquidity of the portfolio constituents.

Additionally for investors whose Portfolio value goes below the minimum threshold as provided in the regulations due to withdrawals as per the aforementioned terms and conditions then the Portfolio Manager will have the discretion to close the investors account by liquidation of his position and / or give the shares of the companies invested in to the client and /or refund the balance.

Other features, if any: None

It is essential for investors considering the FISCALEYE PRIVATE LIMITED Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the Investment Manager are crucial aspects of making informed investment decisions.

II. FORTIFIED STRATEGIC PORTFOLIO**Investment Theme: Debt****Investment Objective:**

The investment objective of the **Fortified Strategic Portfolio** is to create a stable, income-generating portfolio of fixed income bonds with reasonable liquidity features. The Fortified Strategic Portfolio aims to provide investors with an opportunity to participate in a risk-adjusted returns portfolio that is well-diversified with periodic income distributions, while maintaining a focus on capital preservation.

The plan emphasizes on constructing a well-rated portfolio across various maturities, high-grade credit, and well-capitalised issuers, with the goal of optimizing risk-adjusted return.

The Investment Manager will employ rigorous credit analysis and risk management strategies to identify such opportunities while managing potential credit risks effectively.

Investors in this plan can expect a steady stream of income through coupon payments, along with the potential to generate risk- and inflation-adjusted returns.

The Fortified Strategic Portfolio is designed to cater to income-oriented investors seeking an alternative fixed-income solution to fixed deposits, tax savers, or G-Secs.

Description of type of securities:

The Portfolio Manager invests in fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Exchange Traded Securities; Mutual Funds and such other Securities as allowed under the extant regulation, including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest unlisted securities basis the available regulatory limits.

Basis of selection of type of securities:

The selection of securities for the Fortified Strategic Portfolio will be guided by:

1. Focus on safety/ capital preservation:

The primary emphasis of this plan is on well-rated debt instruments, which typically offer periodic coupon rates. The Investment Manager selects securities with the potential for predictable yields aiming to generate a steady stream of income for investors.

2. Diversification:

Diversification will be a key driver for portfolio creation. The portfolio will include a mix of rated securities across various maturities, credit parameters identified by the Investment Manager and risk-adjusted return to spread risk and enhance the overall stability of the portfolio.

3. Credit Risk Management:

While seeking to improve portfolio yields, the Investment Manager will actively manage potential credit risks through constant credit analysis, market feedback on creditworthiness of issuers, and benchmarking to risk-adjusted returns based on market events with a view to balance returns and safety.

4. Yield-to-Maturity (YTM) Considerations:

The Fortified Strategic Portfolio will participate in both secondary trades as well as primary issuances so as to be able to invest into both 'hold to maturity' trades as well as being able to sell down to lock-in attractive returns if the opportunities are available.

5. Active Management:

The plan will employ an active management approach, enabling an adaptive portfolio in response to changing market dynamics. Regular monitoring and adjustments will be made to optimize the balance between yield generation and risk mitigation.

6. Risk Management:

Robust risk management strategies will be implemented to identify and mitigate potential risks associated with securities. This includes a thorough assessment of liquidity risk, interest rate risk, and other factors that may impact the stability of the portfolio.

In addition, the Plan may explore the use of credit default swaps as a form of insurance against potential defaults on the underlying debt securities, to the extent feasible.

By integrating these principles into the investment approach, the Fortified Strategic Portfolio aims to provide investors with an income-focused strategy and the ability to lock-in reasonably attractive risk-adjusted returns while managing associated risks effectively.

Allocation of portfolio across type of securities:

The **Fortified Strategic Portfolio** will be structured to achieve the fund's investment objectives as stated above and, in this context, to optimize risk-adjusted returns, the typical portfolio allocation may include:

1. Stable AAA-BBB Corporate Bonds:

A significant portion of the portfolio may be allocated in this risk bucket. These are largely listed debt securities issued by healthy corporations with strong financial parameters looking to access the debt capital markets to raise lower duration financing vis-à-vis the typical enterprise-level debt they might be able to raise at lower costs.

2. Government and PSU Bonds:

These would largely be GSecs / T Bills etc., which are sovereign / almost sovereign status securities. To provide a degree of safety and stability, a portion of the portfolio may be allocated to such securities. While these typically offer lower yields compared to other corporate bonds, they contribute to diversification and help manage overall portfolio and liquidity risks.

3. Commercial Paper (CP):

The plan may also allocate a portion of its portfolio to subscribing to short-term CP issuances of 3-12 months with a view to boost fee income for the plan and also to maintain short-term liquidity.

4. Cash and Cash Equivalents:

While the primary focus is on income generation, maintaining liquidity is essential. A portion of the portfolio may be allocated to cash and cash equivalents to meet redemption requests and take advantage of new investment opportunities. This bucket would include highly liquid GSecs / T Bills etc.

5. Listed PTCs:

A portion of the portfolio may be allocated to listed and rated PTCs

The specific allocation percentages across these types of securities will depend on market conditions, interest rate outlook, credit risk assessments, and the plan's overall strategy.

Appropriate benchmark to compare performance and basis for choice of benchmark

CRISIL Composite Bond Fund Index

Indicative Investment Horizon: >2 year

Risk associated with investment approach:

Given that the portfolio invests into fixed income securities, money market securities, all risks applicable to such securities will be applicable. Few of them are as follows:

- a) A macro driven event can drag the overall markets down thus impacting the performance of the Portfolio.
- b) Credit risk which is the likelihood that an issuer will default in the payment of principal and/or interest on an instrument.
- c) Interest rate risk which refers to the impact on the value of fixed income securities due to interest rate movements.

- d) The liquidity of the Portfolio may be restricted by trading volumes and settlement periods.
- e) For quoted investments, a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid instruments will increase the risk of mispricing.
- f) The portfolio will also be exposed to a counterparty risk in relation to the exchanges, brokers, vendors, and/or any other parties who are a party to the transaction.
- g) The value and marketability of the investments may be affected by changes or developments in the legal and regulatory environment.

Withdrawals or Redemption:

Withdrawals from the Fortified Strategic Portfolio can be requested on any working day and the liquidation for the same may take up to 7 working days to execute depending on the liquidity of the portfolio constituents.

Additionally for investors whose Portfolio value goes below the minimum threshold as provided in the regulations due to withdrawals as per the aforementioned terms and conditions then the Portfolio Manager will have the discretion to close the investors account by liquidation of his position and / or give the shares of the companies invested in to the client and /or refund the balance.

Other features, if any:

In addition to the allocation across various types of securities, the FISCALEYE PRIVATE LIMITED Debt PMS strategies may encompass several other salient features such as:

1. Customization:

PMS often provides a certain level of customization based on the risk profile, investment objectives, and preferences of individual clients.

The Investment Manager may tailor the portfolio to align with the specific financial goals of each investor and create bespoke portfolios based on the requirements of larger clients with mandates say INR 10 crores and above.

2. Liquidity Management:

The Debt PMS strategies are expected to incorporate liquidity management strategies, to ensure that there are adequate liquid assets within the portfolio or structural backstops to meet redemption requests and capitalize on new investment opportunities.

3. Regular Reporting and Communication:

Investors will receive regular reports and updates on the performance of the portfolio. The Investment Manager may communicate investment strategies, market insights, and other relevant information to keep investors informed about their investments.

4. Exit Load Structure:

The PMS plans are likely to have an exit load structure, particularly for redemptions within a short period. This is designed to encourage investors with a medium-term investment horizon and optimize yields from the Debt PMS plans.

It is essential for investors considering the FISCALEYE PRIVATE LIMITED Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the Investment Manager are crucial aspects of making informed investment decisions.

III. FORTIFIED LIQUID TREASURY STRATEGY

Investment Theme: Debt

Investment Objective:

The investment objective of the Fortified Liquid Treasury Strategy is to build a stable and highly liquid portfolio by investing exclusively in government securities and money market instruments. This strategy focuses on efficient liquidity management, ensuring capital preservation and steady income generation. The Fortified Liquid Treasury Strategy aims to deliver optimised ROI while maintaining a strong liquidity profile.

Description of type of securities:

Government Securities & Money Market Instruments, T-bills, Commercial Papers, CDs, CPs, Debt mutual funds of all categories, STRIPS, TREPs.

Basis of selection of such type of securities:

Preference for Government Securities (G-Secs, T-Bills) and Govt. backed securities to ensure zero credit risk. Selection of rated money market instruments (CDs, CPs) for additional yield without compromising safety and Liquidity.

Allocation of portfolio across type of securities:

The Fortified Liquid Treasury Strategy will be diversified across government bonds, short-term commercial paper (CP), commercial Deposit (CD) cash and cash equivalents.

