

## **ALTINVEST CAPITAL ADVISORS PRIVATE LIMITED**

*(Formerly known as PropShare Capital Advisors Private Limited)*

### **Disclosure Document for Portfolio Management Services**

**January 16, 2026**

Disclosure Document for Portfolio Management Services by AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors Private Limited), registered with SEBI to act as Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 2020, bearing Registration No. INP000006800.

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

The purpose of the document is to provide essential information about the portfolio services in a manner to assist and enable the Investors in making informed decisions for engaging AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors Private Limited) as a Portfolio Manager.

The necessary information about the Portfolio Manager required by a Client before investing is disclosed in the Disclosure Document. Investors should carefully read the entire document before deciding and should retain it for future reference.

The Principal Officer designated by the Portfolio Manager is:

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Telephone No. : (+91) 99020 41563  
E-mail : [kunal.moktan@altcapital.ai](mailto:kunal.moktan@altcapital.ai)  
Registered Office Address : AltInvest Capital Advisors Private Limited,  
10th Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru,  
Karnataka, India, 560 001

Signature: KUNAL MOKTAN

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Date: **January 16, 2026**

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## **PART- I: STATIC SECTION**

### **1. DISCLAIMER CLAUSE**

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

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

## 2. DEFINITIONS

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

<b>Act</b>	means the Securities and Exchange Board of India Act, 1992.
<b>Accreditation Agency</b>	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</b>	<p>means any person who is granted a certificate of accreditation by an accreditation agency who:</p> <p>(i) in case of an individual, HUF, family trust or sole proprietorship has:</p> <p>(a) annual income of at least two crore rupees; or</p> <p>(b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or</p> <p>(c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.</p> <p>(ii) in case of a body corporate, has net worth of at least fifty crore rupees;</p> <p>(iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;</p> <p>(iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:</p> <p>Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.</p>
<b>Advisory Services</b>	means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement
<b>Agreement /Portfolio Management</b>	means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and

<b>Services Agreement / PMS Agreement</b>	annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
<b>Applicable Law/s</b>	means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
<b>Assets Under Management or AUM</b>	means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
<b>Associate</b>	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.
<b>Bank Account</b>	means one or more bank accounts opened by the Client in his own name or an account common to all clients of the Portfolio Manager opened by the Portfolio Manager, as the case may be, both maintained and operated by the Portfolio Manager for the purposes of this Agreement and as permitted under the Applicable Laws.
<b>Benchmark</b>	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.
<b>Board or SEBI</b>	means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992
<b>Business Day</b>	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.
<b>Client(s) or Investor(s)</b>	Client/Investor means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
<b>Custodian(s)</b>	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.

<b>Depository</b>	means the depository as defined in the Depositories Act, 1996 (22 of 1996).
<b>Depository Account</b>	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.
<b>Direct on-boarding</b>	means an option provided to clients to on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
<b>Disclosure Document or Document</b>	means the Disclosure Document for offering portfolio management services prepared in accordance with the Regulations.
<b>Distributor</b>	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>Discretionary Portfolio Management Services</b>	means a portfolio management services where the Portfolio Manager exercises or may exercise, any degree of discretion under a contract relating to portfolio management, exercise any degree of discretion as to the investment or management of the portfolio of securities or the Funds of the Client, as the case may be.
<b>Eligible Investors</b>	means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
<b>Fair Market Value</b>	means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
<b>Foreign Portfolio Investors or FPI</b>	means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
<b>Financial year</b>	means the year starting from April 1 and ending on March 31 of the following year.
<b>Funds or Capital Contribution</b>	means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
<b>Group Company</b>	shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
<b>HUF</b>	means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.



<b>Investment Approach</b>	is a broad outlay of the type of securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
<b>IT Act</b>	means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
<b>InvIT(s)</b>	means infrastructure investment trusts regulated by Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 amended from time to time and relevant circulars, master circulars, guidelines and notifications issued thereunder.
<b>Large Value Accredited Investor</b>	means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
<b>Non-resident Investors or NRI</b>	shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
<b>NAV</b>	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.
<b>NISM</b>	means the National Institute of Securities Markets, established by the Board.
<b>Non-Discretionary Portfolio Management Services</b>	means a portfolio management services where a Portfolio Manager acts on the instructions received from the Client with regard to investment of Funds of the Client under a contract relating to portfolio management and will exercise no discretion as to the investment or management of the Portfolio.
<b>Person</b>	includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
<b>Portfolio</b>	means the total holdings of all investments, Securities and Funds belonging to the Client.
<b>Portfolio Manager</b>	means AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors Private Limited), a Company incorporated under the Companies Act, 1956 and registered with Securities and Exchange Board of India as a Portfolio Manager bearing registration number INP000006800 and having its registered office at 10th Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru, Karnataka, India, 560001



