DISCLOSURE DOCUMENT

As required under Regulation 22(3) of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

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

b) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging "Asteya Investment Managers LLP" (hereinafter referred as the **("Portfolio Manager")** as the portfolio manager.

c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing. The investor may also be advised to retain the Document for future reference.

d) The name, phone number, e-mail address of the Principal Officer as designated by the Portfolio Manager along with the correspondence address of the Portfolio Manager are as follows:

Name of the Principal Officer	**Manindra Gupta**
Phone	+91-98922 88518
Email	manindra.gupta@asteyaglobal.com
Registered / Corporate Office Address	Keshava Commercial Premises, Office no.110, 1st Floor, E-Block, Bandra Kurla Complex [BKC] Bandra East, Mumbai – 400051

Name of the Portfolio Manager	**Asteya Investment Managers LLP,**
Registered and Corporate office	Keshava Commercial Premises, Office no.110, 1st Floor, E-Block, Bandra Kurla Complex [BKC] Bandra East, Mumbai – 400051
Telephone	+91-98922 88518
Email	info@asteyaglobal.com

Contents of the Disclosure Document:

(Format as per SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025)

PART I – STATIC SECTION

1. Disclaimer Clause

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

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

2. Definitions

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

1. **"Act"** means the Securities and Exchange Board of India Act, 1992.

2. **"Accreditation Agency"** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.

3. **"Accredited Investor"** means any person who is granted a certificate of accreditation byan accreditation agency who:

    (i) in case of an individual, HUF, family trust or sole proprietorship has: (a) annual income of at least two crore rupees; or (b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or (c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.

    (ii) in case of a body corporate, has net worth of at least fifty crore rupees;

    (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;

    (iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

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

4. **"Advisory Services"** means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.

5. **"Agreement"** or "Portfolio Management Services Agreement" or "PMS Agreement" means agreement executed between the Portfolio Manager and its Client for

providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.

6. **"Applicable Law/s"** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.

7. **"Assets Under Management"** or "AUM" means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.

8. **"Associate"** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.

9. **"Benchmark"** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.

10. **"Board"** or "SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

11. **"Business Day"** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.

12. **"Client(s)"** / "**Investor(s)**" means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.

13. **"Custodian(s)"** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.

14. **"Depository"** means the depository as defined in the Depositories Act, 1996 (22 of 1996).

15. **"Depository Account"** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.

16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

17. **“Disclosure Document”** or “Document” means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.

18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).

19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.

20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.

21. **“Foreign Portfolio Investors”** or “FPI” means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.

22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.

23. **“Funds”** or “Capital Contribution” means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.

24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.

25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.

26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.

27. **“IT Act”** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.

28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.

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

30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.

31. **“NISM”** means the National Institute of Securities Markets, established by the Board.

32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.

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

34. **“Portfolio Manager”** means Asteya Investment Managers LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, registered with SEBI as a portfolio manager bearing registration number INP000006536 and having its registered office at Keshava Commercial Premises, Office No. 110, 1st Floor, E-Block, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, Maharashtra, India.

35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for: (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and (ii) all other operations of the Portfolio Manager.

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

37. **“Related Party”** means – (i) a director, partner or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, partner, manager or his relative is a partner; (iv) a private company in which a director, partner or manager or his relative is a member or director; (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital; (vi) any body corporate whose board of directors,

managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager; (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager — The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate; (ix) a related party as defined under the applicable accounting standards; (x) such other person as may be specified by the Board: Provided that, (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or (b) any person or any entity, holding equity shares: (i) of twenty per cent or more; or (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party.

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

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

(a) **History, Present, and Background of the portfolio manager**

The Company, having LLP Identification Number (LLPIN) AAB-2746, was incorporated on 20th December 2012 and has its registered and corporate office at Keshava Commercial Premises, Office no.110, 1st Floor, E-Block, Bandra Kurla Complex [BKC] Bandra East, Mumbai – 400051, Maharashtra, India. The Company is incorporated with the objective of carrying out Portfolio Management, Investment Management and Advisory services. Asteya has been registered as a Portfolio Manager with SEBI on April 10, 2019 vide registration No: INP000006536 under SEBI (Portfolio Managers) Regulations, 1993.

Promoters of the Portfolio Manager, directors and their background

The promoters of the Company have more than 25 years of experience in Financial markets, Investment Research and Portfolio Management. The details of the Managing Partners are as below:

Name	Qualification	Brief Experience
Arun Bahl	Arun is a Bachelor of Science (Honors) in Physics from University of Delhi and earned distinction of being Top Scorer in college. He has received various accolades/certificates from the college. He is also a gold medalist and a Scholarship holder from NIIT for software programming.	Arun Bahl – Arun brings 32 years of experience with 20 years in Global Banks and 12 years in investment firm. Viz., ABN AMRO BANK, ROYAL BANK OF SCOTLAND, DEUTSCHE BANK, DAIWA CAPITAL MARKETS AND ASTEYA INVESTMENT MANAGERS.
Manindra Gupta	Manindra Gupta holds degree in B.E (Mechanical) and M.B.A (Finance)	Manindra Gupta – Manindra Gupta brings more than 25 years of experience with . 4.5 years in Equity research on sectors such as Automobile, Engineering, IT & Telecom, Debt market research, Participated in Investment Banking mandates; 10 years in Handling Global Treasury Investments, Cash Management, Strategic Planning, Banking activities, Forex risk management operations, Loans and other liabilities; 12+ Years in Equity and Debt portfolio advisory activities and Forex risk management activities.

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

Asteya Investment Managers LLP ('Asteya') has no group companies.

Details of the services being offered by the Portfolio Manager

The Portfolio Manager intends to offer services of discretionary portfolio management, non-discretionary portfolio management and that of investment advisory as set out in the details provided below. All clients will have the option to be onboarded directly to avail these services, without intermediation of persons engaged in distribution services.

Discretionary Services:

Under these services, the choice as well as the timings of the investment decisions would rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of Assets of the Client. The Securities to be invested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's fund's is absolute and final and can never be called in question or be open to review at any time during the currency of the Agreement or at any time thereafter except on the ground of fraud, malafide intention or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, guidelines and notifications in force from time to time. Statements in respect to Client's Portfolio shall be sent to the respective Client at a frequency not less than as determined by law.

Non – Discretionary Services:

Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client and in accordance with the instructions of the Client under Strategies as prescribed by SEBI. 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). In this case, the Portfolio Manager shall be responsible for *inter alia* managing transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

Advisory Services:

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Clients and agreed upon in the Client agreement. The Portfolio Manager will render the best possible advice to the Client having regard to the Client's needs and the environment, the same can be binding or non – binding in nature in accordance with the terms mentioned in the Agreement. For such services, the Portfolio Manager shall charge the Client a fee for services rendered as mentioned in the Agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry / exit timing, execution and settlement are solely the Client's responsibility.

4. Penalties, pending litigation or proceedings, findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority

(i) All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder. - **None**

(ii) The nature of the penalty/direction. - **None**

(iii) Penalties imposed for any economic offence and/or for violation of any securities laws. - **None**

(iv) Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any. - **None**

(v) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.