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

CRISIL Composite Bond Fund Index

Indicative Investment Horizon: 1 year

Risk associated with investment approach:

Various risks, including interest rate risk, credit risk, liquidity risk, and reinvestment risk and other risks.

There may be a likelihood that monies of the Investment Approach may remain un-deployed due to unavailability of investment opportunities.

Withdrawals or Redemption:

Withdrawals from the Fortified Strategic Portfolio can be requested on any working day and the liquation for the same may take up to 7 working days to execute depending on the liquidity of the portfolio constituents.

Additionally for investors whose Portfolio value goes below the minimum threshold as provided in the regulations due to withdrawals as per the aforementioned terms and conditions then the Portfolio Manager will have the discretion to close the investors account by liquidation of his position and / or give the shares of the companies invested in to the client and /or refund the balance.

Other features, if any:

In addition to the allocation across various types of securities, the FISCALEYE PRIVATE LIMITED Debt PMS strategies may encompass several other salient features such as:

1. Customization:

PMS often provides a certain level of customization based on the risk profile, investment objectives, and preferences of individual clients. The Investment Manager may tailor the portfolio to align with the specific financial goals of each investor and create bespoke portfolios based on the requirements of larger clients with mandates say INR 10 crores and above.

2. Liquidity Management:

The Debt PMS strategies are expected to incorporate liquidity management strategies, to ensure that there are adequate liquid assets within the portfolio or structural backstops to meet redemption requests and capitalize on new investment opportunities.

3. Regular Reporting and Communication:

Investors will receive regular reports and updates on the performance of the portfolio. The Investment Manager may communicate investment strategies, market insights, and other relevant information to keep investors informed about their investments.

It is essential for investors considering the FISCALEYE PRIVATE LIMITED Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the Investment Manager are crucial aspects of making informed investment decisions.

- 5.2** The investment approach for Clients availing Non-Discretionary Portfolio Management Services and Advisory Services will be set out in the Agreement and shall be subject to risk profiling, as required under applicable law. The current investment approach offered by the Portfolio Manager under NDPMS is stated below:

I. FISCALEYE BESPOKE NDPMS

Investment Theme: Equity

Investment Objective:

The objective of the strategy is to achieve long-term capital appreciation by actively participating in equity markets through a disciplined, quantitative investment process, with a primary focus on the Relative Strength model. The strategy adopts a dual approach comprising Core and Tactical allocations. The Core portfolio will be predominantly invested in large-cap and higher mid-cap stocks to provide stability, reduce portfolio volatility, and limit drawdowns. Complementing this, the Tactical allocation will focus on thematic investment opportunities driven by a range of quantitative factors, both microeconomic and macroeconomic in nature. This combination is intended to deliver a balanced investment approach—where the Core allocation enhances structural resilience and capital preservation, while the Tactical component aims to generate alpha through dynamic market positioning.

Description of type of securities:

- (1) Equity and equity related securities including convertible bond and debentures and warrants carrying the right to obtain equity shares.
- (2) Units of liquid funds
- (3) Cash and cash equivalents
- (4) Government securities

- (5) Any other instruments as may be permitted by SEBI/RBI/such other Regulatory Authorities from time to time.

Basis of selection of such type of securities:

The investment approach seeks to primarily invest in large-cap and higher mid-cap companies, with the flexibility to allocate across the broader market capitalization spectrum when deemed appropriate. The portfolio manager intends to achieve this by investing in equities and equity-related securities of such companies. The focus will be on identifying businesses with strong fundamentals and the potential to deliver sustainable growth over the medium to long term.

The portfolio manager also reserves the right to invest in liquid and overnight schemes of Mutual Fund including cash & cash equivalents.

The portfolio manager may invest in derivatives, or any other instrument as may be permitted by SEBI/ RBI/ such other Regulatory Authority from time to time as may be decided by the portfolio manager. The portfolio manager may also participate in the Securities Lending Scheme.

However, it is expressly clarified that clients are not being offered any guaranteed / assured returns and that the portfolio manager only endeavours to meet the investment objective.

Allocation of portfolio across type of securities:

0% – 100% in Equity and Equity-Linked Instruments

0%-30% in Money Market Instruments, Liquid Funds, Government Securities, or Bank Balances*

*(This allocation may be tactically deployed based on prevailing market conditions, with the objective of optimizing risk-adjusted returns and managing liquidity.)

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

The performance of Strategy Portfolio shall be benchmarked to S&P BSE 500 TRI Index

Basis for selection of the benchmark:

S&P BSE 500 TRI Index is a true representative of Bottom-up stock selection for core and satellite investment

Indicative Investment Horizon: >3 Years

Risk associated with investment approach:

- **Liquidity risks:**

This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.

- **Interest Rate Risk:**

Changes in interest rates affect the prices of debt securities. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.

- **Volatility risk:**

There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification

- **Credit risk:**

The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

Withdrawals or Redemption:

Withdrawals from the FISCALEYE BESPOKE NDPMS can be requested on any working day and the liquidation for the same may take up to 7 working days to execute depending on the liquidity of the portfolio constituents.

Additionally for investors whose Portfolio value goes below the minimum threshold as provided in the regulations due to withdrawals as per the aforementioned terms and conditions then the Portfolio Manager will have the discretion to close the investors account by liquidation of his position and / or give the shares of the companies invested in to the client and /or refund the balance.

Other features, if any: Nil

It is essential for investors considering the FISCALEYE PRIVATE LIMITED Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the Investment Manager are crucial aspects of making informed investment decisions.

II. FISCALEYE STRATEGIC NDPMS

Investment Theme: Debt

Investment Objective:

The objective of the strategy is to generate long term capital growth and / or absolute returns and/or interest income from investment to achieve capital appreciation over the investment period.

Description of type of securities:

The Portfolio Manager invests in fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Exchange Traded Securities; Mutual Funds and such other Securities as allowed under the extant regulation including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest unlisted securities basis the available regulatory limits.

Basis of selection of such type of securities:

Basis of selection of such types of securities as part of the investment approach A combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

Allocation of portfolio across type of securities:

Fixed Income & Cash Instrument

Instrument Rating

- AAA – Upto 30%
- AA – Upto 100%
- A – Upto 50%

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

CRISIL Composite Bond Fund Index

Basis for selection of the benchmark:

100% Crisil Composite Bond Fund index is a debt-based index and is the closest representative (amongst the available benchmark options) of our portfolio and reflects the core philosophy of the Investment Approach.

Indicative Investment Horizon: 1 year and above depending upon asset allocation of the investor

Risk associated with investment approach:

- **Liquidity risks:**

This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.

- **Interest Rate Risk:**

Changes in interest rates affect the prices of debt securities. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.

- **Volatility risk:**

There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification

- **Credit risk:**

The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

Withdrawals or Redemption:

Withdrawals from the FISCALEYE STRATEGIC NDPMS can be requested on any working day and the liquidation for the same may take up to 7 working days to execute depending on the liquidity of the portfolio constituents.

Additionally for investors whose Portfolio value goes below the minimum threshold as provided in the regulations due to withdrawals as per the aforementioned terms and conditions then the Portfolio Manager will have the discretion to close the investors account by liquidation of his position and / or give the shares of the companies invested in to the client and /or refund the balance.

Other features, if any: NIL

It is essential for investors considering the FISCALEYE PRIVATE LIMITED Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear

understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the Investment Manager are crucial aspects of making informed investment decisions.

5.3 POLICY FOR UTILISATION OF SERVICES

The Portfolio Manager may utilize the services of the Group Companies and / or any associate company established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

5.4 POLICY FOR INVESTMENTS IN ASSOCIATE COMPANIES/ RELATED PARTIES OF THE PORTFOLIO MANAGER

Portfolio Manager will, before investing in the securities of its associate / group companies, will evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio. The investments in securities of the associate and related parties would be within the limits specified under SEBI (Portfolio Managers) Regulations, 2020 read with SEBI Circular dated August 26, 2022.

6. RISK FACTORS

6.1 General Risk Factors applicable to investments:

- Investments in securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- The Portfolio Manager has no previous experience/track record in the field of portfolio management services and has obtained a license to function as a portfolio manager only on Feb 28, 2025. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.
- Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, wilful default and/or fraud of the Portfolio Manager.
- The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the market place and industry specific and macro-economic factors.
- The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the market place and industry specific and macro-economic

factors. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.

