WILLOW ADVISORS LLP
DISCLOSURE DOCUMENT

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

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

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

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

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

PRINCIPAL OFFICER	**PORTFOLIO MANAGER**
Name: Nisarg Ganatra	**Name:** Willow Advisors LLP
Phone: +91 022 22181072 / 74	**Address:** 302-A, Floor-G, Plot-102, Sylverton Building, Nathalal Parikh Marg, Colaba, Mumbai – 400005, Maharashtra, India.
E-Mail: nisarg@willowadvisors.in	

WILLOW ADVISORS LLP

302, Sylverton Building, Ground Floor, 102, Nathalal Parikh Marg, Wodehouse Road, Colaba, Mumbai - 400 005.
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Website : www.willowadvisors.in

Securities & Exchange Board of India (Portfolio Managers) Regulations 2020

(Regulation 22)

Name of the Portfolio Manager	Willow Advisors LLP
Registered and Corporate office	02-A, Floor-G, Plot-102, Sylverton Building, Nathalal Parikh Marg, Colaba, Mumbai – 400005, Maharashtra, India.
Telephone	+91 022 22181072 / 74
Email	nisarg@willowadvisors.in

We confirm that:

i) The Disclosure Document forwarded to the Securities & Exchange Board of India (SEBI) is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time in this regard;

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

iii) The Disclosure Document has been duly certified by an independent Chartered Accountant - **Abhay Bhagat & Co.**, Chartered Accountants, having membership No. 42552 and office at Santacruz East, Mumbai on 23rd April, 2026.

For and on behalf of **Willow Advisors LLP**

Nisarg Ganatra, CFA
Principal Officer.
302- A, Floor-G, Plot No. 102,
Sylverton Building, Nathalal Parikh Marg,
Colaba, Mumbai – 400 005,
Maharashtra, India.

Date: 23.04.2026
Place: Mumbai

Table of Contents

1. *Disclaimer.* 4
2. *Definitions.* 5
3. *Description.* 9
4. *Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.* 11
5. *Services Offered.* 12
6. *Risk factors.* 14
7. *Nature of expenses.* 21
8. *Taxation.* 23
9. *Accounting policies.* 36
10. *Investors services.* 38
11. *Details of diversification policy of the Portfolio Manager.* 40
12. *Client Representation.* 41
13. *Financial Performance based on audited financial statements.* 42
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 Regulations 22 of the SEBI (Portfolio Managers) Regulations, 2020.* 43
15. *Audit Observation.* 44
16. *List of third-party service providers whose services are being used by Portfolio Manager for the proposed Portfolio Management Service.* 45
17. *Details of investment of client's funds by the Portfolio Manager in the securities of its related parties or associates.* 46
18. *General.* 47

PART I – STATIC SECTION

1. Disclaimer.

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 Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

(a) **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.

(b) **Accredited Investor**: means any person who is granted a certificate of accreditation by an accreditation agency as per the criteria specified in the SEBI (Portfolio Managers) Regulations, 2020.

(c) **Agreement:** means the discretionary portfolio management services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.

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

(e) **Assets Under Management** or **AUM**: means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.

(f) **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.

(g) **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.

(h) **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.

(i) **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.

(j) **Capital Contribution:** means the sum of money or securities, contributed by the Client for investments in accordance with the terms of the Agreement from time to time during the Term.

(k) **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.

(l) **Client / Investor/s:** means individuals, company, body corporate, partnership firm, association of persons, limited liability partnership, trust (private as well as public), hindu undivided family and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.

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

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

(o) **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.

(p) **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.

(q) **Disclosure Document or Document:** means this document issued by the Portfolio Manager.

(a) **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).

(b) **Financial Year:** means a period of 12 months commencing on 1st of April and ending on the 31st March of the succeeding year.

(c) **Investment Approach**: means 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.

(d) **Large Value Accredited Investor**: means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of Rs. 10 crore rupees.

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

(f) **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.

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

(h) **Portfolio or Client Portfolio:** means the total holdings of all Securities and goods belonging to the Client in accordance with the Agreement.

(i) **Portfolio Entity/ies:** means companies, enterprises, entities, bodies corporate, venture capital funds, trusts, limited liability partnerships, partnership firms or any other entities in the Securities in which the monies of the Portfolio are invested subject to Applicable Laws.

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

(k) **Portfolio Manager:** means Willow Advisors LLP having its registered office at 302-A, Floor-G, Plot-102, Sylverton Building, Nathalal Parikh Marg, Colaba, Mumbai – 400005, Maharashtra, India, who pursuant to a contract or arrangement with a Client / Investor, advises or directs or undertakes on behalf of the Client / Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of Securities or the funds of the Client / Investor, as the case may be.

(l) **Principal Officer:** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

(m) **PMS:** means the portfolio management service platform provided by the Portfolio Manager, including discretionary, non-discretionary, and advisory services, in accordance with the terms and conditions set out in the Agreement and this Document.

(n) **PML Laws**: means the Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Client of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.

(o) **Product:** means the investment products with the respective investment strategy/ features, introduced by the Portfolio Manager from time to time.

(p) **Regulations:** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.

(q) **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; (viii) any body corporate which is a holding, subsidiary or an associate company of the Portfolio Manager.

(r) **Securities:** shall mean and include securities listed or traded on a recognized stock exchange, unlisted equity, unlisted debt, money market instruments, units of mutual funds or other securities as specified by SEBI from time to time.

(s) **Term:** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

(t) **Termination Fee:** means the termination fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

Capitalized terms used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.

3. Description.

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

(a) History, Major events and present activities:

The Portfolio Manager is a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 on March 26, 2019 at Mumbai. It has a portfolio manager license (registration number INP000006925) to offer investment management, portfolio management and advisory services to High Net-worth Individuals (HNIs), institutional clients, corporates and other permissible class of investors.

(ii) Partners, Designated Partners of the Portfolio Manager and their background:

(a) Mr. Rustam Kumana, Founder / Designated Partner

Mr. Kumana managed through his family office, the equity and debt portfolios of himself and his family. Mr. Kumana has very sound knowledge of companies and studies their fundamentals. He uses value investing strategies developed by Mr. Benjamin Graham, the father of value investing. Over many years, Mr. Kumana has been studying companies and meeting industry veterans to supplement his knowledge to identify companies which offer favourable capital appreciation prospects. Mr. Kumana also regularly reads the transcripts of the earnings conference calls held by companies.

He serves as a trustee on the board of trustees of Mottibai & Nowroji Contractor Charities.