(vi) Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder: **None**

5. Services offered / proposed to be offered

5.1. The Portfolio Management Services to be offered shall be as per the following Investment Approaches:

(i) Investment Approach – Asteya Large & Mid Cap Fund (Under Discretionary Services)

STRATEGY CLASSIFICATION: EQUITY

1. Investment Objective – To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.
2. Description of Securities – Under Asteya Large & Mid Cap Fund, client funds would primarily be invested in equity shares and equity linked instruments issued by companies, listed in India and which fall in the Large cap and Mid Cap categories. Some part of client funds might be invested in units of money market, Overnight Funds, Ultra Short term Funds and liquid funds and some part might be retained as bank balance in bank account.
3. Basis of Selection of type of security – Asteya Large & Mid Cap Fund's investment approach is based on generating returns by investing in participating instruments of companies – a) which, in view of investment team of Asteya, have a good track record in their respective domains and have the potential to continue making progress on that path; and/or b) which are established businesses and are available at deep discounts vs. their intrinsic value as per investment team's judgement. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India which fall under above mentioned categories and are ranked at 250 or above in the list of companies ranked according to market capitalization on date of first investment. To keep some part of client funds in liquid form, such funds are either invested in units of money market funds, overnight funds, ultra short term funds or liquid fund or they are retained in the bank account in form of bank balance.
4. Allocation of portfolio across types of securities - The Portfolio shall be primarily focused on Equity shares. However strategically may get invested in units of liquid funds or money market funds, units of mutual funds, ETFs or other permissible securities/products as per applicable regulations and part of funds might be retained as cash balance in bank account. Investments in liquid funds and money market funds shall be made solely for the purpose of parking of temporary cash surpluses
5. Appropriate Benchmark to compare performance – Weighted average performance of Nifty 50 (Total Return Index)

6. Basis for choice of benchmark – Most of the portfolio companies fall in large- cap and mid-cap categories based on market Capitalization with a likely skew towards large cap category. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay- out of dividend. Hence, Weighted average performance of Nifty 50 (Total Return Index) has been selected as the benchmark for comparing performance.
7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Asteya Large & Mid Cap Fund's Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager 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.
8. Indicative tenure or investment horizon – 3 years – 30 years
9. Minimum tenure – not applicable under this investment approach.
10. Lock-in period – DPMS Investments managed under Asteya Large & Mid Cap Fund shall not be subject to any lock-in period.
11. Exit loads – There shall be no levy of exit load on withdrawal of funds being managed under this approach.
12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.
13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in client agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.
14. Risks associated with the investment approach – Please refer the clause 6 on Risk Factors.

(ii) Investment Approach – Asteya Small and Micro Cap Fund (Under Discretionary Services)

STRATEGY CLASSIFICATION: EQUITY

15. Investment Objective – To follow the Capital First principal and try to preserve the purchasing power of the client’s capital whilst providing sustainable returns over long periods of time.
16. Description of Securities – Client funds would primarily be invested in equity shares and equity linked instruments issued by companies listed in India and would focus on generating returns by investing in participating instruments of companies which are able to demonstrate making inroads into promising business areas, addressing sizable market size, developing new products / processes and / or have visionary leadership, in the judgement of Asteya’s Investment Team, which can help the company to grow rapidly. Some part of client funds might be invested in units of money market funds, overnight funds, ultra short term funds and liquid funds and some part might be retained as bank balance in bank account.
17. Basis of Selection of type of security – The investment approach is based on generating returns by investing in participating instruments of companies which are able to demonstrate making inroads into promising business areas, addressing sizable market size, developing new products / processes and / or have visionary leadership, in the judgement of Asteya’s Investment Team, which can help the company to grow rapidly. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India and which are ranked below 250 in the list of companies ranked according to market capitalization on date of first investment. To keep some part of client funds in liquid form, such funds are either invested in units of money market funds, overnight funds, ultra short term fund or liquid funds or they are retained in the bank account in form of bank balance.
18. Allocation of portfolio across types of securities - The Portfolio shall be primarily focused on Equity shares. However strategically may get invested in units of liquid funds or money market funds, units of mutual funds, ETFs or other permissible securities/products as per applicable regulations and part of funds might be retained as cash balance in bank account. Investments in liquid funds and money market funds shall be made solely for the purpose of parking of temporary cash surpluses
19. Appropriate Benchmark to compare performance – BSE 500 Total Returns Index
20. Basis for choice of benchmark – Most of the portfolio companies would fall in small cap category. Thus, we believe, BSE 500 Total Returns Index would be the most appropriate Benchmark out of the Options available under regulations.
21. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Asteya Small Cap Fund would be Investment

Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager 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.

22. Indicative tenure or investment horizon – 3 years to 30 years

23. Minimum tenure – 3 years

24. Lock-in period – DPMS Investments managed under Investment Approach shall be subject to lock in period of three years, which shall apply from the date of the placement (i.e. date on which the investments/funds are accepted). If the client wishes to withdraw investments before the expiry of lock-in period, portfolio manager shall be entitled to charge exit load specified in clause 11 of this schedule. The Client will be at liberty to withdraw full/partial Funds/Securities at any time after the lock-in- period and/or minimum period. Non-withdrawal of Funds/Securities as mentioned above will be deemed to be continuance of the agreement for managing the Funds/securities portfolio.

25. Exit loads – Exit load shall be levied in following manner – (i) 3% of AUM withdrawn if investments are withdrawn within 1 year from date of investment,

    (ii) 2% of AUM withdrawn if investments are withdrawn within 1 year and 2 years from date of investment, and (iii)1% of AUM withdrawn if investments are withdrawn within 2 year and 3 year from date of investment

26. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, exit load (if any) and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

27. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in client agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

28. Risks associated with the investment approach – Please refer clause 6 on Risk Factor.

(iii) Investment Approach – Asteya' Curation – I (Under Non-Discretionary Services)

STRATEGY CLASSIFICATION: EQUITY

1. Investment Objective – To preserve the purchasing power of the Investment Portfolio whilst providing sustainable returns over long periods of time.
2. Description of Securities – Under Asteya' Curation – I, client funds would primarily be invested in equity shares issued by companies operating in India with image of good corporate governance and good capital allocation track record. Some part of client funds might be retained as bank balance in bank account.
3. Basis of Selection of type of security – The Asteya' Curation – I investment approach is based on generating returns by investing in participating instruments of companies operating in companies which have image of good corporate governance and good capital allocation track record. Hence, under this investment approach, investments are primarily made in equity shares issued by companies listed in India. Some part of client funds might be retained as bank balance in bank account.
4. Allocation of portfolio across types of securities - The Portfolio shall be primarily focused on Equity shares. However strategically may get invested in units of liquid funds or money market funds, units of mutual funds, ETFs or other permissible securities/products as per applicable regulations and part of funds might be retained as cash balance in bank account. Investments in liquid funds and money market funds shall be made solely for the purpose of parking of temporary cash surpluses
5. Appropriate Benchmark to compare performance – Nifty 50 Total Return Index.
6. Basis for choice of benchmark – The portfolio will consist of a combination of large, mid and small cap companies with a bias towards large and mid cap companies. Further, the portfolio managers reinvest the dividends received. NIFTY 50 Total Returns Index would be the most appropriate Benchmark out of the Options available under regulations.
7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Asteya' Curation – I Investment Approach would be decided by the Portfolio Manager from time to time and

   the minimum sum will not be less than any other amount as may be stipulated by the Regulations. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager 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 may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule by giving a prior written notice of 10 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/it deems fit.

8. Indicative tenure or investment horizon – 1 years to 10 years.

9. Minimum tenure – not applicable under this investment approach.

10. Risks associated with the investment approach – Please refer clause 6 Risk Factors for other Risk.

(iv) Investment Approach – Liquid STP (Under Discretionary Services and Non-Discretionary Services)

STRATEGY CLASSIFICATION: Debt

1. Investment Objective – To invest the client's capital in liquid, money market, ultra short term or overnight funds.

2. Description of Securities – Under Liquid STP, client funds would primarily be invested in units of money market, ultra short term, overnight and liquid funds and some part might be retained as bank balance in bank account.