- The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the client's portfolio to liquidity risks.
- Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/ counter party.
- Portfolio services using derivative/ futures and options are affected by risk different from those associated with stock and bonds. Such investments are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to mis-pricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Also, the derivatives and future and options market is nascent in India.
- The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the Portfolio Services. All discretionary Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
- Investment decisions made by the Portfolio Manager may not always be profitable.
- Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- The arrangement of pooling of funds from various clients and investing them in Securities could be constructed as an 'Association of persons'(AOP) in India under the provision of the income-tax Act, 1961 and taxed accordingly.
- In case of investments in schemes of Mutual Funds/Alternative Investment Funds & Venture Capital Funds, the Client shall bear the recurring expenses and performance fee, if any, of the Portfolio Management Services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.
- After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.
- The investment objectives of one or more of the investment profiles could result in concentration of a specific asset/asset class/sector/issuer etc., which could expose the client's assets to risks arising out of non-diversification, including improper and/or undesired concentration of investment risks.
- The portfolio manager, its employees may purchase/ sell securities in ordinary course of business and in that manner, there may arise conflict of interest with transactions in any of the client's portfolio. Such conflict of interest shall be dealt with in accordance of the Conflict of Interest Policy of the Company

- The Portfolio Manager may utilize the services of its Group Companies and/or any associate company, whether already established or to be established in the future, provided such a company is capable of offering the requisite services to the Portfolio Manager. In the course of providing various financial services and in connection with the investments made or advised by the Portfolio Manager, the Group Companies and associate companies may receive fees or remuneration in the form of arranger fees, distribution fees, depository fees, referral fees, management fees, trustee fees, commission, brokerage, transaction charges, underwriting charges, and other related fees.
- The Portfolio Manager will conduct its business dealings with the aforesaid companies (including their employees or relatives) on commercial terms, at arm's length, and on mutually agreed terms and conditions. Such dealings will be undertaken in accordance with SEBI Regulations and only after evaluating the competitiveness of the pricing and the quality of services offered by them.

6.2 Specific Risk Factors

The investments, presently recommended by the Portfolio Manager are subject to following risk factors:

- **Market Risk**

The Net Asset of the portfolio will react to the securities market movements. The investor could lose money over short periods due to fluctuation in the NAV of Portfolio in response to factors such as economic and political developments, changes in interest rates and perceived trends in securities market movements and over longer periods during market downturns.

- **Market Trading Risks**

Absence of Prior Active Market: Although securities may be listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.

Lack of Market Liquidity: Trading in securities on the exchange(s) may be halted because of market conditions or for reasons that in the view of the exchange Authorities or SEBI, trading in particular security is not advisable. In addition, trading in securities is subject to trading halts caused by extra ordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of securities will continue to be met or will remain unchanged.

ETF may Trade at Prices other than NAV: ETF may trade above or below their NAV. The NAV or ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand of ETF. However, given that ETF can be created and redeemed only in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.

- **Regulatory Risk**

Any changes in trading regulations by the Exchange(s) or SEBI may affect the ability of market to arbitrage resulting into wider premium/ discount to NAV for ETFs. Because of halt of trading in market the Portfolio may not be able to achieve the stated objective.

- **Asset Class Risk**

The returns from the types of securities in which a portfolio manager invest may underperform returns from the various general securities markets or different asset classes.

Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.

- **Performance Risk**

Frequent rebalancing of Portfolio will result in higher brokerage/ transaction cost. Also, as the allocation to other securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by underlying securities.

- **Interest Rate Risk**

Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of Mutual Fund in which the portfolio manager may invest from time to time. Normally the NAV of the liquid scheme increases with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the NAV of the units of the liquid/ debt funds.

- **Credit Risk**

Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.

- **Model Risk**

Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

- **Illiquidity Risk**

The corporate debt market is relatively illiquid vis-a-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Further, liquidity may occur only in specific lot sizes. Liquidity in a security can therefore suffer. Even though the Government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. Trading in specified debt securities on the Exchange may be halted because of market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in the specified debt security is not advisable. There can be no assurance that the requirements of the securities market necessary to maintain the listing of specified debt security will continue to be met or will remain unchanged. In such a situation, the portfolio manager at his sole discretion will return the securities to the Client.

- **Zero Return Risk**

Returns on investments undertaken in structured securities would depend on occurrence /non occurrence of the specified event. Thus, returns may or may not accrue to an investor depending on the occurrence/non-occurrence of the specified event.

- **Redemption Risk**

The payoffs as envisaged in structured securities are such that the Client may lose a part/entire amount invested.

6.3 Risks related to investments in derivatives instruments:

As and when investments are made in derivative instruments, there are risk factors and issues concerning the use of derivatives that the investors should understand. Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivative requires 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. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "Counter party") to comply with the terms of the derivative contract. However, FISCALEYE PRIVATE LIMITED shall not leverage the portfolio for investment in derivatives. Other risks in using derivatives include but are not limited to:

- **Credit Risk**

This occurs when a counterparty defaults on a transaction before settlement and therefore it involves negotiation with another counter party, at the then prevailing (possibly unfavourable) market price, in order to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement, but one takes the performance risk on the exchange.

- **Market Liquidity risk**

Where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.

- **Model Risk**

It is the risk of mis-pricing or improper valuation of derivatives.

- **Basis Risk**

This risk arises when the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a derivative contract may result in an immediate and substantial loss or gain. However, the Portfolio Manager will not use derivative instruments, options or swap agreements for speculative purposes or to leverage its net assets and will comply with applicable SEBI Regulations. There may be a cost attached to buying derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. The possible lack of a liquid secondary market for a derivatives contract may result in inability to close the derivatives positions prior to their maturity date.

6.4 Risk Factors associated with investments in Liquid Funds:

The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short-term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible.

Liquid fund returns are not guaranteed, and it entirely depends on market movements.

6.5 Specific Risk factors & Disclosures pertinent to Structured Notes & Securitised debt instruments:

- Presently, secondary market for such securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investments to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
- Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Seller may repossess and sell the underlying Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.
- The Structured Notes like the Index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss.
- The Issuer of equity index linked securities or any of its Agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (hereinafter referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the securities, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The foregoing activities of "The Issuer of index linked securities" or any of its Agents and related markets (such as the foreign exchange market) may affect the value of the securities. In particular, the value of the securities could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inactions of "The Issuer of index linked securities" or any of its Agents;
- The equity Index linked securities, even after being listed, may not be marketable or may not have a market at all;
- The returns on the Structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the securities) the security holder may receive no income/return at all or negative income/return on the security, or less income/return than the security-holder may have expected, or obtained by investing elsewhere or in similar investments.
- The return on investment in securities would depend on the prevailing market conditions, both domestically as well as internationally. The returns mentioned in the term sheets are indicative and may or may not accrue to an investor accordingly.

- In equity index linked securities, in the event of any discretions to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities / AMC;
- There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such equity index linked securities over the life and/or part thereof or upon maturity, of the securities.
- At any time during the life of such securities, the value of the securities may be substantially less than its redemption value. Further, the price of the securities may go down in case the credit rating of the Company or issuer goes down.
- The securities and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer of equity index linked securities.
- The Issuer of equity index linked securities or any person acting on behalf of the Issuer of equity index linked securities, may have an interest/position as regards the Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind.
- The Issuer of equity index linked securities or any of its Agents, have the legal ability to invest in the units offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investor, and/or its assets.

6.6 Risk associated with Investments in REITs and InvITs:

- **Price-Risk or Interest-Rate Risk**

REITs & InvITs run price-risk or interest-rate risk. Generally, when interest rates raise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

- **Credit Risk**

In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. REITs & InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

- **Liquidity or Marketability Risk**

This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. As these products are new to the market, they are likely to be exposed to liquidity risk.

- **Reinvestment Risk**

Investments in REITs & InvITs may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

- **Risk of lower than expected distributions**

The distributions by the REIT or InvIT will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REIT/INVIT receives as dividends or the interest and principal payments from portfolio assets. The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

6.7 Risk of settlement failure:

Portfolio manager will trade on the assumption that previous trades will be settled on time by exchanges and clearing corporation. Accordingly, Portfolio manager will take further exposure on BOD of T+1 on the basis of sell trades done on T day instead of T+1 EOD, i.e. prior to receiving actual settlement amount of transactions done on T day. In case of non-receipt of funds on T+1 EOD, trades done on T+1 may not be settled by Custodian and may devolve to Portfolio Manager and exchange may levy penalty for same which will be borne by Portfolio manager. However, in such a scenario, trades done on T+1 may fail and not be settled and may not be allocated to respective client accounts.

6.8 Legal and Tax risks:

Tax risks: Clients/ Investors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Client Portfolio are subject to change, and tax liabilities could be incurred by the Clients/ Investors as a result of such change. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. The tax consequences of an investment in the Portfolio Entities are complex, and the full tax impact of an investment in the Portfolio Entities will depend on circumstances particular to each Client/ Investor. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes. Alternative tax positions adopted by the income tax authorities could also give rise to incremental tax liabilities in addition to the tax amounts already paid by the Client/Investors. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability.