(b) Mr. Saroosh Dinshaw, Founder/ Designated Partner

Mr. Dinshaw managed through his family office various equity, debt and real estate portfolios. The office overlooked the investment accounts of family members, private and public trusts. He has previously worked with IDFC Investment Advisors Limited for over 9 years, later being the Vice President-Head of Proprietary Equity. Mr. Dinshaw has previously managed IDFC's proprietary equity portfolio which consisted of equity investments in the infrastructure space, via private equity and secondary market investments. He has also worked with Richmont Investment Management LLC, Dallas, Texas, USA as an Equity Analyst where he was responsible for industry, sector and technical analysis, initiated coverage of international stocks and assisted in setting up an offshore fund.

He serves as a trustee on the board of several public charitable trusts, prominent among them being Bombay Panjrapole. He serves on the board of directors of the Cowasjee Dinshaw & Sons Pvt Ltd.

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis:

Not Applicable.

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

The Portfolio Manager proposes to primarily carry on discretionary portfolio management services and if opportunity arises thereafter, then it also proposes to render non-discretionary portfolio management services and advisory services. The key features of all the said services are provided as follows:

(a) Discretionary Services:

Under the discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question except on the ground of fraud, *malafide*, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws in force from time to time, including the Regulations. Periodical statements in respect of the Client's assets under management shall be sent to the respective clients.

(b) Non-Discretionary Services:

Under the non-discretionary PMS, the Capital Contribution of the Client shall be invested in listed and/or unlisted securities (provided that investment in unlisted securities shall not exceed 25% of the assets under management of such Client and managed in consultation with the Client. Under this service, the investments/assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager *inter alia* manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client.

(c) Advisory Services:

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the portfolio strategy and investment and divestment of individual securities on the Client's Portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk; to all eligible category of Investors who can invest in Indian market. The investment advisory services for investment in unlisted securities may be provided upto 25% of the AUM of such Client managed under discretionary services. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment / divestment of Securities and / or any administrative activities on the Client's Portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the Client, from time to time, in this regard.

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

(i) **All cases of penalties imposed by SEBI or the directions issued by SEBI under Applicable Laws:**

None.

(ii) **The nature of the penalty/direction:**

None.

(iii) **Penalties/fines imposed for any economic offence and/ or for violation of any securities laws:**

None.

(iv) **Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any;**

None.

(v) **Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency.**

None.

(vi) **Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its partners, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer or employee, under Applicable Laws.**

None.

5. Services Offered.

I. The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in this Document for easy understanding of the potential investor:

(a) Investment Objective

The investment objective of the Portfolio Manager under its PMS is to provide superior and consistent risk adjusted return for the Client. The Portfolio Manager would seek to generate capital appreciation as well as returns on Client's capital by such investments.

(b) Minimum investment

The minimum investment amount per Client under the PMS is ₹50,00,000 (Rupees Fifty Lakhs). Accredited Investors and Large Value Accredited Investors may be subject to different minimum investment amounts as specified in the Agreement and the Regulations.

(c) Type of securities in which Portfolio Manager will invest

The Portfolio Manager may invest Capital Contributions in listed, unlisted equity and debt securities, derivative instruments like stock index futures, futures on individual stocks, options on stock indices and options on individual stocks, interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time and any other permissible securities/instruments/products in which the Portfolio Manager can invest as per the Applicable Laws.

II. Investment Approach of the Portfolio Manager:

The Portfolio Management Services to be offered shall be as per the following Investment Approaches under Equity Strategy:

1. **Name of the Investment Approach :** Willow Long Term Value Strategy

   a. **Investment Objective:** To achieve higher risk adjusted returns by focusing on long terminvesting and reducing unnecessary transaction costs thereby benefiting the ClientPortfolio.

   b. **Types of securities:**

      i. Listed equity and preference shares of Indian companies;
      ii. Listed debentures, bonds and secured premium notes, including tax exempt bonds ofIndian companies and corporations;
      iii. Units and other instruments of mutual funds;
      iv. Money market instruments such as government securities, commercial papers, tradebills, treasury bills, certificates of deposit and usance bill;

v. Listed options, futures, swaps and such other derivatives as may be permitted fromtime to time.
vi. Such other securities / instruments as specified by SEBI from time to time.

c. **Basis of selection of such securities:** Only investing in securities which fulfil certain criteria such as companies run by honest and capable management, long history of successful execution of business decisions, understandable businesses and available atfair prices. Other additional factors such as no or moderate debt, long dividend payment history etc. The selection criteria are stringent enough to only permit investments in companies with a proven track record thereby reducing chances of buying fraud and scam companies.

d. **Allocation of portfolio across types of securities:**

i. Equity - 70 to 100%
ii. Cash and Cash Equivalent - 0 to 30%

The allocation would be strategy based capable of delivering the desired risk adjusted returns with downside protection.

e. **Appropriate benchmark to compare performance and basis for choice of benchmark :** The Nifty 50 TRI would be the benchmark. The said chosen benchmark resembles the kind of stocks held in portfolios in terms of quality, corporate governance andlong-term strategy.

f. **Indicative tenure or investment horizon:** Ideally long term. Average holding period would be around 10 to 15 years.

g. **Risks associated with investment approach:** The risks would be those associated withinvesting in equities. Our definition of risk is loss of capital and not market volatility. Our aim is to reduce these risks by investing in industry leaders with a long-term track record of successful execution and generation of shareholder wealth.

h. **Other salient features :** A moderate fee structure that enables us to focus on enhancing our Clients' wealth in the long run. Our aim is to generate capital appreciation for our Clients.

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

As on date, Portfolio Manager does not have any Associate/Group Company as defined under the Regulations.

6. Risk factors.

General Risk:

a. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.

b. The past performance of the Portfolio Manager does not indicate its future performance.

c. Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act, save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.

d. The Client Portfolio may be affected by settlement periods and transfer procedures.

e. The portfolio management service is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.

f. All the transactions of purchase and sale of securities by the Portfolio Manager and its employees who are directly involved in investment operations shall be disclosed in the event there is any conflict of interest with the transaction in any of the Client Portfolio.

g. Any conflict of interest with respect to services offered by group entities of the Portfolio Manager shall be disclosed to the Client, as and when such a conflict arises.

Other risks arising from the investment objectives, investment approach, investment strategy and asset allocation are stated as under:

Management and Operational Risk:

Reliance on the Portfolio Manager

a. The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time.

b. The investment decisions made by the Portfolio Manager may not always be profitable.

c. Investments made by the Portfolio Manager are subject to risks arising from the investment objectives, investment approach, investment strategy and asset allocation.