3. Basis of Selection of type of security – The Liquid STP investment approach is based on investing money in units of liquid funds / overnight funds / debt oriented funds/ money market funds or simply as bank balance till the funds are invested in one of the other investment approaches of Asteya.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Money market funds / Liquid funds / Gilt schemes/ Debt oriented schemes/ Bank balance	100%

5. Appropriate Benchmark to compare performance – Crisil Composite Bond Fund Index

6. Basis for choice of benchmark – The portfolio will largely consist of units of money market, ultra short term, overnight and liquid funds. Out of the options available under regulations, CRISIL Composite Bond Fund Index was considered to be most appropriate.

7. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus under Liquid STP Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time.

8. Indicative tenure or investment horizon – Not applicable under this approach
9. Minimum tenure – Not applicable under this investment approach
10. Lock-in period – DPMS Investments managed under Liquid STP Approach shall not be subject to any lock in period.
11. Exit loads – Exit loads on withdrawal of funds being managed under this approach shall be agreed upon with each client and specified in more detail in Asteya's DPMS/NDPMS agreement with the client, as applicable.
12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.
13. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in client agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.
14. Risks associated with the investment approach – Please refer the clause 6 Risk Factor.

(v) Investment Approach – Asteya Multi Asset Fund (Under Non-Discretionary Services)

STRATEGY CLASSIFICATION: MULTI ASSET

1. Investment Objective – The Asteya Multi Asset Fund is designed for clients seeking a diversified and flexible investment solution across multiple asset classes.
2. Description of Securities – Under the Asteya Multi Asset Fund, client funds will be allocated across a diversified mix of asset classes. These may include equity shares of Indian companies, equity-related instruments, unlisted securities, listed and unlisted debt instruments such as bonds and debentures, and market-linked debentures (MLDs), government securities, treasury bills, money market instruments, gilt schemes, mutual fund units (equity, debt and hybrid), exchange traded funds (ETFs), derivatives, alternative investment funds (AIFs), real estate investment trusts (REITs), infrastructure investment trusts (InvITs), sovereign gold bonds (SGBs), bank fixed deposits, cash equivalents, and any other permissible securities or products allowed under applicable regulations. A portion of the portfolio may also be maintained as bank balance.

3. Basis of Selection of type of security – The Multi Asset Fund investment approach is based on generating returns through strategic and dynamic asset allocation across non-correlated asset classes to balance risk and return in varying market conditions. The approach follows an open architecture to select best in class products across all permissible asset classes.
4. Allocation of Portfolio across Types of Securities – Allocation among asset classes may be dynamically adjusted based on market conditions and client needs.
5. Appropriate Benchmark to compare performance – NSE Multi Asset Index 2
6. Basis for choice of benchmark – NSE Multi Asset Index 2 is chosen because it is a true multi-asset benchmark whose composition – 50% NIFTY 500, 20% NIFTY Medium Duration Index, 20% NIFTY Arbitrage Index and 10% REITs/InvITs – mirrors the diversified, multi-asset nature of the fund across equity, debt, arbitrage and REITs/InvITs, and aligns with its objective to achieve moderate, risk-adjusted returns, in line with the benchmark selection framework prescribed under the SEBI Regulations and APMI guidelines.
7. Minimum Investment – The minimum value of funds/investments which will be accepted towards initial corpus under the Asteya Multi Asset Fund Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations. The uninvested 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, or other short-term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule by giving a prior written notice of 10 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/it deems fit.
8. Indicative Tenure or Investment Horizon – 3 years to 10 years
9. Minimum Tenure – Not applicable under this investment approach
10. Lock-in Period – Nil – Investments managed under this approach shall not be subject to any lock-in period.
11. Exit Loads – Exit loads on withdrawal of funds being managed under this approach shall be agreed upon with each client and specified in more detail in Asteya's NDPMS agreement with the client.

12. Redemptions / Partial Withdrawals – Partial withdrawals shall be allowed only to such extent that the portfolio value after recovery of fees, charges, and payment of the withdrawal amount is not less than the minimum investment specified in Clause 7 of this Schedule.
13. Use of Derivatives – The Portfolio Manager may transact in derivatives if deemed necessary to protect the value of the client's portfolio during periods of market instability. If the client does not wish the Portfolio Manager to use derivatives in their portfolio, the client may specify "Derivatives" as a negative security in the client agreement, and the Portfolio Manager shall be barred from using derivatives in such client's portfolio.
14. Risks Associated with the Investment Approach – Please refer to clause 6 – Risk Factors for details on risks associated with this investment approach.

5.2. **The policies for investments in associates/group companies of the Portfolio Manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ Guidelines**

The Portfolio Manager will not invest the funds of the Clients in any Security of an associate or group companies of the Portfolio Manager.

6. Risk Factors

A. General Risk Factors

(1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.

(2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.

(3) Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager.

(4) The names of the Investment Approach do not in any manner indicate their prospects or returns.

(5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.

(6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.

(7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.

(8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.

(9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

B. Risk associated with equity and equity related instruments

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

(11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.

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

C. Risk associated with debt and money market securities

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

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

(15) Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and

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

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

D. Risk associated with derivatives instruments

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

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

E. Risk associated with investments in mutual fund schemes

(19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and

economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

(20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.

(21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.

(22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.

(23) The Portfolio Manager shall not be responsible, if the AMC/fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

(24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.

(25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.

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

F. Risk arising out of Non-diversification

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

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

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

(28) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.

(29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.

(30) The Portfolios may invest in its Associates/Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

7. Nature of Expenses

The nature of expenses will be as specified in the Annexure hereto.

(i) Portfolio Management Fee:

Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 0 BPS to 250 BPS per annum. The Portfolio Manager also intends to charge Performance Fees which will kick in after a Hurdle Rate of Return per annum is achieved. The Portfolio Manager intends to claim between 0%-100% (zero percent to hundred percent) of the upside generated over and above the Hurdle Rate of Return agreed with the Client. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Asteya PMS Agreement.

(ii) Custodian fee

These charges relate to the opening and maintenance of Depository Accounts and/or custody fee and charges paid to the Custodian and/or Depository Participant, dematerialization of scrips, Securities lending and borrowing and their transfer charges in connection with the operation and management of the Client's portfolio account and is expected to be in the range of 1-25 BPS.

(iii) Fund accounting charges: Up to 5 BPS

(iv) Registrar and transfer agent fee

This is fee payable to the Registrar and Transfer Agent for giving effect to transfers of Securities and may *interalia* include stamp duty costs, courier, post and notary charge and would be recovered on actual basis.

Notwithstanding anything contained in sub-clauses (ii), (iii) and (vii) above, the aggregate of Custodian fee, Fund accounting charges and Depository Charges shall not exceed 0.08% per annum of the Assets Under Management, as set out in the Fee Schedule (Annexure "A") to the Agreement.

(v) Brokerage and transaction cost

These are amounts payable to the broker for opening of an account, execution of transactions on the stock exchange or otherwise for the transfer of Securities and may interalia include service charges, stamp duty costs, GST, STT etc. and is expected to be in the range of 10-15 BPS.

(vi) *Goods and Service Tax:* As applicable from time to time, charged over and above all fees and charges billed to the Client.

(vii) *Depository Charges*: As may be applicable from time to time.

(viii) *Bank Charges:* As may be applicable at actuals.

(ix) *Stamp duty:* As may be applicable at actuals.

(x) *Legal costs and professional fees:* Costs incurred for documentation, certifications, attestation and instituting or defending legal suits, audit fees and other similar charges.

(xi) *Incidental expenses:* Charges in connection with day to day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account or any other out of pocket expenses as may be incurred by the Portfolio Manager in the course of discharging his duties to the Client.