Bankruptcy of Portfolio Entity: Various laws enacted for the protection of creditors may operate to the detriment of the PMS if it is a creditor of a Portfolio Entity that experience financial difficulty. For example, if a Portfolio Entity becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Portfolio Investment to other creditors. If the PMS/Client holds equity securities in any Portfolio Entity that becomes insolvent or bankrupt, the risk of subordination of the PMS's/Client's claim increases.

Change in Regulation: Any change in the Regulation and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the PMS.

7. CLIENT REPRESENTATION

The Company is yet to start its Operations as a Portfolio Manager.

7.1 Details of Clients Accounts:

Categories of Clients	No. of clients	Funds Managed (Rs.in crores)	Discretionary / non-discretionary
Associate/group companies (last 3 years)	NIL	NIL	NA
Others (last 3 years)	NIL	NIL	NA
Total	NIL	NIL	NA

*Till July 1st, 2025

Note – The Portfolio Manager has no previous experience/track record in the field of portfolio management services and has obtained a certificate of registration to function as a portfolio manager only on 28th February 2025 and therefore has no record of representing any persons/entities in the capacity of a portfolio manager.

7.2 Transactions with Related Parties are as under:

As of now FISCALEYE PRIVATE LIMITED is not Associated or Related with any entity.

7.3 Appointment of Custodian and Fund Accountant:

FISCALEYE PRIVATE LIMITED has appointed professional Custodians i.e. ICICI Bank Ltd., Orbis financial corporation Limited and Nuvama Custodial Services Limited (Formerly Known as Edelweiss Custodial Services Limited) and Fund Accountant i.e. Nuvama Clearing Services Limited (Formerly Known as Edelweiss Custodial Services Limited) for its PMS services in compliance with SEBI PMS Regulations, 2020 and as amended from time to time. FISCALEYE PRIVATE LIMITED reserves the right to change or appoint an additional Custodian or fund accountant from time to time depending upon the requirements/regulatory changes.

8. FINANCIAL PERFORMANCE OF PORTFOLIO MANAGER

The Company is yet to start its operations as a Portfolio Manager.

9. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER

The Company is yet to start its operations as a Portfolio Manager.

10. STATUTORY/ INTERNAL AUDIT OBSERVATIONS (FOR THE PRECEDING 3 YEARS)

The company was incorporated on 16th January 2024.
Hence there is no data to be reported.

11. NATURE OF EXPENSES/ RANGE OF FEES CHARGED

The following are indicative types of costs and expenses expected to be incurred by the Portfolio Manager for and on behalf of clients availing the Portfolio Management Services and would be recovered by the Portfolio Manager from respective clients. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements. Operating expenses excluding brokerage and applicable taxes, over and above the fees charge for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

- a. Investment management and advisory fees/Portfolio Management Fees:** The fee may be a fixed charge or a percentage of the quantum of capital/corpus/funds managed or may be linked to the portfolio returns achieved or a combination of any of these. Profit/performance shall be computed based on high water mark principle over the life of the investment for charging of performance/profit sharing fees. The Portfolio Manager may charge upto 2.5% p.a. as fixed charge. The Portfolio Manager shall charge performance linked fees to the client basis the agreement signed by them which shall be upto 30% p.a. However, the performance fee may vary i.e. it may exceed, in such a scenario the percentage value as mutually agreed by the client and PMS in the agreement shall prevail.

High Water Mark Principle: High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio (Net of applicable Fees & Expenses) for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly.

The portfolio manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

- b. Exit Load:** Portfolio Manager shall charge exit load to the Client in the following manner:

- In the 1st year of investment: Maximum 3% of the amount redeemed
- In the 2nd year of investment maximum 2 % of the amount redeemed
- In the 3rd year of Investment: Maximum 1% of the amount redeemed
- After period of 3 years from the date of investment: Nil

- c. 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) Brokerage shall be charged at actuals;
- (c) Legal and statutory expenses including litigation expenses, if any, in relation to the Portfolio;
- (d) Statutory taxes and levies, if any, payable in connection with the Portfolio;
- (e) Valuation expenses, valuer fees, audit fees, levies and charges;
- (f) 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.

It may be noted that the exact charge may vary depending upon the time and the exact nature of the services that is provided to Clients in accordance with the Agreement.

Applicable to all Clients:

Actual fees and expenses payable by the Client to the Portfolio Manager for the discretionary portfolio management services will be as per the Agreement. The Portfolio Manager may also charge any other type of fees (wherever permissible).

The Portfolio Manager shall deduct directly from the account of the Client all the fees/costs as specified in the Agreement. Other expenses which could be attributable to the Portfolio Manager would also be directly deducted and the Client would be sent a statement for the same.

The fees charged for rendering portfolio management services do not guarantee or assure, either directly or indirectly, any return on the investment made by the Client.

The fee so charged may be a fixed fee or a return-based fee or a combination of both, as agreed in the Agreement.

The aforesaid fees/ charges shall be subject to the restrictions/ limits prescribed by SEBI under the Regulations.

12. TAXATION**12.1 General**

This summary on Indian tax matters contained herein is based on existing law as on the date of this memorandum. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect. In view of the nature of tax consequences, each client is advised to consult their respective tax advisor with respect to the specific tax consequences to the client arising from participation in the investment approaches. Clients are best advised to take independent opinion from their tax advisors/ experts for any income earned from such investments.

The following is a summary of certain relevant provisions of the Income-tax Act, 1961 ('ITA') as amended by the Finance Bill, 2024 ('Finance Bill') read along with Income-tax Rules, 1962, ('Rules') and various circulars and notifications issued thereunder from time to time.

The summary is based on laws, regulations, rulings and judicial decisions now in effect, and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest in the portfolio management schemes of the Portfolio Manager. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. Clients should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the client is advised to best consult their own tax consultant, with respect to specific tax implications arising out of their portfolio managed by the Portfolio Manager. This information gives the direct tax implications on the footing that the securities are/ will be held for the purpose of investments. In case, the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case to case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/ the date of making investment shall endure indefinitely.

The Portfolio Manager accepts no responsibility for any loss suffered by any client as a result of current taxation law and practice or any changes thereto. It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the securities.

12.2 Tax Rates

The tax rates mentioned below relate to Financial Year 2024-25 (Assessment Year 2025-26). The Finance Act, 2024, has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Assessment Year 2025-26 and onwards:

Tax Rates applicable for FY 2024-25 (Assessment Year 2025-26) for Individuals and HUF:

Type	Old Regime			New Regime as per Section 115BAC	
Age Bracket	<60 Yrs	60 -80 Yrs	> 80 Yrs	All Age Groups of Individuals	
Total Income (INR)	Rate*	Rate	Rate	Total Income (INR)	Rate*
Upto 250000	NIL	NIL	NIL	Upto 3,00,000	NIL
From 250,001 to 300000	5%	NIL	NIL	From 3,00,001 to 7,00,000	5%
From 300,001 to 500000	5%	5%	NIL	From 7,00,001 to 10,00,000	10%
From 500,001 to 10,00,000	20%	20%	20%	From 10,00,001 to 12,00,000	15%
Above 10,00,001	30%	30%	30%	From 12,00,001 to 15,00,000	20%
				Above 15,00,000	30%

*These are also applicable rates for persons other than individuals (HUF, AOP, BOI, and Artificial Juridical Person)

Note for New Tax Regime u/s 115BAC: -

1. With effect from 1st April 2024, the applicable rates under section 115BAC shall apply to individuals, HUF, AOP, BOI and Artificial Juridical Person.
2. In case Taxpayer is earning Incomes other than Income from Business or Profession, Option to follow alternative tax regime u/s 115BAC can be exercised every year in Income Tax Return itself.

As per Finance Act, 2024 the applicable rate of surcharge on business income for financial year 2024- 25 are as follows:

Type/Range of Income	Firm	Domestic Company	Foreign Company
INR 10 million to INR 100 million	12%	7%	2%

Exceeding INR 100 million	12%	12%	5%
Special Tax rate u/s 115BAA and 115BAB	NA	10%	NA

Surcharge is levied on the amount of income-tax at following rates if total income of any other resident or non-resident assessee exceeds specified limits:

Financial Year 2024-25		
Range of Income (Under New Regime) as per Section 115BAC		
INR 5 million to INR 10 million	INR 10 million to INR 20 million	Exceeding INR 20 million
10%	15%	25%

Note:

1. The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.
2. As per Finance Act, 2024 Maximum rate of Surcharge @ 15% will be levied on any Long-Term Capital Gains earned by Individuals and HUF's; which is currently applicable only to capital Gains of Listed Shares u/s 111A and 112A and, Dividend Income whereas maximum Surcharge for balance income was 37%. Hence tax rate on long-term capital gains earned by Individual & HUF will be 12.5% (plus applicable surcharge & education cess) from 23rd July Onwards financial year 2024-25.

Further, for Financial Year 2024-25 (Assessment Year 2025-26) the health and education cess at 4% is leviable.