Inter-se different activities: The Portfolio Manager and its affiliates may be involved in a variety of advisory, management and investment-related activities including management of alternative investment funds in the future. The Investment Manager and any of its affiliate/group entities may, from time to time, act as investment managers or advisers to entities, companies or funds apart from the portfolio management activities under the PMS. It is therefore possible that the Portfolio Manager and its affiliates may in the course of their business have potential conflicts of interest inter-se different activities.

Exit Load: Client may have to pay a exit load/Termination Fee to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client). In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments, however, the Portfolio Manager will attempt to maintain a diversified portfolio in order to minimize this risk.

No Guarantee: Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

India-related Risks:

Political, economic and social risks: Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude

oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Legal and Tax risks:

Tax risks: Changes in state and central taxes and other levies in India may have an adverse effect on the cost of operating activities of the Portfolio Entities. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes.

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

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

Risks pertaining to Investments:

Investment in Securities/Instruments

a. The Client Portfolio may comprise of investment in unlisted securities, fixed income securities, debt securities/products and in case of such securities, the Portfolio Manager's ability to protect the investment or seek returns or, liquidity may be limited.

b. In case of *in-specie* distribution of the Securities by the Portfolio Manager upon termination or liquidation of the Client Portfolio, the same could consist of such Securities for which there may not be a readily available public market. Further, in such cases the Portfolio Manager may not be able to transfer any of the interests, rights or obligations with respect to such Securities except as may be specifically provided in the agreement with Portfolio Entities. If an *in-specie* distribution is received by the Client from the Portfolio Manager, the Client may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.

c. Some of the Portfolio Entities in which the Portfolio Manager will invest may get their Securities listed with the stock exchange after the investment by the Portfolio Manager. In connection with such listing, the Portfolio Manager may be required to agree not to dispose of its Securities in the Portfolio Entity for such period as may be prescribed under the Applicable Law, or there may be certain investments made by the Portfolio Manager which are subject to a statutory period of non-disposal and hence Portfolio Manager may

not be able to dispose of such investments prior to completion of such prescribed regulatory tenures and hence may result in illiquidity.

d. The Client Portfolio may be invested in listed securities and as such may be subject to the market risk associated with the vagaries of the capital market.

e. The Portfolio Manager may also invest in Portfolio Entity/ies which are new or recently established or are investment vehicles like mutual funds/trusts/ venture capital funds. Such investments may present greater opportunities for growth but also carry a greater risk than is usually associated with investments in listed equity shares or in the Securities of established companies, which often have a historical record of performance.

Risks associated with investments in equity and equity linked securities:

a. Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
b. In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
c. In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
d. The value of the Portfolio, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
e. Client may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.
f. 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.

Risks associated with investments in fixed income Securities/products:

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

a. **Interest Rate Risk:** As with all debt securities, changes in interest rates affects the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to

the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of portfolios.

b. **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is a characteristic of the Indian fixed income market.

c. **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

d. **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

e. **Rating risks:** Different types of debt securities in which the Portfolio Manager invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.

f. **Price volatility risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these securities may be less liquid than that for other higher rated or more widely followed securities.

Investment and Liquidity Risks: There may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client Portfolio. Such investments may be of a medium-to-long term nature. There are a variety of methods by which unlisted investments may be realized, such as the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant approvals. However, there can be no guarantee that such realizations shall be achieved and the Portfolio's investments may remain illiquid.

Since the Portfolio may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the PMS.

Identification of Appropriate Investments: The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors

outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

Risk Factors associated with investments in derivatives:

a. 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 such strategies to be persuaded by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
b. The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments.
c. As and when the Portfolio Manager on behalf of the Client would trade in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. 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 or interest rate movements correctly. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the 'counter party') to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
d. The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
e. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
f. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

Risk associated with investments in mutual fund schemes

a. 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.
b. 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.

c. Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
d. 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.
e. The Portfolio Manager shall not be responsible, if the AMC/fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 2026 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.
f. The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.

7. Nature of expenses.

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

I. **Management fee**:

The management fee relates to the portfolio management services offered to the Clients. The fee is typically a fixed charge i.e. 0.5% p.a. of the funds being managed.

II. **Performance fee**:

The performance fee relates to the share of profits charged by the Portfolio Manager. This fee is strictly subject to the high-water mark principle, ensuring fees are only charged on new gains. The Performance fee is 10% (i.e. the Portfolio value less the Portfolio value on which the Performance Fee was last charged).

III. **Placement fee**:

A one-time placement fee, at actuals, may be charged to the clients at the time of entering into the Agreement (not applicable for direct Clients). Such fee shall be disclosed to the Clients prior to entering into the Agreement. This fee is not applicable for clients who onboard directly.

IV. **Termination fee**:

The Portfolio Manager may charge an early withdrawal fee a percentage of the value of the Portfolio /withdrawn Portfolio as per the terms and conditions of a particular Product. There is a termination fee upon early termination/ partial withdraw of 1% applicable for 1 year from the portfolio commencement date. For avoidance of doubt no termination fee shall be payable on termination/ partial withdrawal after 1 year from the commencement date.

V. **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.

VI. **Registrar and Transfer Agent fee**:

This is fee payable to the Registrar and Transfer Agent for giving effect to transfers of Securities and may *inter alia* include stamp duty costs, courier, post and notary charge.

VII. **Fund accounting charges**: As may be applicable from time to time.

VIII. **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 inter alia include service charges, stamp duty costs, GST, STT etc.

IX. **Goods and Service Tax**: As may be applicable from time to time.

X. **Bank charges**: As may be applicable from time to time.

XI. **Stamp duty**: As may be applicable from time to time.

XII. **Legal costs and professional fees**:

Costs incurred for documentation, certifications, attestation and instituting or defending legal suits, audit fees and other similar charges.

XIII. **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.

XIV. 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 AUM.

8. Taxation.

It may be noted that the information given hereinafter is only for general information purposes and is based on the Portfolio Manager's understanding regarding the Tax laws and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment will be accepted by the tax authorities or will continue to be accepted by them indefinitely.

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Portfolio Manager to induce any investor to invest whether directly from the Portfolio Manager or indirectly from any other persons by the secondary market operations. In view of the above, and since the individual nature of tax consequences may differ in each case on its merits and facts, each Investor is advised to consult his / her or its own professional tax advisor with respect to the specific tax implications arising out of its participation in the Portfolio Management Services, as an investor. In view of the above, it is advised that the Investors appropriately consult their investment / tax advisors in this regard.

The tax implications given hereunder are broad level implications as amended by the Finance Act (No. 2) 2024 enacted on August 16, 2024. Such implications may differ taking into account the specific facts of each individual case. Further, the tax rates and provisions are as applicable as on the date of issue of this document and would need to be considered as on the date of the taxable event.