(xii) *Account opening charges:* One-time charges, if any, payable at actuals for opening of bank, demat and custody accounts of the Client, including KYC and documentation related charges.

(xiii) *Exit Load:* Charges, if any, levied on withdrawal of funds/securities from the Portfolio Management Services within the period specified in the Agreement, at the rates set out in the fee schedule to the Agreement.

(xiv) *Audit and certification fees:* Fees payable towards audit of the Client's Portfolio accounts and certifications required under the Regulations, recovered at actuals.

(xv) Portfolio Manager shall not charge any fees to Clients at the time of onboarding except the specific charges applicable for execution of the agreement and related documents for account opening.

(xvi) Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

List of third-party service providers whose services are being used by the Portfolio Manager for the Portfolio Management Service –

Sr. No.	Name of the service provider	Nature of services provided
1	HDFC BANK LTD	Custodian Services & Depository Participant

8. Taxation

The information furnished below outlines briefly the tax regulations which may be relevant to the Investors and is based on relevant provisions of the Income-tax Act, 2025 ("**IT Act**") as amended by the Finance Act 2026.

The summary below provides general information on Indian Income-tax implications but is neither intended to be a complete discussion of all tax implications, nor does it purport to be a complete description of all potential tax costs, tax incidence and risks inherent on the acquisition, ownership and sale of Indian securities.

In addition, the comments herein are not binding on the Indian tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein. It is emphasized that neither the Portfolio Manager nor any other person involved in the preparation of this document accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of the Indian securities. Prospective investors should consult their own tax advisors concerning their individual tax consequences of their particular situations.

We do not make any representation regarding any legal interpretations. Since the information below is based on relevant provisions as of April 2026, any subsequent changes in the said provisions could affect the tax benefits.

General Taxation: The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year, as well as the nature of the income earned. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are accorded under the provisions of the IT Act. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income.

Section 159 (4) [erstwhile Section 90(2)] of the IT Act provides that where the Government of India has entered into an agreement with the Government of any country outside India or specified territory outside India (where the taxpayer is a resident) for granting relief of tax or avoidance of double taxation ("Tax Treaty" or "DTAA"), the taxpayer may opt to be taxed as per provisions of the IT Act or the tax treaty/DTAA, whichever is more beneficial

This chapter does not discuss the tax implications applicable to the non-resident Investors under a beneficial DTAA [Section 159 (4) of the IT Act], which would need to be analysed separately based on the specific facts.

India has signed the Multilateral Instrument ("MLI") to implement Tax Treaty related measures to prevent "Base Erosion and Profit Shifting" ("BEPS") with Organisation for Economic Co-operation and Development ("OECD"). The MLI modifies the application of bilateral Tax Treaties (where adopted by both the contracting countries- referred to as

Covered Tax Treaties) without replacing them, and operates alongside them to strengthen anti-abuse provisions, improve dispute resolution, and implement minimum standards. All the Covered Tax Treaties which India has entered into are required to incorporate the Principal Purpose Test (PPT), which denies Tax Treaty benefits if obtaining such benefit was one of the principal purposes of an arrangement, unless granting the benefit is consistent with the object and purpose of the Tax Treaty.

This chapter does not discuss the impact of MLI on the claim of beneficial tax treatment under DTAA by a non-resident Investor. The same would need to be analysed separately based on the specific facts, where applicable. Further, the tax rates mentioned herein are exclusive of applicable surcharge and cess, unless specified otherwise.

8.1 Taxation of individual income component: Tax implications of the following income received by certain categories of clients from investments in securities as per IT Act are discussed as follows:

8.2 Dividend Income: Dividend distributed by portfolio companies shall be subject to tax in the hands of the shareholders. Similarly, dividend distributed by Mutual Funds ("MFs") covered under Section 11 read with Schedule VII (Sr. No. 20 & 21) [erstwhile section 10(23D) of the IT Act is taxable in the hands of the unitholders at applicable rates. Further, dividend distributing company / Mutual Fund is required to withhold tax from dividend income as under:

8.3 For Resident shareholder: 10% (no surcharge and cess applicable) as provided under section 393 (1) Sr.No. 7/ Sr.No. 4(i) [erstwhile section 194 / 194K] of IT Act;

8.4 For Non-resident shareholder: 20% (plus applicable surcharge and cess) under section 115A of the IT Act subject to any beneficial rate available under the applicable tax Treaty

8.5 TDS at the rate of 10% on the income paid by a specified company/ MFs to its resident shareholders / resident unitholders if the amount of such income exceeds ten thousand rupees in a financial year. However, no tax shall be required to be deducted by the Mutual Fund on income which is in the nature of capital gains.

8.6 Deduction under section 57: No deduction is allowed with respect to any expense incurred in relation to the dividend income. The expense allowance is restricted to 20% of the dividend income without deduction under section 57. The expense allowance is not a standard deduction per se and the shareholder / unitholder would need to establish and demonstrate that interest expense was actually incurred for the purpose of earning the dividend income. Further, it may be noted that interest expenditure is not likely to be allowable in the year when no dividend income is received by the shareholder / unitholder. Hence, in case of Nil dividend income, the expenditure may not be allowable.

8.7 Roll over benefit: Section 148 [erstwhile section 80M] of the IT Act provides for benefit of roll-over of deduction for the dividend received by a domestic company from another domestic / overseas company or a business trust (Real Estate Investment Trust / Infrastructure Investment Trust). Accordingly, where a corporate domestic Investor is receiving dividend from a domestic / overseas company or a business trust, such Investor shall be eligible for deduction in respect of such dividend as is distributed to its shareholders ('roll-over benefit under Section 148). This is done to avoid cascading effect of taxation on the same dividend income.

8.8 Gains from sale of securities – Characterization of income: Gains arising from the sale of securities in India (shares, derivatives etc.) may be taxed as Capital Gains ("CG") or Business Income ("BI") under the provisions of the IT Act, depending on the facts and circumstances of the case.

Characterization of income arising from the sale of Indian securities has been the subject of legal debate. The CBDT issued Circular No 4/2007 dated 15 June 2007 outlining certain judicial principles pronounced by various courts on the determination of whether shares are held as stock-in-trade or held as investments. The Circular states that no single principle is determinative and that the specific facts and circumstances of each case are required to be considered in order to make a determination of whether the shares held would be regarded as stock-in-trade or investment.

8.9 The nature of income from the disposal of securities will be classified as CG or BI depending on whether the investments are held as assets, investments with the object of capital appreciation or stock in trade for the purpose of trade / adventure.

8.10 The following conditions are to be generally considered for determining the nature of such income:

8.10.1 The motive of the entity is to earn profits through dividends, or from capital appreciations

8.10.2 The substantial nature of transactions, the manner of maintaining books of accounts, the magnitude of purchases and sales and the ratio between purchases and sales

8.10.3 Intent of the assessee as is evidenced by the documents / records

8.10.4 Whether the charter documents authorize any such activity

8.10.5 Volume, frequency, continuity and regularity of transactions of purchase and sale

[1] As referred to in clause (*h*) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

8.11 While the above discussion is predominantly in the context of transactions related to shares, on principles it could equally apply even to derivatives. Therefore in the context of derivative transactions, given the short duration and nature of the transactions it is likely that the transaction would be considered as giving rise to BI rather than income from CG.

8.12 Furthermore, the CBDT has provided further guidance on the matter vide circular No.6/2016 dated 29 February 2016 as follows:

8.12.1 Where the taxpayer opts to treat listed shares and securities as stock in trade, the income arising from transfer of such shares / securities would be treated as its BI.