<b>Principal Officer</b>	<p>means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:</p> <p>(i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and</p> <p>(ii) all other operations of the Portfolio Manager</p>
<b>Portfolio Management Services</b>	means Discretionary or Non-Discretionary Portfolio Management Services as offered by the Portfolio Manager.
<b>RBI</b>	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
<b>REIT(s)</b>	means real estate investment trusts regulated by Securities Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 amended from time to time and relevant circulars, master circulars, guidelines and notifications issued thereunder.
<b>Regulations or SEBI Regulations</b>	means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
<b>Related Party</b>	<p>(i) a director, partner or his relative;</p> <p>(ii) a key managerial personnel or his relative;</p> <p>(iii) a firm, in which a director, partner, manager or his relative is a partner;</p> <p>(iv) a private company in which a director, partner or manager or his relative is a member or director;</p> <p>(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;</p> <p>(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;</p> <p>(vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;</p> <p>(viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the portfolio manager; or (B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary; (C) an investing company or the venturer of the portfolio manager—</p>

	<p>The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate;</p> <p>(ix) a related party as defined under the applicable accounting standards;</p> <p>(x) such other person as may be specified by the Board:</p> <p>Provided that,</p> <p>(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or</p> <p>(b) any person or any entity, holding equity shares:</p> <p>(i) of twenty per cent or more; or</p> <p>(ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party;</p>
<b>Securities</b>	<p>“security” as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.</p>
<b>SM REIT(s)</b>	<p>means small and medium real estate investment trusts regulated by Chapter VIB of the Securities Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024 amended from time to time and relevant circulars, master circulars, guidelines and notifications issued thereunder.</p>

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

### 3. DESCRIPTION

#### 3.1 History, Present Business and Background of The Portfolio Manager

- (a) AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors Private Limited) is a company incorporated under the Companies Act, 2013 on August 31, 2018, having its registered office at 10th Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru, Karnataka, India, 560 001 and its correspondence office at 16th Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru, Karnataka, India, 560 001. The change of name from “PropShare Capital Advisors Private Limited” to “AltInvest Capital Advisors Private Limited” was duly approved by way of a resolution passed at the Extra Ordinary General Meeting held on August 13, 2024. The name change has been registered with the Registrar of Companies with effect from September 17, 2024.
- (b) AltInvest Capital is a financial advisory entity that helps investors invest in securities and other financial products backed by high quality assets across offices, retail, hospitality and logistics in markets that have a significant potential for outsized returns. The AltInvest Capital team possess over 35+ years of experience in investing and invested ~USD 3 billion in commercial real estate.
- (c) AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors Private Limited) (CIN - U65999KA2018PTC115903) is a SEBI Registered Intermediary with the following:
- Investment Advisory License (Reg No. INA200014706)
  - Portfolio Management Services License (Reg No. INP000006800)
  - Sponsor and Investment Manager of Cat-II Alternative Investment Fund (Ref No. IN/AIF2/20-21/0831)
- (d) The Portfolio Manager is promoted by AltInvest Online Platform Private Limited (“AOP”) (Formerly known as PropertyShare Online Platform Private Limited).

#### 3.2 Promoters of the Portfolio Manager, Directors, and their Background

##### 3.2.1 Promoters

- (a) AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors Private Limited) is a wholly owned subsidiary of AltInvest Online Platform Private Limited (“AOP”) (Formerly known as PropertyShare Online Platform Private Limited), a private limited company incorporated under the laws of India with its registered office located at 10th Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru, Karnataka, India, 560 001 and a correspondence address at 16th Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru, Karnataka, India, 560 001.
- (b) AOP serves as the holding company of the Group with various regulated and operating subsidiaries. The Group operates a technology-driven investment platform that facilitates investor participation in alternative asset classes, with a particular emphasis on structured products backed by commercial real estate. The Group is among the first of its kind in India and is presently one of the largest in the tech-enabled fractional CRE investments segment. The company was incorporated under the Companies Act, 2013, and is headquartered in Bengaluru, Karnataka. AltInvest was founded by Mr. Kunal Muktan and Mr. Hashim Khan,

collectively bringing onboard a strong IIT / IIM pedigree with proven expertise in real estate investments, having previously managed institutional real estate investments exceeding USD 1 billion at The Blackstone Group. AltInvest is backed by prominent global and domestic institutional investors, including WestBridge Capital, Lightspeed Venture Partners, BEENEXT, and Pravega Ventures. Since its inception, the Group has managed an AUM of 2,300-2,400 Crores. The company also holds a valid registration under the Real Estate (Regulation and Development) Act, 2016 (RERA), in respect of its investment platform activities involving real estate assets.