The Clients are accordingly advised to avail the services of a professional consultant in determining their exact tax implications.

A. Treatment of Dividend from Companies and Mutual Funds:

a) Dividends declared, distributed or paid up to March 31, 2020:

Any dividend income from a domestic company, which is subject to dividend distribution tax (DDT) under section 115-O of the Income-tax Act, 1961 ('Act') is exempt from tax under section 10(34) of the Act. However, as per the proviso to section 10(34) of the Act, nothing contained under section 10(34) shall apply to any income by way of dividend chargeable to tax in accordance with the provisions of section 115BBDA of the Act. As per section 115BBDA of the Act, any income earned by a specified assessee who is resident in India, by way of dividend declared, distributed or paid by a domestic company in excess of INR 10,00,000, the same shall be chargeable to tax at 10% (excluding surcharge and health and education cess) on a gross basis. Accordingly, the said tax shall be over and above the DDT paid by the domestic company distributing the dividend.

'Specified assessee' means a person other than (i) domestic company; or (ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution as referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause

(23C) of section 10 of the Act; or (iii) a trust or institution registered under section 12A or section 12AA or section 12AB of the Act.

Income (other than on transfer of units) from units of a Mutual Fund, registered with the Securities and Exchange Board of India (SEBI), is exempt from tax under section 10(35) of the Act.

b) Dividends declared, distributed or paid from April 01, 2020:

With effect from April 01, 2020, Finance Act 2020 has abolished the DDT charged under section 115-O and section 115R of the Act on the dividends paid by the domestic company and Mutual Fund, respectively, thereby transferring the tax burden completely in the hands of the shareholders/unitholders. Resultantly, section 10(34) and section 10(35) of the Act has also been deleted. Currently, the dividend is taxable in the hands of the unitholders/shareholders and also, subject to withholding of taxes at source by the Mutual Fund/Company, at applicable rates.
In addition to the above, where any income distributed up to March 31, 2020 which is subject to tax on distribution is received on or after April 01, 2020, the same shall continue to be exempt in the hands of shareholders/unitholders under section 10(34)/10(35) of the Act.

B. Proceeds on buy-back of shares by company:

As per Section 10(34A) of the Act, gains arising on buy-back of shares (not being shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the Act, a distribution tax at the rate of 20% (plus applicable surcharge and health and education cess) is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of the Income tax Rules, 1962 ('Rules') provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

As per the Finance (No. 2) Act, 2019, any buy back of listed shares, on or after July 05, 2019, shall also attract buy-back tax under section 115QA of the Act. Accordingly, exemption under section 10(34A) of the Act is also extended on such buy-back transactions. However, as per the Ordinance 2019, there shall be no buy-back tax w.r.t those shares for which public announcement of buy-back was made before July 05, 2019.

The Finance (No. 2) Act, 2024 (FA 24) amended the taxation of buyback of shares effected on or after 1 October, 2024 in the hands of shareholder as under:
1. Buyback amount taxable as "Deemed Dividend"
2. Cost incurred for purchase of shares to be treated as "Capital Loss"

FA 24 has also made a consequential amendment in section 194 of the Act to provide for tax withholding at 10% on such consideration paid by the company.

C. Characterisation of Income earned from Transfer/ Sale of Securities.

Transaction in shares/ securities/ units of Mutual Fund may be either on the capital account (and chargeable to tax 'Capital gains' under section 45 of the Act) or on the trading account (and chargeable to tax as 'Profits and gains of business or profession' under section 28 of the Act).

The issue of income characterization as above is essentially a question of fact and dependent on various factors. Guidance can be sought from judicial precedents and clarifications issued by the Central Board of Direct Taxes (CBDT) vide circular/instructions.

In this regard, CBDT issued Circular No 6 dated February 29, 2016 on the tax treatment of surplus arising from transfer of listed shares/ securities whether capital gains or business income with a view to reduce litigation and uncertainty and in partial modification to earlier CBDT Circulars, the 2016 Circular instructs tax authorities to consider certain guidelines for classifying listed shares/ securities as under:

i. Where the taxpayer itself, irrespective of the period of holding of the listed securities treats the gains from sale of such securities as business income, the same should be accepted by the tax authorities.
ii. Where the taxpayer wishes to treat the gains arising from transfer of listed securities held for a period more than 12 months immediately preceding the date of its transfer as capital gains, the same should not be put to any dispute by the tax authorities. However, this stand, Once taken in a particular year, shall remain applicable to subsequent years and taxpayers shall not be allowed to adopt a different stand in this regard in subsequent years.
iii. In all other cases, the nature of transaction (i.e. whether the same is in the nature of capital gains or business income) shall continue to be decided keeping in view the other notifications/ circulars issued by CBDT in this regard.

The aforementioned circular shall not apply in a case where the genuineness of the transaction itself is questionable. Based on the earlier Central Board of Direct Taxes ('CBDT') circulars and judicial decisions, following are inter alia the key factors and principles which need to be considered while determining the nature of assets as above:

- Motive for the purchase of shares;
- Frequency of transactions and the length of period of holding of the shares;
- Treatment of the shares and profit or loss on their sale in the accounts of the assessee;
- Source of funds out of which the shares were acquired – borrowed or own;
- Existence of an object clause permitting trading in shares – relevant only in the case of corporate bodies;
- Acquisition of the shares – from primary market or secondary market;
- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares

CBDT has clarified that, it is possible for a taxpayer to have two portfolios, i.e., an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio

comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as "Profits or Gains of Business or Profession" under section 28 of the Act or as "Capital Gains" under section 45 of the Act.

D. Short-Term and Long-Term Capital Gains on Sale of Securities:

Type of instrument	Period of holding	Characterization
Listed Equity or preference Share, Securities (other than units) and units of equity-oriented mutual funds,	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Units of Funds other than equity-oriented fund and market linked debentures	Irrespective of period of holding	Short-term capital Asset
Unlisted shares of a company	More than twenty four (24) months	Long-term Capital Asset
	Twenty four (24) or less	Short-term Capital Asset
Other securities	More than thirty six (36) months	Long-term Capital Asset
	Thirty six (36) months or less	Short-term Capital Asset

FA 24 rationalized the holding period for classification of capital assets as long-term or short-term from 23 July 2024. It is proposed that for all listed securities, the holding period is proposed to be 12 months and for all other assets, it shall be 24 months.

As per the provisions of section 48 of the Act, capital gains/ losses are computed by reducing from the sale consideration:

i. any expenditure incurred wholly and exclusively in connection with the transfer;
ii. the cost of acquisition of the asset transferred and the cost of any improvement thereto; and where long-term capital gain arises from the transfer of a long-term capital asset, other than capital gain arising to a non-resident from the transfer of shares in, or debentures of, an Indian company referred to in the first proviso, the provisions of clause *(ii)* shall have effect as if for the words "cost of acquisition" and "cost of any improvement", the words "indexed cost of acquisition" and "indexed cost of any improvement" had respectively been substituted.