8.12.2 If the taxpayer desires to treat income arising from the transfer of listed shares and securities held for more than 12 months as CG, the same shall not be disputed by the tax officer. However, such a stand adopted by the assessee will remain applicable in subsequent assessment years also and cannot be altered.

8.12.3 In all other cases the nature of the transaction shall continue to be decided basis the facts of each particular case

8.13 The above referred circular applied to listed shares and securities. Therefore in order to bring parity in taxability of income/loss arising from transfer of unlisted shares the CBDT issued instruction / circular dated 2 May 2016 determining the tax-treatment of income arising from transfer of unlisted shares for which no formal market exists for trading.

8.14 CBDT vide this circular clarifies that income arising from transfer of unlisted shares would be considered under the head CG, irrespective of period of holding with a view to avoid disputes/litigation and to maintain a uniform approach.

8.15 However, CBDT carves out three exceptions wherein this clarification shall not apply, namely:

8.15.1 genuineness of transactions in unlisted shares itself is questionable

8.15.2 transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil and

8.15.3 transfer of unlisted shares is made along with the control and management of underlying business

Thus, it is important to clearly understand the intent of issue of the aforesaid circulars by CBDT from time-to-time and to interpret in a rational manner where gain arising from the sale of securities should be classified under the head CG or BI.

8.16 Capital Gains: As per Section 67 [erstwhile section 45] of the IT Act, any profits or gains arising from the transfer of capital assets are chargeable to income-tax under the head 'capital gains'. Section 72 [erstwhile section 48] of the IT Act provides that income chargeable as CG is the difference between the full value of the consideration received or accrued on the transfer and the cost of acquisition of such asset plus expenditure in relation to such transfer.

8.17 The sale of securities would be taxed as under in the case of resident investors.

Type of gain	Period of Holding	Tax rate
Short-term	12 months or less for listed shares and 24 months or less for unlisted shares	in case of equity shares or units of an equity-oriented fund listed on any recognised stock exchange in India and the sale is chargeable to STT. Ordinary rate of tax applicable to the respective investors i.e. at the rate ranging from 22% to 30% for corporate investors, 30% for partnership and limited liability partnerships and at the applicable slab rates, maximum being 30%, for individual investors in case of shares that are not listed on any recognised stock exchange in India and in case of listed shares being sold/ transferred in a transaction not chargeable to STT.
Long-term	More than 12 months for listed shares and more than 24 months for unlisted shares	12.5% for all long term capital gains. Further, LTCG shall be chargeable only on the capital gain exceeding Rs 1,25,000 (Indian Rupees One Lakh and Twenty Five only) in case equity shares are listed on any recognised stock exchange in India and the purchase and sale transaction of such equity shares is chargeable to STT.

[2] Period of holding of 12 months considered only in case of shares or securities of an Indian company listed on a recognized stock exchange in India or Units of UTI or Units of an Equity Oriented Mutual Fund or Zero-Coupon Bonds. In respect of unlisted shares and other securities , period of holding is considered as 24 months.

Type of gain	Period of Holding	Tax rate
		On transfer of listed shares which is not subject to STT: Lower of 10% (without cost indexation) and 20% (with cost indexation) for transfer prior to 23 July 2024 / 12.5% for transfer on or after 23 July 2024. 20% (after considering indexation) for equity shares which are not listed on any recognised stock exchange in India for transfer prior to 23 July 2024 / 12.5% (without indexation) for transfer on or after 23 July 2024.

8.18 Gains on sale of securities would be taxed as under in the case of non-resident investors

Type of gain	Period of Holding	Tax rate
Short-term	12 months or less for listed shares and 24 months or less for unlisted shares	15% for transfer prior to 23 July 2024 and 20% for transfer on or after 23 July 2024, in case of equity shares or units of an equity-oriented fund listed on any recognized stock exchange in India and the sale is chargeable to STT. Ordinary rate of tax applicable to the respective investors i.e. at the rate of 35% for corporate investors, 30% for partnerships , 30% for foreign portfolio investors and at the applicable slab rates, maximum being 30% for other non-corporate investors in case of shares that are not listed on any recognized stock exchange in India and in case of listed shares being sold/ transferred in a transaction

[3] Subject to certain specified exceptions on payment on STT at the time of purchase.

Type of gain	Period of Holding	Tax rate
		not chargeable to STT.
1	More than 12 months for listed shares and more than 24 months for unlisted shares	12.5% for all long-term capital gains. Further, LTCG shall be chargeable only on the capital gain exceeding INR 1,25,000 (Indian Rupees One Lakh and Twenty Five Thousand only) in case equity shares are listed on any recognised stock exchange in India and the purchase and sale transaction of such equity shares is chargeable to STT

8.19 Further, in accordance with the Finance Act, 2026, proceeds arising from the buyback of shares by an Indian company, on or after 1 April 2026, shall be treated as capital gains and is taxable in the hands of the shareholder in accordance with the applicable capital gains provisions. Generally, gains arising on the buyback are taxed as per the applicable short-term or long-term capital gains rates, depending on the period of holding.

8.20 However, Section 69 of the ITA stipulates that capital gains arising to a promoter (as defined) from buyback of shares shall be subject to an additional tax, over and above the normal capital gains tax applicable to such income. In the case of a company whose shares are listed on a recognised stock exchange in India, 'promoter' shall have the same meaning as assigned to it in regulation 2(k) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 made under the Securities and Exchange Board of India Act, 1992; in any other case, "promoter" means (a) "promoter" as defined in section 2(69) of the Companies Act, 2013 and (b) a person who holds, directly or indirectly, more than 10% of the shareholding in the company

8.21 Accordingly, the tax rates on buy back will be as follows:

Transaction	Long-term capital gains	Short-term capital gains
Buy back of shares from non-promoters	12.5%	Listed shares: 20%; Unlisted shares: Taxed at the rate applicable for ordinary income (with the maximum base tax rate being 30% for Indian residents, foreign portfolio investors, non-corporate

[4] Subject to certain specified exceptions on payment on STT at the time of purchase.

Transaction	Long-term capital gains	Short-term capital gains
		non-residents and 35% for foreign companies)
Buy back of shares from promoters	22% (for company) / 30% (others)	Listed shares: 30% Unlisted shares: Taxed at the rate applicable for ordinary income (with the maximum base tax rate being 30% Indian residents, foreign portfolio investors, non-corporate non-residents and 35% for foreign companies)

8.22 Business Income: As discussed above, the gains on sale of derivative contracts in the futures segment should generally be characterized as BI and the same would be taxable at the ordinary rate of tax applicable to the respective investors i.e. at the rate ranging from 22% to 30% for resident corporate investors, 35% for non-resident corporate investors, 30% for partnership and limited liability partnerships non-resident non-corporate and at the applicable slab rates, maximum being 30% for individual investors.

However, where the derivative contracts are entered into by a person, are settled otherwise than by delivery of transfer of the shares, it may be classified as speculative income, which is a special class of BI (this class of BI cannot set off losses from non-speculative income streams and loss can be carried forward only for four years).

However, where the derivative contracts are entered into electronically through a broker / sub broker on a Stock Exchange, where the broker provides a time stamped contract note, with the PAN of the client thereon, then the income will not be considered as speculative income

8.23 Where the Portfolio Manager adopts certain strategies (say 'Long Short') which involves simultaneous purchase/sale of securities and derivative products, it might be possible that the tax authorities could construe the same as "trading income" and tax it as Business income (i.e., at higher tax rates).