### 3.2.2 Directors of the Portfolio Manager

Name of the Directors	Qualification	Brief Experience
<b>Mr. Kunal Moktan</b> (DIN:05009696)	<b>MBA (IIM Ahmedabad), B. Com (Hons)</b>	<p>Kunal is the Co-founder and Chief Investment Officer at AltInvest Capital. Prior to starting AltInvest Capital, Kunal worked for c. 8 years with The Blackstone Group, the world's largest alternative investment manager with \$500 billion of Assets Under Management. Kunal was part of the 3-member team that set-up Blackstone's real estate fund, Blackstone Real Estate Partners (BREP) in India in 2007. BREP is the largest real estate investor in the world with \$200 billion of AUM. As part of the founding team, Kunal invested more than \$1 billion into equity, debt and mezzanine securities primarily in completed rent-generating real estate including commercial, retail, warehousing and residential asset classes. All the assets that were part of the Embassy Office Parks REIT was acquired and managed by Kunal while at Blackstone.</p> <p>At AltInvest Capital, Kunal has complete oversight responsibilities of sourcing and analysing investment opportunities, developing and evaluating investment strategies, portfolio allocation and risk management and client servicing and management. He has over 16 years of experience in investing, asset management and exits.</p>
<b>Mr. Hashim Qadeer Khan</b> (DIN: 07301820)	<b>MBA (IIM Ahmedabad), B. Tech (IIT Kanpur)</b>	<p>Hashim is the Co-founder and Chief Technology Officer at AltInvest Capital. Hashim has over 16 years of experience working in various technology and general management roles including Development, Project Management, Business Solutions and General Management.</p> <p>Prior to founding AltInvest Capital, Hashim was the Head of technology of a large Middle Eastern conglomerate with multi-dollar businesses spanning</p>



Name of the Directors	Qualification	Brief Experience
		Retail, Trading and Real Estate. In this role, he sponsored and headed various tech projects including enterprise application implementation, web application design and development and business process optimization. He has also been part of teams working on large application development and is well versed with Enterprise Architecture, Security and Design considerations.

### 3.3 Top 10 Group Companies/firms of the Portfolio Manager on turnover basis

Name of the Entity	Turnover (in Rupees)
* AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited) (Holding Company)	4,18,19,647
* PropCap Property Management Private Limited (Fellow Subsidiary)	3,19,17,308
PS UK Hold Co Limited (Fellow Subsidiary)	75,13,291
Benyon SPV Propco Limited (Step-down Subsidiary)	3,67,97,907
Summit SPV Propco Limited (Step-down Subsidiary)	4,94,24,487
* Property Share Commercial Properties LLP (Step-down Subsidiary)	Nil
* AltInvest Managed Properties LLP (formerly known as Property Share Forum Properties LLP (Step-down Subsidiary)	2,57,36,267
** AltInvest Credit Platform Private Limited (Fellow Subsidiary)	Nil
*PropShare Investment Manager Private Limited (Fellow Subsidiary)	4,66,04,999

*\* The disclosed turnover is based on the audited financial statements for the financial year ended March 2025*

*\*\* AltInvest Credit Platform Private Limited was incorporated on 03 March 2025.*

### 3.4 Details of Services Offered

#### 3.4.1 Discretionary Portfolio Management Services

- (a) Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client in accordance with the PMS Agreement. The

Securities invested / disinvested by the Portfolio Manager for Clients may differ from client to client.

- (b) The Portfolio Manager's decision (taken in good faith) in deployment of the Client's fund's is absolute and final and can never be called in question or be open to review at any time during the currency of the PMS Agreement or at any time thereafter except on the ground of fraud, *mala fide*, conflict of interest or gross negligence as provided in detail under the PMS Agreement. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws.