Vide FA 24, it is enacted that the indexation benefit on cost of acquisition and cost of improvement shall not be available for long-term capital assets transferred on or after 23 July 2024. However, for cost step up based on fair market value as on 31 January 2018/1 April 2001 shall continue to be available.

Further, as per the FA 24 indexation benefit for the purpose of computing capital gain tax liability on sale of immovable property acquired on or before 23 July, 2024 by Resident Individual and

Hindu Undivided Family (HUF) would be available. The tax payable by the taxpayer would be lower of following:

1. 12.5% without indexation benefit or
2. 20% of capital gains after considering the benefit of indexation

Further, section 48 of the Act provides that in the computation of capital gains, no deduction shall be allowed in respect of STT paid.

Additionally, the status of tax payer (i.e. whether the taxpayer is an individual, a corporate, etc.), whether the transfer has been subject to Securities Transaction Tax (STT), the nature of the instrument sold, etc. also impact the rate of tax applicable to capital gains arising from the transfer of a capital asset. Some of these aspects have been discussed below.

The Finance Act 2023 inserted new section 50AA providing that capital gains arising from transfer or redemption, or maturity of specified market linked debentures (MLD) shall be deemed to be short-term capital gains (STCG) arising from transfer of a short-term capital asset.
In addition to the MLD, the Finance Act 2023 also included unit of a 'Specified Mutual Fund' acquired on or after 1 April 2023 under the ambit of above provisions of section 50AA of the ITA.

Explanation to section 50AA is amended to provide the meaning of 'Specified Mutual Fund': 'Specified Mutual Fund' means a Mutual Fund by whatever name called, where not more than thirty five percent of its total proceeds is invested in the equity shares of domestic companies: Provided that percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.'

FA 24 further amends the definition of "Specified Mutual Fund" under section 50AA of the Act, to provide clarity regarding the proportion of investment being made in terms of debt and money market instruments, and investment requirements in case of a Fund of Fund (FOF). A Specified Mutual Fund shall mean: - a Mutual Fund by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments; or - a fund which invests 65% or more of its total proceeds in units of a fund referred to in sub-clause (a). This amendment will be effective from 1 April 2026 and shall be applicable from AY 2026-27 onwards.

Securities Transaction Tax ("STT")

The following table provides the details in respect of the rate of STT applicable (as on date) to some of the taxable securities transactions:

Nature of Transaction	**Payable by**	**Value on which tax shall be levied**	**Rates applicable (%)**
Delivery based purchase transaction in units of equity oriented fund entered into in a recognized stock exchange	Purchaser	Value at which units are bought	Nil
Delivery based purchase transaction in equity shares or units of a business trust	Purchaser	Value at which shares/ units are bought	0.1

entered in a recognized stock exchange			
Delivery based sale transaction in equity shares or units of a business trust entered in a recognized stock exchange	Seller	Value at which shares/ units are sold	0.1
Delivery based sale transaction in units of equity oriented fund entered into in a recognized stock exchange	Seller	Value at which units are sold	0.001
Non-delivery based sale transaction in equity shares or units of equity oriented fund or units of a business trust entered in a recognised stock exchange	Seller	Value at which shares/ units are sold	0.025
Sale of units of an equity oriented fund to the mutual fund	Seller	Value at which units are sold	0.001

FA 24 has increased the rate of STT in case of future and option sale transactions as follows:

Particulars	Existing Rates	Revised Rates
Sale of Futures	0.0125% of the price at which such futures are traded	0.02% of the price at which such futures are traded
Sale of options	0.0625% of the option premium	0.1% of the option premium

Capital gains tax on sale transaction on which STT is chargeable:

i. Long-term capital gains:

Finance Act 2018 has, with effect from April 01, 2018, withdrawn the exemption on long term capital gains on sale of specified assets on which STT is chargeable and has introduced new section 112A of the Act. Under the provisions of new section 112A of the Act, in respect of transfer of an equity share in a company or a unit of an equity oriented fund or a unit of a business trust on or after April 01, 2018, tax at the rate of 10 per cent (plus applicable surcharge and cess) shall be levied on long-term capital gains, exceeding Rs.1,00,000, where in case of an equity share in a company, STT has been paid on acquisition and transfer of such capital asset in nature of asset being an equity shares in a company, or in a case of a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

FA 24 enacted that the tax rate on long-term capital gains would be 12.5% and the tax rate on short-term capital gains would be 20% (on which STT is paid). It is also enhanced that the exemption

for long-term capital gains arising from the transfer of a listed equity share or unit of equity-oriented mutual fund or unit of a business trust on which STT has been paid. It is increased from INR 100,000 to INR 125,000. Unlisted debentures and unlisted bonds are considered as debt instruments and it has been amended that capital gains on them should be taxed at applicable rate, whether short-term or long-term. Further, FA 24 provides that Long Term Capital Gains arising to Non-Resident taxpayer on transfer of specified assets (unlisted shares and securities) shall be as under:

1. where transfer takes places before 23 July, 2024, 10% without benefit of indexation and foreign exchange fluctuation
2. where transfer takes place on or after 23 July, 2024 – 12.5% without indexation benefit and foreign exchange fluctuation

The long-term capital gains are required to be computed without giving effect to the first and second proviso to section 48 of the Act, i.e. benefit of computation of capital gains in foreign currency and indexation in respect of cost of acquisition and improvement.

Further, for the purpose of computing capital gains in relation to a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust, acquired before February 01, 2018, the cost of acquisition is deemed to be the higher of:

- The cost of acquisition of such asset; and

- The lower of –
    a) the fair market value of the asset; and
    b) the full value of consideration received or accruing as a result of the transfer of the asset. i.e. Sale Price "fair market value" means,—

(i) in a case where the capital asset is listed on any recognised stock exchange as on the 31st day of January, 2018, the highest price of the capital asset quoted on such exchange on the said date: Provided that where there is no trading in such asset on such exchange on the 31st day of January, 2018, the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2018 when such asset was traded on such exchange shall be the fair market value;
(ii) in a case where the capital asset is a unit which is not listed on a recognised stock exchange as on the 31st day of January, 2018, the net asset value of such unit as on the said date;
(iii) in a case where the capital asset is an equity share in a company which is
(A) not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer;
(B) listed on a recognised stock exchange on the date of transfer and which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31st day of January, 2018 by way of transaction not regarded as transfer under section 47, an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later;

As stated above, to avail benefits of section 112A of the Act, equity shares should be subject to STT both at the time of acquisition and transfer of assets. However, to protect certain transactions, the CBDT issued a Notification (Notification No. 60/2018/F. No. 370142/9/2017-TPL dated October 01, 2018) stating that the condition of chargeability to STT at the time of acquisition, shall

not apply to all transactions of acquisitions of equity shares entered into on or after October 01, 2004 other than the specified transactions.

ii. Short-term capital gains

Section 111A of the Act provides that short-term capital gains arising on sale of equity shares of a company or units of equity-oriented fund and on which STT is chargeable are liable to income-tax at a concessional rate of 15% plus surcharge as applicable and cess.