8.24 Interest Income: Classification of interest income is a matter of dispute with contradicting judicial precedents. Whether interest income would be assessable as business income or income from other sources would depend upon the nexus it has with the assessee's business. Interest income is taxable at the ordinary rate of tax applicable to the respective investors i.e., at the rate ranging from 22% to 30% for Indian resident corporate investors, 30% for partnerships / non-resident non-corporate entities, 20% for foreign portfolio investors, 35% for foreign companies and at the applicable slab rates for individual investors.

In case where the listed debt securities (including zero coupon bonds) are transferred, any gains derived from such transfer shall be taxed as short-term capital gains [where the period of holding is 12 months or less] at the rate ranging from 22% to 30% for Indian resident corporate investors, 30% for partnerships / non-resident non-corporate entities / foreign portfolio investors, 35% for foreign companies and applicable slab rates for individual investors (maximum being 30%) and at the rate 12.5% as long-term capital gains (where the period of holding is more than 12 months). Further, any income arising from transfer or maturity or redemption of Market Linked Debentures, units of Specified Mutual Fund, unlisted bonds and unlisted debentures shall be deemed as short term capital gain, irrespective of the period of holding and hence, taxed at the rate ranging from 22% to 30% for Indian resident corporate investors, 30% for partnerships / non-resident non-corporate entities / foreign portfolio investors, 35% for foreign companies and at the applicable slab rates for individual investors (maximum being 30%).

8.25 Income-tax provisions applicable to Non-residents in respect of receipt of income from fixed Income products are summarized below:

8.25.1 In terms of Section 207 [erstwhile Section 115A] of the IT Act, interest on monies borrowed in foreign currency (other than interest referred to in subsequent paragraphs) is taxable at 20% (subject to any tax treaty).

8.25.2 In terms of 208 [erstwhile Section 115AB] of the IT Act, income of an assessee, being an overseas financial organization (Offshore Fund) by way of income received in respect of units purchased in foreign currency is taxed at 10% or income by way of long term capital gains arising on transfer of units purchased in foreign currency, 12.5% subject to Tax Treaty benefit, if any. The payor is required to withhold the applicable taxes. No deduction shall be allowed against this income u.s 28 to s. 58 or s. 60 and 61 or section 93(1)(a) or (e) or under Chapter VIII; [erstwhile section 28 to 44C, 57(i) or 57(iii) or Chapter VI-A].

8.25.3 In terms of 209 [erstwhile Section 115AC] of the IT Act, income of non-resident by way of interest on bonds of an Indian Company issued in accordance with the notified scheme i.e. 'Issue of Foreign Currency Exchangeable Bonds Scheme, 2008'/'Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993/ Depository Receipts Scheme 2014' or on bonds of public sector company sold by the government and purchased by the investor in

[5] 'Market Linked Debenture' means a security by whatever name called which has an underlying principal component in the form of debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.

foreign currency or income by way of dividends on GDR will be taxed at the rate of 10%; or income by way of long term capital gains arising on transfer of above bonds or GDR's, 12.5% subject to tax treaty benefit, if any. The payor is required to withhold the applicable taxes.

8.25.4 In terms of Section 210 [erstwhile section 115AD] of the IT Act, income of a Foreign Institutional Investor received in respect of securities (other than units referred in [208-erstwhile section Section 115AB) as defined under the Securities Contracts (Regulations) Act, 1956 is taxed at 20% and income by way of long term capital gains arising on transfer of securities shall be taxed at the rate of 12.5% and maximum 30% in case of short term, subject to Tax Treaty benefit, if any. The payor is required to withhold the applicable taxes.

8.25.5 Any interest (other than above) on loan received in India currency is taxable at 35% (subject to Tax Treaty benefit, if any).

8.26 **Rate of surcharge**

8.27 The above rates of income-tax in this document shall be increased by the following surcharge on income-tax and health and education cess on income-tax and surcharge.

As per the Finance Act, 2024 with effect from 1 April 2024	Surcharge on income-tax	Health and Education Cess on income-tax and surcharge
Rate of surcharge on Indian companies with income exceeding INR 10 million but less than INR 100 million	7%	4%
Rate of surcharge on Indian companies with income exceeding INR 100 million	12%	4%
Resident companies opting for taxation under section 200 and section 201 [erstwhile section 115BAA and section 115BAB]	10%	4%
Rate of surcharge on Foreign companies with income exceeding INR 10 million but less than INR 100 million	2%	4%

[6] 'Specified Mutual Fund' means a Mutual Fund means (a) a mutual fund investing more than 65% of its total proceeds in debt and money market instruments and (b) a fund investing more than 65% of its proceeds in mutual fund mentioned in (a). The "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

As per the Finance Act, 2024 with effect from 1 April 2024	Surcharge on income-tax	Health and Education Cess on income-tax and surcharge
Rate of surcharge on Foreign companies with income exceeding INR 100 million	5%	4%
Rate of surcharge on Partnership firm / LLP with income exceeding INR 10 million	12%	4%
Individuals / HUF / AOP / BOI: where the total income exceeds INR 5 Million / 10 Million / 20 Million / 50 Million (Please refer to the note below)	10% / 15% /25% /37%	4%
Surcharge for additional tax on capital gain arising to Promoters on buy back of shares	12%	4%

8.28 Note: The surcharge is capped to 25% for taxpayers having opted for tax regime under Section 202 [erstwhile 115BAC] of the IT Act. Further, the enhanced rates of surcharge (essentially the 25% and 37% rate of surcharge applicable for income greater than INR 20 million and INR 50 million respectively), shall not apply for dividend income, long term capital gain referred to in section 197 [erstwhile section 112] of the IT Act and capital gain arising to FII on transfer of any securities and in case of capital gains arising on an on-market transfer of the following securities (where applicable securities transaction tax has been paid) as referred to in section 196 and 198 [erstwhile section 111A and 112A] of the IT Act:

- Equity shares
- Units of an equity-oriented fund
- Units of a Real Estate Investment Trust (REIT) or Infrastructure Investment Trust (InvIT)

8.29 **Tax Deducted at Source (TDS) under section 194Q**

8.30 With effect from 1 July 2021, a buyer while making payment to resident seller on purchase of goods having value exceeding fifty lakh rupees during the financial year is required to withhold tax at the rate of 0.1% under Section 393(1) – Serial No. 8(ii) [erstwhile Section 194Q] of the ITA.

8.31 'Buyer' for the purpose of this section is defined as a person whose total sales, gross receipts or turnover from the business carried on exceeds INR 100 million during immediately preceding financial year in which the purchase of goods is carried out.

8.32 'Goods' for the purpose of this section could include shares and securities. There are currently alternative interpretations of the applicability to transactions in securities including qualifying criteria for a "Buyer".

8.33 CBDT has also issued a clarificatory circular no. 13 / 2021 dated 30 June 2021 to address various issues in relation to the applicability of Section 194Q. As per the said circular, no TDS u/s 194Q shall apply in case of transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation including recognized stock exchanges or recognized clearing corporations located in IFSC.

8.34 Accordingly, where transactions in securities and commodities are traded through recognized stock exchanges, the provisions of section 194Q shall not apply in the hands of buyer.

8.35 Further, TDS under Section 194Q shall not be applicable where the buyer is a non-resident and the purchase of goods is not effectively connected to its permanent establishment in India (if any).

8.36 **Withholding of tax at higher rate**

8.37 As per Section 397(2)(b) [erstwhile 206AA] of the IT Act, where a recipient of income (which is subject to withholding tax) does not furnish its Permanent Account Number ("**PAN**"), then tax is required to be deducted by the payer at the higher of the following i.e., (i) rates specified in the relevant provisions of the IT Act; (ii) rates in force; or (iii) at 20% (twenty per cent) / 5% (five per cent) in case of withholding of tax under Section 393(1) – Serial No. 8(ii) [erstwhile 194Q]. In case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents (including their tax residency certificate).