I. Taxation in hands of Investors

(i) Taxation of resident investors:

a. Dividend Income:

Dividend income from shares should be taxable in the hands of the shareholders under section 56 of the IT Act under at the applicable rates for residents. Provided that no deduction shall be allowed from the dividend income, or income in respect of units of a Mutual Fund specified under clause (23D) of section 10 or income in respect of units from a specified company defined in the Explanation to clause (35) of section 10, other than deduction on account of interest expense, and in any previous year such deduction shall not exceed twenty per cent of the dividend income, or income in respect of such units, included in the total income for that year.

Further, the Indian company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors)

As per the amended provisions, the dividend income (net of deductions, if any) shall be taxable at the following rates:

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer Note1 and 2)	30%
Firms/LLPs	30%
Others (Refer Note 3)	As per applicable slab rates and surcharge being restricted to 15%,

Note 1: In case of domestic company, the rate of income-tax shall be 25% of the total income, if the total turnover or gross receipts of the financial year 2021-22 (assessment year 2022-23), does not exceed four hundred crore rupees and where the companies continue in section 115BA regime.

Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.

Note 3: A new section 115BAC in the IT Act. As per the said section, resident Individual, HUF, AOP, BOI and Artificial Juridical Person will have an option to pay tax on their total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.

Note 4: The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.

Prior to Finance Act, 2020, distributions from a mutual fund were also exempt in the hands of all unitholders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01st April 2020, distributions from Mutual fund shall be taxable in the hands of the investor at applicable rates.

Interest Income received by	Tax Rate of domestic clients
Resident companies (Refer Note1 and 2)	30%
Firms/LLP	30%
Others (Refer Note 3)	As per applicable slab rates for FY 2024-25

b. Interest Income:

Under the IT Act, interest income should be taxable in the hands of the resident clients as under:

Note 1: Such reduced tax rate of 25%, is applicable in case of domestic Companies having total turnover or gross receipts not exceeding INR 400 crores in the financial year 2021-22 (assessment year 2022-23).

Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.

Note 3: A new section 115BAC in the IT Act. As per the said section, resident Individual, HUF, AOP, BOI and Artificial Juridical Person will have an option to pay tax on their total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.

(ii) Taxation of non-resident investors:

A non-resident investor would be subject to taxation in India only if;

- Regarded a tax resident of India; or
- Being a non-resident in India, derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management ("POEM") is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The Finance Act, 2020 has certain changes to the provisions which deal with the determination of residential status of individuals. The same are mentioned as under:

Amendments to determine Residential Status for Individuals:

A new provision of Deemed Residency has been introduced by way of insertion of Explanation (1A) to Section 6(1).

a. The conditions are as under:

- Citizen of India
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs
- Such person is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature;

If all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.

Further, as per Section 6(1)(c), citizen of India, or a person of Indian origin who being outside India comes on a visit to India have been given a relaxation whereby they shall be treated as Resident of India only if their stay in India is 182 days or more instead of 60 days in that year. In order to avoid misuse of such extended period of 182 days, the exception provided to persons visiting India has been reduced to 120 days (income above Rs. 15 lakhs) from existing 182 days.

The provisions of Not Ordinarily Resident have also been changed by way of inserting new clause (c) to Section 6(6) with the following conditions:

- Citizen of India or a person of Indian origin who being outside India comes on a visit to India

- Stay in India of such person during the Financial Year is 120 days or more but less than 182 days
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs if all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.

The CBDT had vide its Circular dated January 24, 2017 issued guiding principles for determination of POEM of a Company ('POEM Guidelines'). The POEM Guidelines lays down emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of 29 Sec 6(3)(ii) relating to place of effective management (POEM) would not apply to companies having turnover or gross receipts less than Rs 500 million during the financial year.

b. Tax Treaty Benefit

As per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("Tax Treaty") between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore clients. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

c. Tax Residency Certificate

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.

The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee;
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- Assessee's Tax Identification number in the country or specified territory of resident and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- Period for which the residential status, as mentioned in the TRC, is applicable, and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The additional information prescribed above may not be required to be provided if it already forms a part of the TRC.

(iii) Characterization of Income

Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There

have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gain'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Regarding characterization of income from transactions in listed shares and securities, the Central Board of Direct Taxes ("CBDT") had issued a clarificatory Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as its stock-in-trade and consider thereof as its business income. In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F. No. 225/12/2016/ ITA.II dated May 2, 2016 stating that income arising from transfer of unlisted shares would be considered under the head 'Capital Gains' irrespective of the period of holding with 30 a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

The tax implications in the hands of investors on different income streams are discussed below:

a. Dividend Income

Dividend income from shares should be taxable in the hands of the shareholders under section 56 of the IT Act under at the applicable rate of 20% (plus surcharge and health and education cess) for non-residents (subject to treaty benefits, if any).

Further, the Indian company declaring dividend would be required to deduct tax at rates in force (in case of payment to non-resident investors), subject to certain exceptions.

b. Interest Income

For F.Y.2024-25, any income in the nature of interest income would be subject to tax at the following rates:

Interest Income received by	Tax Rate of non-resident clients
Firm and LLP	30%
Individual, HUF, AOP, BOI	As applicable tax rates for FY 2024-25
Foreign Corporate investors	35%

The rates mentioned here are subject to availability of Tax Treaty benefit. If any. In case the investments made by the non-resident Indian ('NRI') Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act, the interest income from specified assets should be taxable at the rate of 20% (plus applicable surcharge & fees). 'Specified asset' means shares in an Indian Company, debentures issued by an Indian public Company, deposits with an Indian public Company and any security of the Central Government as defined in Public Debt Act.

As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to FPI would be subject to tax at the rate of 20%.¹²

c. Capital Gains

Assuming the gains arising from sale of capital assets such as shares and securities of the companies is characterised as capital gains in hands of the resident Client, such Client be liable to pay taxes on capital gains income as under:

(i) Period of holding

Capital assets are classified as long-term assets ("LTCA") or short-term assets ("STCA"), based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the shares and securities are held, the gains would be taxable as short-term capital gains ("STCG") or long-term capital gains ("LTCG"). This is discussed below:

Type of Instrument	Period of Holding up to 22 nd July	Characterization	Period of holding 23 rd July Onwards	Characterization
Listed securities (other than a unit) / Unit of equity-oriented Fund / Zero Coupon Bonds	More than 12 months	Long Term Capital Asset	More than 12 months	Long Term Capital Asset
	12 months or less	Short term Capital Asset	12 months or less	Short term Capital Asset
Unlisted shares	More than 24 months	Long Term Capital Asset	More than 12 months	Long Term Capital Asset
	24 months or Less	Short term Capital Asset	24 months or less	Short Term Capital Asset
Unlisted Bonds & Debentures	More than 36 months	Long Term Capital Asset	Irrespective of Period of holding	Short term Capital Asset
	36 months or Less	Short term Capital Asset		
Listed Bonds & Debentures	More than 12 months	Long Term Capital Asset	More than 12 months	Long Term Capital Asset
	12 months or Less	Short term Capital Asset	12 months or less	Short term Capital Asset

(ii) Taxation of capital gains

Capital gains should be taxed in the hands of the Investors as per the IT Act as under:

Nature of Income	Tax Rate for Resident Investors			Tax rate for Non-Resident Investors		
	Corporate	Individuals /HUF/AOP/ BOI	Others (Firms, LLPs)	Corporate	Individuals / HUF / AOP / BOI	Others
Short-term capital gains on transfer of: (i) listed equity shares on a recognized stock exchange; (ii) to be listed equity shares sold through offer for sale; or (iii) units of equity oriented mutual fund on	15% up to 22 nd July 2024 & 20% from 23 rd July 2024					

which STT has been paid						
Long-term capital gains on transfer of: (i) listed equity shares on are recognized stock exchange; (ii) to be listed equity shares sold through offer for sale; (iii) units of equity oriented mutual fund on which STT has been paid	10% up to 22 nd July 2024 & 12.5% from 23 rd July 2024					
Long-term capital gains on transfer of listed bonds or listed debentures	10% up to 22 nd July 2024 & from 23 rd July 2024 - 12.50%					
Long-term capital gains on transfer of listed securities (other than units of mutual funds, listed bonds and listed debentures) and on which STT has not been paid (without indexation)	10% up to 22 nd July 2024 & from 23 rd July 2024 - 12.50%					
Other short-term capital gains (Listed Bond) (Unlisted Equity) (Unlisted Bonds) (Unlisted other Securities)	30% for F.Y. 2024-25	Applicable tax rate for F.Y. 2024-25	30% for F.Y. 2024-25	35% for F.Y. 2024-25	Applicable tax rate for F.Y. 2024-25	30% for F.Y. 2024 - 25 (For FPI)
Long-term capital gains on transfer of unlisted bonds or unlisted debentures (without indexation)	10% Up to 22 nd July 2024 & 23 rd July 2024 Onwards 30%	10% Up to 22 nd July 2024 & from 23 rd July 2024 as per applicable tax rate for F.Y. 2024-25	10% Up to 22 nd July 2024 & 23 rd July 2024 Onward s 30%	10% up to 22 nd July 2024 & 35% from 23 rd July 2024	10% up to 22 nd July 2024 & from 23 rd July 2024 as per applicable tax rate for F.Y. 2024-25	10% up to 22 nd July 2024 & 30% from 23 rd July 2024 (for FPI)

Note 1: Surcharge is as applicable - refer page nos. 24 & 25.