The FA 24 increased the tax rate of short-term capital gains covered under section 115A of the Act, from existing 15% to 20% on any transfer which takes place on or after 23 July, 2024.

In case of Resident individuals and Resident HUFs, where the taxable income as reduced by short-term capital gains is below the maximum amount not chargeable to tax, the short-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance short-term capital gains will be charged at the applicable rate plus cess.

Capital gains tax on sale transaction on which STT is not chargeable:

For resident individuals, HUFs, partnership firms (including limited liability partnership) and Indian companies:

i) Long-term capital gains

Long-term capital gains earned in respect of a long-term capital asset, is chargeable to tax under section 112 of the Act at the rate of 20% plus surcharge as applicable and cess. Capital gains are computed after taking into account the cost of acquisition as adjusted by the cost inflation index notified by the Central Government (indexed cost) and expenditure incurred wholly and exclusively in connection with such transfer.

Further, in case of Resident individuals and Resident HUFs, where taxable income as reduced by long-term capital gains is below the maximum amount not chargeable to tax, the long-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance long-term capital gains will be charged at the rate of 20% or 10% plus surcharge as applicable, and cess.

In the case of capital assets being bonds or debentures (other than capital indexed bonds issued by the Government and sovereign gold bonds issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015), the benefit of indexation is not available.

The FA 24 has removed the indexation benefit on cost of acquisition and cost of improvement for long-term capital assets transferred on or after 23 July 2024. However, for cost step up based on fair market value as on 31 January 2018/1 April 2001 shall continue to be available.

However, as per FA 24 in the case of transfer of long-term capital asset, being land or building or both, which is acquired before 23 July 2024, if the tax computed at the rate of 12.5% (i.e., without consideration of indexation benefit) exceeds the tax computed under the old mechanism i.e., tax at the rate of 20% along with the indexation benefit then such excess tax shall be ignored. The said

amendment is applicable only in the case of Resident Individual and Resident HUF. In simple words, the tax payable by the taxpayer would be lower of following:
1. 12.5% without indexation benefit or
2. 20% of capital gains after considering the benefit of indexation

ii) Short-term capital gains
Short-term capital gains earned are chargeable to tax as per the normal rates applicable to the taxpayer

For non-residents (Other than NRIs, who may elect to be covered by the provisions of section 115E of the Act, as regards tax on investment income and long-term capital gains, where beneficial.)

i) Long-term capital gains
Under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, other than unlisted securities, are chargeable to tax at the rate of 20% plus surcharge as applicable and cess. In case of non-resident, capital gains arising from transfer of a capital asset being shares in, or debentures of, an Indian company (other than unlisted securities) shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital asset into the same foreign currency as was initially utilised in the purchase of the shares or debentures, and the capital gains so computed in such foreign currency shall be reconverted into Indian currency (hereinafter referred to as FC computation mechanism).

Further, the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing or arising from every reinvestment thereafter in, and sale of, shares in, or debentures of, an Indian company. Further, under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, being units of a mutual fund, to tax at the rate of 20% plus surcharge as applicable and cess; capital gains are computed by taking into account the indexed cost and expenditure incurred wholly and exclusively in connection with such transfer.

Long-term capital gains arising from transfer of a capital asset, being unlisted securities (or shares of a company not being a company in which the public are substantially interested) and unlisted units are chargeable to tax at the rate of 10% plus applicable surcharge and education cess. Such long-term capital gains would be calculated without indexation of cost of acquisition and FC computation mechanism.

FA 24 increased the tax rate on long-term capital gains from 10% to 12.5% on transfer to long term capital assets on or after 23 July 2024 (on which STT is paid). Further, FA 24 enhanced the exemption for long-term capital gains arising from the transfer of a listed equity share or unit of equity-oriented mutual fund or unit of a business trust on which STT has been paid, from INR 100,000 to INR 125,000. Unlisted debentures and unlisted bonds are considered as debt instruments and it has been amended that capital gains on them should be taxed at an applicable rate, whether short-term or long-term.

The FA 24 provides that Long-term Capital Gains arising to Non-Resident taxpayer on transfer of specified assets (unlisted shares and securities) shall be as under:

1. where transfer takes places before 23 July 2024, 10% without benefit of indexation and foreign exchange fluctuation
2. where transfer takes place on or after 23 July 2024 – 12.5% without indexation benefit and foreign exchange fluctuation

Further, the FA 24 reduced the rate of tax for long-term capital assets other than unlisted shares and securities. The same shall be taxed as under:
1. where transfer takes places before 23 July 2024, 20% with benefit of indexation and foreign exchange fluctuation
2. where transfer takes place on or after 23 July 2024 – 12.5% without indexation benefit and foreign exchange fluctuation

ii) Short-term capital gains
Short-term capital gains earned are chargeable to tax as per the normal rates applicable to the taxpayer. The FC computation mechanism is available to non-resident/ NRI for computing the short-term capital gains arising from the transfer of shares.

The FA 24 increased the tax rate on short-term capital gains from existing 15% to 20% on any transfer which takes place on or after 23 July 2024 (on which STT is paid).

E. Business Income from Purchase and Sale of Securities:

If the investment under the portfolio management services is regarded as "Business/Trading Asset" then the gain arising there from is taxed as business income on Net Income basis. Where income referred to above is treated as business income, the person is eligible for deduction under section 36(1)(xv) of the Act for the amount of STT paid.

F. Losses under the head capital gains/business income

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

Business loss (other than speculative business losses) is allowed to be carried forward for 8 assessment years. Business losses are allowed to be set-off against any other income (except income under the head 'salaries') in the relevant assessment year. Further, if the business losses cannot be fully set-off in the relevant assessment year then it can only be set-off against business income in the subsequent years.