8.38 Accordingly, in case of recipient who do not have a PAN, tax shall be withheld at a minimum rate of 20% (twenty per cent) / 5% (five per cent) for TDS under Section 393(1) – Serial No. 8(ii) [erstwhile 194Q], except in case of non-resident investors who furnishes certain prescribed information / documents (including their tax residency certificate) are provided by such Investors being non-residents.

8.39 **Deemed income on investment in shares / securities**

8.40 In terms of Section 92(2)(m) [erstwhile 56(2)(x)] of the IT Act, if shares / securities are received for less than the fair market value of the shares / securities (computed

[7] Not applicable in case of interest on long term bonds referred to under Section 194LC of the IT Act.

as per prescribed rules), the difference between the price paid and fair value thereof shall be deemed as ordinary income of the recipient.

8.41 Separately, as per the provisions of Section 79 of the ITA [erstwhile section 50CA] if shares other than "quoted shares" are transferred for less than the fair value of the shares (computed as per prescribed rules), the fair value of such unquoted shares shall be deemed to be the sale consideration for the seller, for computing its capital gains for Indian tax purposes. "Quoted share" is defined as "the share quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business."

8.42 **Bonus Stripping**

8.43 According to Section 175(9) [erstwhile section 94(8)], 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.

8.44 **General Anti-Avoidance Rules (GAAR)**

8.45 The Finance Act, 2012 had introduced General Anti-Avoidance Rules (GAAR) into Act, which, subsequent to the amendments introduced by the Finance Act, 2015, has come into effect from April 1, 2017.

8.46 As per the provisions of IT Act, Indian tax authorities have been granted wide powers to tax 'impermissible avoidance arrangements' including the power to disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa. The GAAR provisions are potentially applicable to any transaction or any part thereof.

8.47 The term 'impermissible avoidance arrangement' has been defined to mean an arrangement where the main purpose is to obtain a tax benefit, and it:

8.47.1 Creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length;

8.47.2 Results, directly or indirectly, in the misuse, or abuse, of the provisions of the IT Act;

8.47.3 Lacks commercial substance or is deemed to lack commercial substance; or

8.47.4 Is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes

8.48 Further, an arrangement shall be presumed, unless it is proved to the contrary by the taxpayer, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

8.49 In case the GAAR is applied to any transaction pertaining to the investor, it could have an adverse impact on the returns to the Investors.

8.50 It is provided that GAAR shall not apply, inter alia, to arrangements where the aggregate tax benefit in a relevant year, to all the parties involved, does not exceed INR 3,00,00,000 (Indian Rupees Thirty million).

8.51 **Other applicable taxes**

8.52 Wealth tax has been abolished by the Finance Act, 2015.

8.53 **Securities Transaction Tax ("STT")** - As discussed above the concessional rate for short term capital gains and long term capital gains would be applicable only if the sale / transfer of the equity shares takes place on a recognized stock exchange in India. All transactions entered on a recognised stock exchange in India will be subject to STT levied on the transaction value at the applicable rates.

8.54 The rates of STT are as follows: -

TAXABLE SECURITIES TRANSACTION	STT RATE	PAYABLE BY	TAXABLE SECURITIES TRANSACTION
Purchase / sale of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of shares	0.1%	Purchaser as well as Seller	Purchase / sale of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of shares
Sale of a unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the	0.001%	Seller	Sale of a unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the

TAXABLE SECURITIES TRANSACTION	STT RATE	PAYABLE BY	TAXABLE SECURITIES TRANSACTION
contract is settled by actual delivery or transfer of units			contract is settled by actual delivery or transfer of units
Sale of equity share on a recognized stock exchange where the transaction is settled otherwise than by actual delivery or transfer	0.025%	Seller	Sale of equity share on a recognized stock exchange where the transaction is settled otherwise than by actual delivery or transfer
Sale of unlisted equity shares under an offer for sale	0.2%	Seller	Sale of unlisted equity shares under an offer for sale
Sale of an option in securities	0.1% (increased to 0.15% of option premium under the Finance Act 2026)	Seller	Sale of an option in securities
Sale of an option in securities where the option is exercised	0.125% (increased to 0.15% of intrinsic price under the Finance Act 2026)	Purchaser	Sale of an option in securities where the option is exercised
Sale of futures in securities	0.02% (increased to 0.05% under the Finance Act 2026)	Seller	Sale of futures in securities
Sale of equity-oriented fund to a mutual fund	0.001%	Seller	Sale of equity-oriented fund to a mutual fund
TAXABLE SECURITIES TRANSACTION	STT RATE	PAYABLE BY	TAXABLE SECURITIES TRANSACTION
Purchase / sale of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery	0.1%	Purchaser as well as Seller	Purchase / sale of an equity share in a company where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or

TAXABLE SECURITIES TRANSACTION	STT RATE	PAYABLE BY	TAXABLE SECURITIES TRANSACTION
or transfer of shares			transfer of shares

8.55 Applicable stamp duty under various scenarios are tabulated below:

Particulars	Rate	Leviable on
1. Issue of securities		
Shares	0.005%	Issuer
Debentures	0.005%	Issuer
2. Transfer of securities		
A. Shares		
On delivery basis	0.015%	Buyer
On non-delivery basis	0.003%	Buyer
In physical form	0.015%	Seller/ Transferor
B. Debentures		
Marketable	0.0001%	Buyer
Non-marketable	0.0001%	Seller/Transferor

8.56 A stamp duty is imposed on purchase of mutual funds – equity and debt funds – from July 1, 2020. As per SEBI, 0.005% stamp duty will be levied on purchase of mutual funds, including lump sum, SIP, STP, and dividend reinvestment. It is, however, not applicable on redemption of units. Meanwhile, a stamp duty of 0.015% will also be imposed in case of transfer of units between demat accounts.

There can be no guarantee that the above position regarding taxation of the Client would necessarily be accepted by the income-tax authorities under the IT Act. No representation is made either by the Portfolio Manager or any employee, partner or agent of the Portfolio Manager in regard to the acceptability or otherwise of the above position regarding taxation of the Client by the income tax authorities under the IT Act. Prospective Investors are urged to consult their own tax advisers in this regard.

9. Accounting Policies

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

A. Client Accounting

(1) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.

(2) The books of account of the Client shall be maintained on an historical cost basis.

(3) Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.

(4) All expenses will be accounted on due or payment basis, whichever is earlier.

(5) The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.

(6) Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

(7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.

(8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

(9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.

(10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

(11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

(12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.

(13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

C. Valuation of portfolio investments

(14) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

(15) Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.

(16) Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.

(17) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.

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

The Investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues. The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar Securities. However, such changes would be in conformity with the Regulations.

10. Investors Services

(i) *(i) Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:*

Name of the person	**Poonam Rawal**
Designation	Compliance Officer
Address	Keshava Commercial Premises, Office no.110, 1st Floor, E-Block, Bandra Kurla Complex [BKC] Bandra East, Mumbai – 400051,India.
Email	grievance@asteyaglobal.com;
Telephone	9833258518

(ii) *Grievance redressal and dispute settlement mechanism:*

- The personnel/s of the Portfolio Manager as listed above will attend to and address any Client query / concern / grievance in accordance with the grievance redressal mechanism as per applicable Laws.
- In case the Client is not satisfied with the redressal by the Portfolio Manager or otherwise, the Client may lodge a complaint on SEBI's web-based complaints redress system (SCORES) at https://scores.gov.in/scores/Welcome.html.
- After exhausting the aforesaid mentioned options for resolution of the grievance, if the Client is still not satisfied with the outcome they can initiate dispute resolution mechanism that includes mediation and / or conciliation and / or arbitration, through the Online Dispute Resolution Portal (ODR Portal) at https://smartodr.in/login in accordance with the procedure specified by SEBI vide SEBI circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 4, 2023), on "Online Resolution of Disputes in the Indian Securities Market". A copy of the said SEBI circular is here – https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities.