#### 3.4.2 Non-Discretionary Portfolio Manager Services

- (a) Under the Non-Discretionary Portfolio Manager Services, the investment decisions of the Portfolio Manager and the Portfolio will be managed as per the PMS Agreement, and the express instructions issued by the Client from time to time. The Portfolio Manager shall execute orders as per the mandate received from Client. The Client will have complete discretion to decide on the investment (stock quantity and price or amount). The Portfolio Manager *inter alia* manages transaction execution, accounting, providing research, investment advice, recording or corporate benefits, valuation, and reporting aspects on behalf of the Client entirely at the Client's risk.
- (b) The Portfolio Manager shall invest in and manage the Portfolio of the Client at the instruction of the Client, but always subject to the PMS Regulations. The Portfolio Manager will provide the Client with investment recommendations that it considers are fit and in accordance with the terms of the PMS Agreement.
- (c) The Portfolio Manager shall make recommendations to the Client to invest in any one or a combination of financial instruments such as equity, bonds, debentures, mutual fund units, fixed deposits, derivatives instruments, etc. to meet specific requirements of the Client. Only after receiving the approval of the Client shall the Portfolio Manager in any one or a combination of the above-mentioned financial instruments. The Portfolio Manager shall provide investment recommendations to the Client in accordance with the investment specifications agreed with the Client from time to time.
- (d) The Client accepts that the restrictions it may impose on investments may restrict or prevent the Portfolio Manager from making recommendations which may reduce the likelihood of achieving the investment objectives. The Portfolio Manager shall invest or disinvest or hold the securities in accordance with the Client's instructions and confirmation.
- (e) The Portfolio Manager must act in a fiduciary capacity and will provide services in compliance with the PMS Regulations and any other Applicable Laws.

#### 3.4.3 Advisory Services

- (a) Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Client and agreed upon in the PMS Agreement. The Portfolio Manager will render the best possible advice to the Client having regard to the Client's needs and the environment, and his own professional skills. The same can be binding or non - binding in nature or in such terms as mentioned in the PMS Agreement. For such services, the Portfolio Manager charges the Client a fee for services rendered mentioned in the PMS Agreement. The advice may be either general or specific in nature and may pertain to a particular Portfolio.



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

#### 3.4.4 Services offered to Accredited Investors and Large Value Accredited Investors:

The below regulatory concessions are available to Accredited Investor and Large Value Accredited Investor under SEBI (Portfolio Managers) Regulations, 2020:

Particulars	Applicability
Contents of agreement specified under Schedule IV of SEBI (Portfolio Managers) Regulations, 2020 shall not apply to the agreement between the Portfolio Manager and Large Value Accredited Investor	Large Value Accredited Investor
The requirement of minimum investment amount per Client shall not apply	Accredited Investor
The Portfolio Manager may offer discretionary or non-discretionary or advisory services for investment up to hundred percent of the assets under management in unlisted securities subject to the terms agreed between the Client and the Portfolio Manager	Large Value Accredited Investor
The quantum and manner of exit load applicable to the Client of the Portfolio Manager shall be governed through bilaterally negotiated contractual terms	Large Value Accredited Investor

The detailed framework for Accredited Investors and Large Value Accredited Investors is available on the website of the Portfolio Manager at <https://altcapcdn1.altcapital.ai/documents/website/pscap/AI+Framework+under+PMS%2C+AIF+and+IA.pdf>.

#### **Direct On-Boarding**

We are hereby happy to launch direct onboarding facility through our website <https://www.altcapital.ai/offering>. This facility shall ease Clients to have direct connection with the Portfolio Manager's personnel rather than routing through any distributor/referral or channel partners. For more details about the same, the Client is requested to write an email to [operations.pms@altcapital.ai](mailto:operations.pms@altcapital.ai).

It is clarified that the Portfolio Manager also engages with distribution partners to on-board Clients.

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 the Document carefully before entering into an Agreement with the Portfolio Manager.

#### **4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY**

- 4.1 All cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act, rules or regulations made thereunder - **NIL**
- 4.2 The nature of the penalty/direction - **NIL**
- 4.3 Penalties/fines imposed for any economic offence and/or for violation of any securities laws - **NIL**
- 4.4 Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any – **NIL**
- 4.5 Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency

The Securities and Exchange Board of India (“SEBI”) issued a warning letter dated December 17, 2024, pursuant to its offsite inspection of the Portfolio Manager Services (“PMS”), wherein certain alerts were generated based on the data submitted by AltInvest Capital Advisors Private Limited (formerly known as PropShare Capital Advisors Private Limited) for the period from October 1, 2023, to March 31, 2024. Upon examination of the aforesaid alerts, SEBI observed that, in two instances, clients were onboarded with an initial corpus of ₹60 Lakhs and ₹50 Lakhs, respectively, on December 31, 2019, by way of transfer of investments in unlisted securities. Subsequently, following partial redemptions, the portfolio values of these clients reduced to ₹30 Lakhs and ₹25 Lakhs, respectively. As the minimum investment amount for these clients was permitted to fall below the regulatory threshold pursuant to such partial redemptions, SEBI observed non-compliance with Regulation 23(2) of the SEBI (Portfolio Managers) Regulations, 2020, and the circulars/FAQs issued thereunder.