G. Bonus Stripping

Where any person buys or acquires any securities; or units of a mutual fund or the Unit Trust of India or business trust or Alternate Investment Fund within a period of three months prior to the record date (i.e., the date that may be fixed by a company or a Mutual Fund or the Administrator of the specified undertaking or the business trust or Alternate Investment Fund or the specified

company, for the purposes of entitlement of the holder of the securities or units to receive additional security or unit, as the case may be, without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

H. Tax Deduction at Source:

As per section 194, the company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, shall, before making any payment by any mode in respect of any dividend or before making any distribution or payment to a shareholder, who is resident in India, deduct from the amount of such dividend, income-tax at the rate of ten per cent. Provided that no such deduction shall be made in the case of a shareholder, being an individual, if—
(a) the dividend is paid by the company by any mode other than cash and
(b) the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder, does not exceed five thousand rupees

Finance Act 2020 inserted a new section 194K of the Act whereby a person responsible for paying to a resident any income in respect of units of mutual fund specified under section 10(23D) of the Act shall withhold taxes at the rate of 10% provided such income exceeds INR 5,000. Further, the proviso to section 194K of the Act clarifies that such taxes are not required to be withheld where the income is in the nature of capital gains.

Any person responsible for paying to a non-resident, any income, which is chargeable to tax under the Act, is required to withhold income-tax thereon under section 195 of the Act, at the prescribed rates, at the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier.

Finance Act 2020 has also amended the provisions of section 196A of the Act whereby a person responsible for paying to a non-resident any income in respect of units of mutual fund specified under section 10(23D) of the Act shall withhold taxes at the rate of 20%.

In case of deduction of tax at source (TDS) on payments made to non-residents, the tax rates would be increased by surcharge and cess. However, in case of TDS on payments made to residents, the tax rates would not be increased by surcharge and cess.

FA 24 introduced the new provisions for tax on Buy-Back of shares. As per the amendment the income would to be taxed as dividend, a corresponding amendment has been made in section 194 of the Act whereby the said income will be subject to the withholding of tax at source @ 10%. This amendment will be effective from 1 October 2024. There are various amendments to the rate of withholding tax brought by FA 24, relevant changes are outlined as under:

Section	Present TDS Rate	Revised TDS Rate	With effect from
Section 194D - Payment of insurance commission (in case of person other than company)	5%	2%	1st April 2025
Section 194DA - Payment in respect of life insurance policy	5%	2%	1st October 2024
Section 194G – Commission etc on sale of lottery ticket	5%	2%	1st October 2024
Section 194H - Payment of commission or brokerage	5%	2%	1st October 2024
Section 194-IB - Payment of rent by certain individuals or HUF	5%	2%	1st October 2024
Section 194M - Payment of certain sums by certain individuals or Hindu undivided family	5%	2%	1st October 2024
Section 194-O - Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%	1st October 2024
Section 194F - Payments on account of repurchase of units by Mutual Fund or Unit Trust of India	20%	Omitted	1st October 2024

I. Advance Tax Instalment Obligations:

The Client is required to discharge the taxes (if any) on their respective share of income received from mutual funds at the applicable rates. The Client is therefore required to compute the advance tax liability in the manner as prescribed under the Act and discharge the advance tax liability, if any, on their respective share of income from the Mutual Fund.

Any shortfall or delay is discharging the advance tax liability by the Client may attract interest implications under section 234B and 234C of the Act. It will be the responsibility of the Client to meet the advance tax obligation instalments payable on the due dates under the Act.

J. Benefit of Double Taxation Avoidance Agreement:

As per the provisions of section 90(2) of the Act, in determining the taxability of a non-resident, the provisions of the relevant DTAA or the Act, whichever are more beneficial, shall apply. Accordingly, if the investor is a resident of country with which India has entered into a DTAA, the provisions of the DTAA or of the Act, whichever are more beneficial to the investor, shall apply.

Section 90(4) of the Act, provides that a taxpayer, not being a resident, to whom a DTAA applies, shall not be entitled to claim any relief under such DTAA unless a certificate of it being a resident in any country outside India is obtained by it from the Government of that country.

Further, section 90(5), provides that the taxpayer referred to in section 90(4) of the Act, shall also provide such other documents and information, as may be prescribed. In this connection, on August 01, 2013, the CBDT issued a Notification substituting Rule 21AB of the Income-tax Rules, 1962 (Rules) and prescribing the format of information to be provided under section 90(5) of the Act, i.e. in Form No 10F.

A taxpayer would be required to furnish Form No 10F, where the required information is not explicitly mentioned in the aforementioned certificate of residency; in which case, the Notification additionally requires the taxpayer to keep and maintain such documents as are necessary to substantiate the information provided.
CBDT vide notification no. 03/2022 dated 16th July 2022 has now mandated that certain forms, including Form 10F, to be furnished electronically and e-verified on the Indian Income tax portal ('Portal') in a prescribed manner. The notification has come into force with immediate effect from 16 July 2022. However, partial relaxation was granted with respect to electronic submission of Form 10F till September 30, 2023, by non-residents not having PAN and not required to have PAN. Recently, the tax authorities have updated the utilities on the Income Tax Portal to enable such non-residents to electronically file Form 10F without requirement of PAN. Subsequently, the CBDT has introduced a new facility for non-residents who do not have a PAN to e-file Form 10F on the income tax portal by creating an account without the requirement of first obtaining a PAN.

As per the provisions of section 115A of the Act, where the income of a non-resident (not being a company) or a foreign company comprises of inter-alia dividend or interest income and appropriate taxes have been withheld in accordance with the provisions of Chapter XVII-B of the Act on such income by the payer, such non-resident is not required to furnish the return of income under section 139(1) of the Act.

Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on residential status, the facts and circumstances of each case. The Client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his income or loss and the expenses incurred by him as a result of his investment as offered by the Portfolio Manager.

9. Accounting policies.

Following key accounting policies shall be followed:

A. Client Accounting

a) Investments in Equities, Mutual Funds & Debt Instruments are stated at cost. GST, Brokerage and Other charges paid to broker are included in the cost of Investment. Security Transaction Tax is recognised as expense in Profit & Loss Account.

b) Investment containing shares introduced by the client by way of corpus introduction is valued at the Transfer Price (i.e. the closing NSE rate prevailing on the immediate preceding working day from the date of introduction of such shares).

B. Valuation of portfolio investments

a) Market Value of Investments:

1. Equities and Debt instruments are valued at the closing market price of the security on the National Stock Exchange (NSE) on the valuation date. In case the market price on NSE is not available for the valuation date, closing price on Bombay Stock Exchange (BSE) is considered.

2. Mutual Fund units are valued at the Net Asset Value declared for the relevant scheme by the Mutual Fund on the valuation date.