Note 2: There was an ambiguity under the Income Tax Act on whether unlisted securities of private limited companies are covered by the definition of unlisted securities. Restricting the above lower tax rate only to transfer of unlisted securities of public companies (and excluding private companies) did not seem to be the intent behind the legislative changes. The ITA, vide Finance Act, 2016 provide for lower tax rate on transfer of long-term capital asset on shares of a company not being a company in which the public are substantially interested, which includes private companies.

In case the investments made by the NRI investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act,

- (i) any long-term capital gains should be taxable at the rate of 10% (plus applicable surcharge and cess) upto 22nd July 2024 & after that at 12.50% from 23rd July 2024 for F.Y. 2024-25 and
- (ii) any investment income should be taxable at 20.00% (plus applicable surcharge and cess) for F.Y. 2024-25 upto date of sale 22nd July 2024

Note 3: The Finance Act, 2018 has introduced a new regime for taxation of long term capital gain on sale / other transfers of

- a. equity shares in a company
- b. unit of an equity-oriented fund and
- c. a unit of business trust (where such transaction is chargeable to securities transaction tax) where the exemption has been withdrawn under section 10(38) and are made taxable under section 112A. It is taxable with effect from Assessment Year 2019-20 i.e. it will apply to any shares sold after 31st March 2018. The gains covered under section 112A shall be taxable at the concessional rate of 10% (excluding surcharge and cess) with threshold limit of Rs. 1 lakh. Further, the Long-Term Capital gains which will be realized after 31st March 2018, on existing holding (i.e., shares etc. acquired up to 31st January, 2018) to the extent of fair market value as on 31st January, 2018 shall also not be chargeable to tax. Thus, the gain over and above the fair market value as on 31st January 2018 only will be taxable @10% (excluding surcharge and cess).

Note 4: As per Section 115F of the IT Act, long term capital gains arising to a non-resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in any specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. "Foreign exchange asset" means any specified asset which the assessee has acquired or purchased with, or subscribed to in, convertible foreign exchange.

Note 5: The Finance Act, 2023 had introduced taxation of deemed Short-term Capital Gains for Marked Linked Debentures and Specified Mutual Funds.

However, the requirement of classification of Specified Mutual Funds adversely impacted the taxation of Exchange Traded Funds, Gold Mutual Funds and Gold ETFs. So, it is proposed to revise the definition of Specified Mutual Funds as:

- a. Mutual Fund which invests more than 65% of its total proceeds in debt and money market instrument (as classified or regulated by SEBI); or
- b. Fund which invests more than 65% of its total proceeds in units of fund referred in sub-clause (a) This will facilitate the taxation of Exchange Traded Funds, Gold Mutual Funds and Gold ETF at lower rate of 12.5%.

(iii) Deemed Sale Consideration on sale of unquoted shares

As per Section 50CA of IT Act, introduced by Finance Act, 2017, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued final rules for computation of FMV for the purpose of section 50CA of the IT Act.

a) Gains arising on buy-back of shares by company

For buybacks that are carried out before 1st October 2024, as per the section 10(34A) of the IT Act, gains arising on buy-back of shares (including shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a tax at the

rate of 20% (plus applicable surcharge and health and education cess) is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares. For buy-backs that are carried out on or after 1 October 2024, the amount paid by a domestic company on buy-back of shares should be taxed as deemed dividend in the hands of the shareholders. The cost of acquisition of the bought back shares should be treated as Capital Loss in the hands of the shareholder. The shareholder will be eligible to set off the capital loss (equivalent to the cost of acquisition of shares).

b) Deemed income on investment in shares / securities of unlisted companies in India

As per section 56(2)(x) of the IT Act, as inserted by Finance Act 2017, where any person receives any property, including shares and securities from any person for a consideration which is lower than the FMV by more INR 0.05 million, then difference between the FMV and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("Other Income"). The rules for determining the FMV of shares and securities have been prescribed under the IT Rules.

Accordingly, such Other Income would be chargeable to tax as follow:

Particulars	For resident investors	For offshore investors
In case of companies	30% for F.Y.2024-25	35%for F.Y.2024-25
In case of individuals/ HUFs/AOPs / BOIs	Applicable tax rates for F.Y.2024-25	Applicable tax rates for F.Y.2024-25
In case of other investors	30% for F.Y.2024-25	30% for F.Y. 2024-25

c) Issue of shares at a premium by a private company

In case, a resident subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the face value of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as income from other sources. The same would be subject to tax in the hands of the investee companies under section 56(2) (vii(b)) of the IT Act.

For the above purposes, the FMV of shares would be determined as per detailed rules prescribed or as may be substantiated by the Company to the satisfaction of the tax officer based on the value of assets and liabilities, whichever is higher.

d) Redemption Premium

There are no specific provisions under the IT Act, with regard to the characterization of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as 'interest' or as 'capital gains'. The characterization of premium on redemption of securities as interest or a capital gain has to be decided based on factors surrounding the relevant case. Taxability of 'interest' and 'capital gains' in the hands of the investors is provided in earlier paragraphs.

e) Minimum Alternate Tax

The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case

may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income tax payable in a financial year. This credit should be eligible to be carried forward for 15 years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year.

As per the Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019, MAT should not apply in case of domestic companies exercising option under section 115BAA and section 115BAB of the ITA. If MAT is held to be applicable to the clients, then income receivable by such clients from their investment in the PMS shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if,

- (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or
- (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

f) Alternate Minimum Tax

As per the IT Act, if the income-tax payable on total income by any person other than a company is less than the alternate minimum tax, the adjusted total income is deemed to be the total income of that person and he is liable to pay income-tax on such total income at the rate of 15% excluding applicable surcharge and health and education cess). Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Further, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the IT Act.

g) Capital Gains Tax implications on conversion of convertible debentures

Conversion of debentures of a company into shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the PMS on conversion of convertible debentures of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible debenture would be deemed to be the cost of acquisition of such equity shares. Further, the holding period of the equity shares would commence from the date of subscription of debentures irrespective of date of conversion.

h) Capital Gains Tax implications on conversion of preference shares

Conversion of preference shares of a company into equity shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the PMS on conversion of convertible preference shares of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible preference share would be deemed to be the cost of acquisition of such equity shares. Further, the period of holding of the convertible preference shares will be considered for determining the period of holding of the resultant equity shares.

II. Securities Transaction Tax

Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @ 0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange. STT is levied on the seller @ 0.025% on the sale of

equity share in a company or unit of an equity oriented mutual fund for transaction executed in recognised stock exchange, settled otherwise than by actual delivery.

III. Bonus Stripping

In case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus units) and sold/transferred/redeemed within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be deemed as cost of acquisition of such bonus units.

IV. Withholding at a Higher Rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ("PAN"), then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

1. Name, e-mail id, contact number;
2. Address in the country or specified territory outside India of which the deduct is a resident;
3. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
4. Tax identification number of the deduction the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deduct is identified by the Government of that country or the specified territory of which he claims to be a resident.

V. Carry-forward of losses and other provisions (applicable to both Equity products irrespective of the residential status):

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.

VI. General Anti Avoidance Rule ("GAAR")

The Finance Act, 2013 introduced the amended GAAR provisions to be effective from FY 2015-16. However, the Finance Act, 2015 deferred the GAAR provisions by 2 years and it shall now be applicable to the income of FY 2017-18 and subsequent years. Further, investments made up to March 31, 2017 would be grandfathered and GAAR would apply prospectively only to investments made after April 1, 2017.

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) tests mentioned below:

- (a) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;

- (b) It results in direct / indirect misuse or abuse of the IT Act;
- (c) It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- (d) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

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

- (a) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- (b) Ignoring the arrangement for the purpose of taxation law;
- (c) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- (d) Looking through the arrangement by disregarding any corporate structure;
- (e) Reallocating and re-characterizing equity into debt, capital into revenue, etc;
- (f) Disregarding or treating any accommodating party and other party as one and the same person;
- (g) Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The above terms should be read in the context of the definitions provided under the IT Act. Any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

The GAAR provisions would override the provisions of a Tax 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 IT Rules. The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 30 million. Further, recently on January 27, 2017, the CBDT has issued clarifications¹ on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations.