11. Details of the diversification policy of the Portfolio Manager

Asteya has a bottom-up fundamentals-oriented philosophy where the list of portfolio companies is formed basis the resilience of fundamentals (as one of the many factors) of the respective companies against various external headwinds such as macro-economic factors, competitive intensity etc. This reliance in portfolio fundamentals provides the biggest source of downside protection against volatility in the external operating environment. For managing diversification risk and to reduce the exposure of massive drawdown of a single stock, Asteya investment in different types of stocks and accordingly curates the portfolio. We can have stocks ranging from 5 to 30 in a portfolio basis client requirement. Average number of stocks in our portfolio is around 12-15 stocks per portfolio. Asteya doesn’t have sector-based diversification boundary. We can have a portfolio which has 100% allocation in as few as two or three sectors.

PART II – DYNAMIC SECTION

12. Client Representation

The client representation as on 30th June 2026:

Category of client	No. of clients	Funds Managed (Rs. Cr)	Discretionary / Non-discretionary (if applicable)
Associate / Group company (Last 3 years)			
As on 31st March 2024	0	0	NA
As on 31st March 2025	0	0	NA
As on 31st March 2026	0	0	NA
As on 30th June 2026	0	0	NA
Others (Last 3 years)			
As on 31st March 2024	0	0	NA
As on 31st March 2025	0	0	NA
As on 31st March 2026	0	0	NA
As on 30th June 2026	5	69.38	DPMS+NDPMS

Disclosure regarding transactions with related parties:

(a) **Names of enterprises with whom significant influence is exercised:**

Name of Entity	Relationship
Asteya Investment Managers LLP	LLP Firm

(b) **Names of Key Management Personnel**

Mr. Arun Bahl	Managing Partner
Mr. Manindra Gupta	Managing Partner

13. Financial Performance

The Portfolio Manager was incorporated in December 2012. The summarised financial position of the Portfolio Manager, as per its audited financial statements for the last three financial years, is set out below:

SUMMARISED BALANCE SHEET	(Indian Rupees in Thousands)		
Particulars	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2023**
EQUITY AND LIABILITIES			
Partners' Funds			
Partners' contribution	1,300	1,300	1,300
Partners' current account	1,13,892	72,664	80,537
Total Partners' Funds	**1,15,192**	**73,964**	**81,837**
Non-current Liabilities			
Deferred tax liability (net)	133	-	-
Total Non-current Liabilities	**133**	**-**	**-**
Current Liabilities			
Trade payables	3	-	1
Other current liabilities	38	54	75
Total Current Liabilities	**41**	**54**	**76**
TOTAL EQUITY AND LIABILITIES	**1,15,366**	**74,018**	**81,913**

ASSETS			
Non-current Assets			
Property, plant and equipment	5,228	6,178	7,084
Intangible assets	8	8	8
Non-current investments	75,110	62186	67,250
Other non-current assets	955	250	330
Total Non-current Assets	**81,301**	**68622**	**74,672**
Current Assets			
Current investments	32,264	2388	-
Trade receivables	-	-	-
Cash and bank balances	1,216	2,677	6,858
Short-term loans and advances	585	331	383
Total Current Assets	**34,065**	**5396**	**7,241**
TOTAL ASSETS	**1,15,366**	**74,018**	**81,913**

14. Portfolio management performance of the Portfolio Manager for the last three years, and in case of Discretionary Portfolio Manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020

The Portfolio Manager commenced its portfolio management operations in April 2026. Accordingly, audited performance data for the preceding three financial years is not available. The performance of the Portfolio Manager, calculated using the Time Weighted Rate of Return (TWRR) method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020, for the period from commencement of operations to 30th June 2026 is set out below:

Investment Approach	TWRR since inception to 30th June 2026 (%)	Benchmark	Benchmark return for the corresponding period (%)
Asteya Large & Mid Cap Fund	5.31	Nifty 50 TRI	4.42
Asteya Small & Micro Cap Fund	13.10	BSE 500 TRI	8.56
Asteya Curation – I	-0.09	Nifty 50 TRI	1.95
Asteya Liquid STP (DPMS)	-0.77	Crisil Composite Bond Fund Index	3.45
Asteya Liquid STP (NDPMS)	-0.09	Crisil Composite Bond Fund Index	2.27
Asteya Multi Asset Fund	1.10	NSE Multi Asset Index 2	1.87

Note: Past performance is not indicative of future returns.

15. Audit Observations (audit observations of the preceding 3 years)

There have been no audit observations in respect of the Portfolio Manager for the preceding three financial years. The Portfolio Manager commenced portfolio management operations in April 2026, and no observations have been reported in respect of such operations as on the date of this Document.

16. 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					

For Asteya Investment Managers LLP

Arun Bahl
Managing Partner

Manindra Gupta
Managing Partner

Place: Mumbai

Date: 30-07-2026

FORM C

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

Asteya Investment Managers LLP

Keshava Commercial Premises, Office no.110, 1st Floor, E-Block, Bandra Kurla Complex [BKC], Bandra East, Mumbai – 400051, India.
Tel: +91 98922 88518
E-mail: info@asteyaglobal.com

We confirm that:

(i) the Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time;

(ii) the disclosures made in the Document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management;

(iii) the Disclosure Document has been duly certified by an independent Chartered Accountant M/s. Aneel Lasod And Associates, Chartered Accountant (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) having membership number 040117 and office at A-1101, 1102 and 1103, Corporate Annexe, 11th Floor, Sonawala Road, Goregaon (East), Mumbai 400063 on 30-July-2026

Signature of the Principal Officer:

____

Name and address of the Principal Officer:

Manindra Gupta

Keshava Commercial Premises, Office no.110, 1st Floor, E-Block, Bandra Kurla Complex [BKC]
Bandra East, Mumbai – 400051, India.
Date: 30-07-2026

Place: Mumbai

CERTIFICATE

The Designated Partners,

Asteya Investment Managers LLP
Office no. 110, 1st Floor, Keshava Building, Plot No C-5, E Block
Bandra Kurla Complex, Bandra East,
Mumbai 400051

1. You have requested to us to provide a certificate on the Disclosure Document for Portfolio Management Services ("the Disclosure Document") of **Asteya Investment Managers LLP** ("the LLP"). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").

2. Preparing the Disclosure Document in compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the SEBI Regulations") and the Master Circular issued by SEBI dated July 16, 2025; is the responsibility of the management of the LLP. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

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 relied upon as provided by the LLP.
ii. The Promoters and Partner's qualification, experience, ownership details are as declared by them and have been accepted without further verification.
iii. We have relied on the representations given by the management of the LLP about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
iv. We have relied on the representation made by the management regarding the Assets under management of Rs. 69.38 crores as on June 30, 2026.

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 disclosures made in the Disclosure Document dated July 30, 2026 are true and fair in accordance with the disclosure requirements laid down in Regulation 22 read with Schedule V to the SEBI Regulations. A management certified copy of the disclosure document is enclosed herewith.

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

For Aneel Lasod and Associates
Chartered Accountants
Firm Regn.No.124609W

Signature Not Verified
Digitally signed by Aneel manoharlal Lasod
2026.07.30 16:53 IST

Aneel Lasod
(Partner)
Membership No.040117
Place: Mumbai
Date: 30-07-2026
UDIN: 26040117BTNMCN6107