3. In case market price / Net Asset Value as mentioned above is not available on the valuation date, the latest available price on the BSE / NSE or the most recent Net Asset Value is considered.

4. Pending listing on BSE / NSE, securities resulting on account of demerger (if any) have been valued at their cost.

b) Management fees & Performance fees are debited to Profit & Loss account as per the terms specified in client agreement on accrual basis.

C. Recognition of portfolio investments and accrual of income

a) Realized gains / losses are calculated by applying the First in – First out principle. Such gains / losses also include gains / losses on sale of securities received by way of corpus introduction.

b) Interest income is recorded on receipt basis.

c) Dividend income is accrued on Ex-Date when the right to receive dividend is established.

d) Audit Fees, Custody and Fund accounting charges are debited on a cash basis.

e) Wherever applicable, Tax Deducted at Source on sale / redemption of shares / Mutual Funds, interest, dividend or any other income on which tax is liable to be deducted is

adjusted against corpus since such amounts are not available to the Portfolio Manager for Investment purposes.

The Accounting Policies and Standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

10. Investors services.

The Portfolio Manager seeks to provide the portfolio clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology.

The Client servicing essentially involves: -

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

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

Name	Mr. Nisarg Ganatra
Designation	Principal Officer
Address	302-A, Floor-G, Plot-102, Sylverton Building, Nathalal Parikh Marg, Colaba, Mumbai – 400005, Maharashtra, India.
Telephone No.	+91 022 35225996
Email id	nisarg@willowadvisors.in

Grievance redressal and dispute settlement mechanism:

The aforesaid personnel of the Portfolio Manager shall attend to and address any client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle client complaints.

The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the client. Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. **Quick action-** As soon as the grievance arises, it would be identified and resolved. This will lower the detrimental effects of grievance.

2. **Acknowledging grievance-** The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.

3. **Gathering facts-** The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.

4. **Examining the causes of grievance-** The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.

5. **Decision-making-** After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.

6. **Review -** After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

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

a) The Client can register its grievance/complaint through SCORES (Sebi Complaints Redress System) on www.scores.gov.in.

b) If the Client still remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager under the SCORES process, the Client may initiate dispute resolution through the Online Dispute Resolution mechanism established by SEBI.

It is clarified that the Client may initiate dispute resolution through the Online Dispute Resolution mechanism at any time.

The courts of Mumbai shall have exclusive jurisdiction to adjudicate upon the claims of the parties.

11. Details of diversification policy of the Portfolio Manager.

The Portfolio Manager intends to achieve adequate diversification in terms of client portfolio stock holdings. The stock holdings are spread across various industries and sectors, being uncorrelated to a large extent.

Also, the portfolio managers intends to hold a portfolio of 25-30 stocks, across different industries, which would enable sufficient diversification to prevent any long term/permanent capital loss at the time of starting the portfolio.

PART II – DYNAMIC SECTION

12. Client Representation.

(i) The client representation as on: 31.03.2026

Category of clients	No. of Clients	Funds managed (Rs. in crores)	Discretionary / Non-discretionary (if available)
Associate / group companies (*last 3 years*)	--	--	--
Others (*last 3 years*)			
As on March 31, 2024	81	325.79	Discretionary
	N.A	N.A	Non-discretionary
	N.A	N.A	Advisory
As on March 31, 2025	83	325.23	Discretionary
	N.A.	N.A.	Non-discretionary
	N.A.	N.A.	Advisory
As on March 31, 2026	85	260.54	Discretionary
	N.A.	N.A.	Non-discretionary
	N.A.	N.A.	Advisory

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

The Portfolio Manager has no transactions with related parties.

(iii) **Details of conflicts of interest related to services offered by group companies or associates of the Portfolio Manager:**

The Portfolio Manager does not have any group companies or associates and hence question of conflict of interest doesn't arise.

13. **Financial Performance based on audited financial statements.**

Particulars	For year ended 31 March 2024 (Rs. in lakhs)	For year ended 31 March 2025 (Rs. in lakhs)
Partners' contribution	886.11	1217.75
Total Income	693.59	940.02
Profit/ (Loss) before tax	538.03	735.73
Profit/ (Loss) after tax	341.11	474.14

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 Regulations 22 of the SEBI (Portfolio Managers) Regulations, 2020.

Disclosure of performance of the Portfolio Manager for the preceding 3 financial years:

Performance	From 1 April 2022 to 31 March 2023	From 1 April 2023 to 31 March 2024	From 1 April 2024 to 31 March 2025
Willow Long Term Value Strategy	-3.89%	29.69%	0.76%
Nifty 50	-0.60%	30.08% (Nifty 50 TRI)	6.65% (Nifty 50 TRI)

15. Audit Observation.

There are no negative audit observations provided by the auditor of the Portfolio Manager for the financial years 2022-2023, 2023-2024 and 2024-2025.

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

Sr. No.	Name of the Service provider	Nature of services provided
1.	HDFC Bank Limited	Custody services and Depository participant

17. Details of investment of client's funds by the Portfolio Manager in the securities of its related parties or associates.

Investments in the securities of associates/related parties of 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
1.	**WILLOW LONG TERM VALUE STRATEGY**	None	0	0	0

18. General.

Prevention of Money Laundering

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Laws in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under and the investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its KYC policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client is holding the funds/Securities in his name is legally authorised/entitled to invest the said funds through the services of the Portfolio Manager, for the benefit of the beneficiaries.

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

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

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

For and on behalf of WILLOW ADVISORS LLP

Mr. Rustam Kumana (Partner)	:	RKumana
Mr. Saroosh Dinshaw (Partner)	:	Saroosh C. Dinshaw.

Place: Mumbai
Date: 23.04.2026

ABHAY BHAGAT & CO.

CHARTERED ACCOUNTANTS

ABHAY BHAGAT
B.Com. F.C.A.

CHARTERED ACCOUNTANT CERTIFICATE

I have been requested by Willow Advisors LLP ("**Portfolio Manager**") to certify the contents and information provided in the Disclosure Document required to be filed with the Securities and Exchange Board of India (SEBI) as per Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 read with SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025.

I have verified the data from the respective documents provided by the Portfolio Manager. I have relied on various representations made to me by the management of the Portfolio Manager wherever necessary.

Based on my verification of the records and information provided to me, I certify that the contents and information provided in the Disclosure Document dated 23rd April, 2026 are true, fair and adequate as required under Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 and SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025.

For **Abhay Bhagat & Co.**
Chartered Accountants
FRN: 120036W

ABHAY BHAGAT & CO.

Abhay Bhagat
Proprietor
Membership No.: 42552
UDIN: **26042552KGFMVM8215**

Date: 23.04.2026

Place: Mumbai

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