VII. FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reposing 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 repayable account:

- The name, address, taxpayer identification number ('PIN') (assigned in the country of residence) and date and place of birth 'DOB' and 'POB' (in the case of an individual);
- Where an entity has one or more controlling persons that are repayable persons: of the name and address of the entity, TIN assigned to the entity by the country of its residence;

and of the name, address, DDB, POB of each such controlling person add TIN assigned to such controlling person by the country of his residence;

- Account number (or functional equivalent in the absence of an account number);
- 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
- 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).

VIII. Goods and Service Tax

From July 1, 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST shall be applicable on services provided by the Investment Manager and Trustee to the PMS. GST rate on such services is currently 18%. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee and Trusteeship Fees payable by the PMS to the Investment Manager and Trustee, respectively.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

13. ACCOUNTING POLICIES/ VALUATIONS:

13.1 Basis of Accounting

Books and Records would be separately maintained in the name of the client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time. Accounting under the respective portfolios will be done in accordance with Generally Accepted Accounting Principles. As SEBI (Portfolio Managers) Regulations, 2020, do not explicitly lay down detailed accounting policies, such policies which are laid down under SEBI (Mutual Funds) Regulations would be followed, in so far as accounting and valuation for equities or equity related instruments are concerned.

13.2 Maintenance of Client Account

In line with Clause 2.2 of SEBI Master Circular for Portfolio Managers dated June 07, 2024, the portfolio manager keeps the funds of all clients in a separate bank account maintained by the portfolio manager and the following conditions are adhered to:

- There is clear segregation of each client's fund through proper and clear maintenance of back-office records;
- Portfolio Managers do not use the funds of one client for another client;

- Portfolio Managers also maintain an accounting system containing separate client-wise data for their funds and provide statement to clients for such accounts at least on monthly basis; and
- Portfolio Managers reconcile the client-wise funds with the funds in the aforesaid bank account on daily basis

The Portfolio Manager also maintains a separate depository account of each client.

The following Valuation / Accounting policy will be applied for the portfolio investments of clients:

- a) Investments in listed equity will be valued at the closing market prices on the National Stock Exchange ("NSE") . If the Securities are not traded on the NSE on the valuation day, the closing price of the Security on the Bombay Stock Exchange will be used for valuation of Securities. In case of the securities that are not traded on the valuation date, the last available traded price shall be used for the valuation of securities or in accordance with the Valuation Policy. Investments in units of mutual funds shall be valued at the NAV of the previous day or at the last available NAV declared for the relevant Scheme on the date of the report.
- b) Unlisted Equity / Convertible Preference Shares will be valued at Fair Market Value. Such fair value may be determined by following an approach defined in the Valuation Policy , generally following a comparison with peers, or by taking a comparable transaction, or where the issuer has come out with an IPO, at the lower band of the IPO price, or it may be valued by an external agency appointed by the Portfolio Manager , on a periodic basis.
- c) Debt instruments would be valued based on prices received from an external valuation agency or in accordance with guidelines prescribed by APMI from time to time.
- d) REIT/INVIT shall be valued by any of the methods given below:
 1. Listed REITs/INVITs will be valued at the quoted price on the stock exchange. If there are no trades for a period of 30 days illiquidity discount may be applied to the last traded price.
 2. Until updated NAV is published by the Trust (for Unlisted): Unlisted REITs/INVITs will be valued at cost until the Trust publishes the updated NAV of the units.
 3. Illiquidity Discount: Illiquidity discount may be applied to the Fair Value NAV
 4. Alternatively, the AMC may appoint a third-party valuation agency to carry out independent
 5. valuation for unlisted REITs/INVITs or in the absence of quotes on the stock exchange for listed REITs/INVITs.
- e) Realised gains/losses will be calculated by applying the First In First Out principle.
- f) Unrealized gains/losses are the differences between the current market value/Net Asset Value and the historical cost of the Securities.
- g) Dividends on shares will be accounted for on ex-dividend date and dividends on units of mutual funds will be accounted for on receipt of information from the mutual fund house and interest, stock lending fees earned etc., will be accounted for on accrual basis. The interest on debt instruments will be accounted for on accrual basis.
- h) In respect of all interest-bearing investments, income must be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase will not be treated as a cost of purchase but will be debited to Interest.

- i) For derivatives and futures and options, unrealized gains and losses is calculated by marking to market the open positions. Specifically, in case of certain option contracts, market quotes are not easily available through the exchange due to low liquidity. Considering this scenario, Portfolio Manager has appointed an external agency to do the valuation based on the latest reported trades and market accepted methodologies. External agency will share the quotes on daily basis, in case such a quote is not available, previous day quotes will be used by the Portfolio Manager. Maximum validity of such quote will be 30 days.
- j) Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale will not be treated as an addition to sale value but will be credited to Interest Recoverable Account.
- k) Transactions for purchase or sale of investments will be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which there is enforceable obligation to pay the price or, in the event of a sale, when there is an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- l) Bonus shares will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- m) The cost of investments acquired or purchased will include brokerage, stamp duty charges and any charge customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.
- n) The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting provided the same is mutually agreed between them on a case-to-case basis.
- o) Purchases are accounted for at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. 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.
- p) In case of Portfolio received from the Clients in the form of securities, this will be accounted for at previous day's closing price on NSE. Where the client withdraws portfolio in the form of securities, the same will be accounted on the date of withdrawal at the previous closing price. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, previous day's closing price on BSE will be used for aforesaid accounting purpose.

- q) Investments in the Managed accounts (Alternate investment funds and Venture Capital funds) will be valued at last available Net asset value declared by issuer.

In case of Portfolio received from the Clients in the form of securities, this will be accounted for at previous day's closing price on NSE. Where the client withdraws portfolio in the form of securities, the same will be accounted on the date of withdrawal at the previous closing price.

In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, previous day's closing price on BSE will be used for aforesaid accounting purpose.

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 valuation of the securities not mentioned above shall be valued on fair value basis as decided by the Portfolio Manager.

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.

14. INVESTOR SERVICES

14.1 Details of the investor relation officer who shall attend to the investor queries and complaints is mentioned below:

Name of the Person	Ms. Rinu John
Designation	Chief of PMS Operation & Client Relations
Address	No. 32 & 33, BBMP Khatha, "Savion" BEML 3rd Stage, Rajarajeshwarinagar, Bangalore South, Bangalore - 560098, Karnataka, India
Telephone	8884777995
Email id	rinujohn@fiscaleye.in

14.2 Grievance redressal and dispute settlement mechanism.

- Any grievance and dispute arising in connection with the services of the Portfolio Manager shall to the extent possible be settled amicably between the parties at the earliest.
- The clients are requested to send their grievances to the Compliance Officer, the details are as follows.

Details of the Compliance Officer:

Name	Mr. Dileep Nanjundaiah
Designation	Compliance Officer
Address	No. 32 & 33, BBMP Khatha, "Savion" BEML 3rd Stage, Rajarajeshwarinagar, Bangalore South, Bangalore - 560098, Karnataka, India.
Telephone	9740000881
Email Id	dileepnanjundaiah@fiscaleye.in

The complaint will be resolved on a best effort basis within a period of 21 days from the date of receipt of complaint, as required under SEBI regulations.

A. If the investor remains dissatisfied with the outcome he can abide by the following mechanisms:

- i. 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.
- ii. 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.
- iii. If the client is satisfied with the action taken by APMI, the complaint shall be disposed of on SCORES.
- iv. 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.
- v. The Client may seek a second review of the ATR provided by APMI within 15 calendar days from the date of submission of ATR by APMI.
- vi. If the Client is satisfied with the action taken by APMI, the complaint shall be disposed off on SCORES.
- vii. If the Client is not satisfied with the ATR provided by APMI, SEBI will take cognizance of the second review of the complaint through SCORES.
- viii. 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 the ODR portal.

The link to ODR portal – <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 Bangalore, and the language of the arbitration shall be English. The courts of Bangalore shall have the exclusive jurisdiction to adjudicate upon the claims of the parties.

D. Prevention of Money Laundering:

Prevention of Money Laundering Act, 2002 ('PML Act') came into effect from July 1, 2005 vide Notification No. CSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its circular No. ISD/CIR/RR/AML/1/06 dated January 18, 2006 and Master Circular dated December 31, 2010 has mandated that all

intermediaries including Portfolio Managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a "Know Your Customer" (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by Clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by Clients.

SEBI has further issued circular no. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advised all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the PML Act requiring inter alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND). SEBI has further strengthened the KYC and client risk assessment requirements under its circular no. CIR/MIRSD/1/2014 dated March 12, 2014. The PMLA, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended and modified from time to time, the guidelines/circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as 'PML Laws'.

The Client(s) should ensure that the amount invested through the services offered by the Portfolio Manager is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under.

To ensure appropriate identification of the Client(s) under its KYC policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under applicable laws) reserves the right to seek information, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose, including through the use of third-party databases, personal visits, or any other means as may be required for the Portfolio Manager to satisfy themselves of the investor(s) identity, address and other personal information.

The Client(s) and their attorney(ies), if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/passport/driving license/PAN card, etc. and/or such other documents or produce such information as may be required from time to time for verification of the personal details of the Client(s) including inter alia identity, residential address(es), occupation and financial information by the Portfolio Manager. The Portfolio Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND (and any other competent authorities and self-regulating bodies), that it believes are suspicious in nature within the purview of the PML Laws and/or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise investors or distributors of such reporting. The KYC documentation requirements shall also be complied with by the persons becoming the Client by virtue of operation of law e.g. transmission, etc.

The Portfolio Manager may not seek fresh KYC from the Clients who are already KRA compliant and the ones who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the client account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy and/or where the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws and/or for reporting the same to FIU-IND.

This Disclosure Document and the Agreement shall be governed and construed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts at Bangalore, Karnataka.

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

Sr. No.	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
NIL					

16. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER:

This policy has been laid down to ensure the risk is spread across different asset classes, issuers and time horizon within the framework laid down in the specific investment approach.

Policy approach

Portfolio Manager shall follow an approach of 'don't put all your eggs in one basket' and will endeavour to maintain a prudent mix of assets to diversify investments as per the investment objective and investment approach stated herein. We expect this approach shall assist the Portfolio Manager to manage investment risk over a period of time.

In addition, the Portfolio Manager has an investible universe of securities which is backed by research and the portfolio construction shall be limited to the said universe. Accordingly, the Portfolio Manager shall ensure that appropriate diversification across securities is maintained as per scope permitted under the SEBI Regulations.

The Portfolio Manager shall periodically review the portfolios, evaluate the investor's investment goals, market conditions, risk tolerance and liquidity requirement and endeavour to maintain an appropriate portfolio mix to ensure diversification and meet the investor's long-term goals.

Type of Securities where investments may be made by the Portfolio Manager under any of the abovementioned Services:

- Shares, scrips, stocks, bonds, debentures, debentures stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- Derivative(s);
- Units or any other instrument issued by any collective investment scheme;

- d) Security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- e) Government securities;
- f) Units or any other such instrument issued to the investors under any scheme of mutual fund, alternative investment fund, venture capital fund; However, the investment in units of Mutual funds is done only through Direct Plan
- g) Any certificate or instrument (by whatever name called), issued to any investor by any issuer being a special purposes distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;
- h) Such other instruments as may be declared by the Central Government to be securities;
- i) Rights or interest in securities;

The above-mentioned securities are illustrative in nature. Investments can be made in various equity and equity related securities including convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, units of alternative investment funds, ETFs and other eligible modes of investment as may have permitted by the Regulations from time to time. The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds. Investments can be made in listed, unlisted (permissible as per SEBI regulations), convertible, non-convertible, secured, unsecured, rated or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPOs), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc. The debt category will include all types of debt securities including but not limited to Securitised Debt, Pass Through Certificates, Debentures (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked), Bonds, Government securities issued or guaranteed by Central or State Government, non-convertible part of partially convertible securities, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, units of SEBI registered alternative investment funds & Venture Capital Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements, etc. as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications from time to time.

Following limits shall be followed with respect to investment in debt and hybrid securities:

- a) Portfolio Managers shall not invest Clients' funds in unrated securities of Associate Companies/Related Parties.
- b) Under Discretionary Portfolio Management Services, no investment shall be made in below investment grade securities;
- c) Under Non-Discretionary Portfolio Management Services, no investment shall be made in below investment grade listed securities. However, Portfolio Manager may invest upto 10% of Clients asset under management in unlisted, unrated debt and hybrid securities of issuers other than Associate Companies / Related Parties. Such investment in unlisted, unrated debt and hybrid securities shall be within maximum limit of 25% for investment in unlisted securities as stated under Reg.24(4) of the Regulations.

- d) Investments of clients' funds shall be basis credit rating as may be specified by SEBI from time to time.

The afore stated cap on investment in unlisted, unrated debt and hybrid securities does not apply to investments under Co-investment portfolio management services and advisory services and for client categories who in turn manage funds under government mandates and/or governed under specific acts or state and/or parliament.

All investments in debt & hybrid securities under all the strategies mentioned herein shall be in compliance with the aforementioned provisions and SEBI circulars issued in this regard from time to time.

Asset Classes for investment will always be subject to the scope of investments as may be agreed upon between the Portfolio Manager and the Client by way of any agreement, explicit or implied including this disclosure document, addenda thereof, other documents and communications in writing and emails duly authenticated and exchanged between the client and FISCALEYE PRIVATE LIMITED.

Client Information:

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner and the investor is duly entitled to invest the said Funds. The Portfolio Manager may stop all the trading activities for such Client/s and take such actions as may be required under the Regulations and the Agreement, including closure of account.

Notwithstanding anything contained in this Disclosure Document, the provisions of the Regulations, PML Laws and the guidelines thereunder shall be applicable. Clients are advised to read the Disclosure Document carefully before entering into an agreement with the Portfolio Manager.

For and behalf of Fiscaleye Private Limited,



Dileep Nanjundaiah
DIRECTOR

DIN : 08795999



Rinu John
DIRECTOR

DIN : 06388889

Place: Bangalore, India.
Date: July 1st, 2025



FORM C

**SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS, 2020
(REGULATION 22)**

Fiscaleye Private Limited
No. 32 & 33, BBMP Khatha,
"Savion" BEML 3rd Stage,
Rajarajeshwarinagar, Bangalore South,
Bangalore - 560098, Karnataka, India.
Phone +91-080- 42084615
Email compliance@fiscaleye.in

We confirm that:

1. 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;
2. 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;
3. The Disclosure Document has been duly certified by an independent Chartered Accountant, as on **01-07-2025**. The details of the Chartered Accountants are as follows:

Name of the Company	: Chandan Hegde and Associates
Registration Number	: 013013S
Telephone Number	: 080-35009828, 35009829
E-mail	: achegde@gmail.com
Address	: No. 204, First Floor, 9th Cross, C.J. Venkatesh Das Road, Padmanabhanagar, Bangalore - 560 070

(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).

Date: 01-07-2025

Place: Bangalore

For and on behalf of Fiscaleye Private Limited



Manjunath Shivalingayya Aourgol
Principal Officer

No. 32 & 33, BBMP Khatha, "Savion" BEML 3rd Stage,
Rajarajeshwarinagar, Bangalore South, Bangalore -
560098, Karnataka, India.

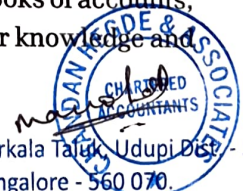


CHANDAN HEGDE & ASSOCIATES
Chartered Accountants

CERTIFICATE

The Board of Directors
Fiscaleye Private Limited
No. 32 & 33, BBMP Khatha,
"Savion" BEML 3rd Stage,
Rajarajeshwarinagar,
Bangalore South, Bangalore – 560098
Karnataka, India

1. You have requested us to provide a certificate on the Disclosure document for Portfolio Management services ("The Disclosure Document") of Fiscaleye Private Limited ("The Company"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("The SEBI").
2. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and guidelines issued by SEBI from time to time is the responsibility of the management of the company. Our responsibility is to report in accordance with the Guidance Note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work does not include us performing audit tasks for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information of the disclosure document. We have performed our examination of the disclosure document, which includes the expression of an opinion, on the matters stated in this certificate in accordance with the terms agreed for the purpose of this certificate. Accordingly, we do not express an audit opinion.
3. In respect of the information given in the Disclosure document, we state that:
 - I. The list of persons classified as Associates or group companies and list of related parties are noted up as provided by the company.
 - II. The promoters and directors, key management personnel qualifications, experience, and background as represented by the Company and have been accepted without further verification.
 - III. We have relied on the representations given by the management of the company and do not provide any litigation against the Portfolio Manager mentioned in the Disclosure document.
4. Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and



according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated April 30, 2025, are true and fair in accordance with the disclosure requirements laid down in Regulation 14 (2) read with Schedule V to the SEBI Regulations, 2020. A management certified copy of the disclosure document is enclosed herewith and marked as Annexure 'A'.

5. This certificate is intended solely for the use of the management of the company for the purpose as specified in paragraph 1 above.

For Chandan Hegde and Associates
Chartered Accountants



CA Manohara BM
Membership No.: 263842
Firm Membership No.: 013013S
UDIN No.: 25263842BMNSGV1555
Place: Bengaluru
Date: 01.07.2025