Consequently, AltInvest Capital Advisors Private Limited (formerly known as PropShare Capital Advisors Private Limited) was advised to review all its PMS accounts to identify similar instances of non-compliance, undertake appropriate corrective actions, and submit a report to SEBI detailing the steps taken within 30 days thereof.

Following SEBI’s observations, the Portfolio Manager has implemented remedial measures by strengthening its internal control framework, specifically through enhancements to the Compliance, Operations, and Investment functions, in order to prevent the recurrence of such compliance breaches and to ensure adherence to applicable regulatory requirements.

With respect to the two clients identified in SEBI’s warning letter, it was submitted that:

- The portfolio account of one client had been terminated prior to receipt of SEBI’s observation; and
- A 30-day termination notice, along with the final statement of account, was issued to the other client.

Furthermore, the Portfolio Manager had identified additional similar cases and, as part of its corrective action, had undertaken the termination of portfolio accounts of such clients.

The Portfolio Manager has also implemented a control mechanism whereby, for all clients whose portfolio value exceeds ₹50 Lakhs (irrespective of their date of onboarding), any partial withdrawal shall only be permitted to the extent that the value of the client's portfolio (whether in the form of cash or securities) does not fall below ₹50 Lakhs post-withdrawal.

- 4.6 Any enquiry / adjudication proceedings initiated by SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under SEBI Act or rules and regulations made thereunder – **NIL**
- 4.7 For Portfolio Manager its directors, principal officers or employees – **NIL**
- 4.8 For person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee – **NIL**

## 5. SERVICES OFFERED

### 5.1 Investment objective and policies

The Portfolio Manager may design and develop various products keeping in mind market conditions and may customize for Client's specific need / profile. The Portfolio in all cases will be guided strictly by the Applicable Laws. The investment objective of the Portfolio Manager shall be to apply best efforts basis its professional expertise to generate sustainable returns over medium to long term by making investments which primarily comprise of listed securities. However, while aforesaid is the objective, it needs to be reiterated that there can be no assurance and / or guarantee of such growth or even as regards preservation of capital or of there being no capital loss. While most of the Portfolios would be biased towards alternate investments like REITs, SM REITs, and InvITs units approved by SEBI and listed on Indian stock exchanges, there could be Client Portfolios with other kind of Securities, capital and money market instruments or in fixed income securities or variable securities of any description, as allowed under PMS Regulations.

### 5.2 Investment approaches

#### 5.2.1 **DPMS:**

##### A. Name of Approach - **Alt REIT InvIT Portfolio Strategy (ARIPS)**

Strategy	Hybrid	
Investment Objective	The strategy's investment objective is to generate regular income, which will be distributed quarterly, as well as capital appreciation for investors with a high-risk appetite by creating a diversified portfolio of REITs, SM REITs, and INVITs. There is no assurance that the investment objective of the approach will be achieved.	
Description of Securities	Funds will be invested in listed REITs, SM REITs, and InvITs. For liquidity or defensive considerations or pending deployment, the Portfolio Manager may invest in money market instruments or liquid / overnight funds as per PMS Regulations.	
Basis of Selection of type of security	The Portfolio Manager shortlists an investment opportunity by applying its investment criteria to the various opportunities. These include criteria such as the expected yield, potential for capital appreciation, portfolio quality of REITs, SM REITs, and InvITs, etc.	
Allocation of portfolio across types of securities	<b>Type of Security</b>	<b>Allocation in portfolio</b>
	REITs, SM REITs, and InvITs	0 – 100%
	Temporary deployment (MM Instruments, MFs etc.)	0 – 100% (for a short period when the funds are not deployed in REITs, SM REITs, and InvITs)



Appropriate Benchmark to compare performance and basis of choice	Nifty 50 Hybrid Composite Debt 50:50 Index. This index has been selected as per circular dated March 23, 2023 and March 31, 2023 by Association of Portfolio Managers in India.
Indicative tenure or investment horizon	Initial term of 3 years with automatic renewals of additional one-year terms, unless terminated by either party in accordance with the terms of the Agreement.
Risk	<ul style="list-style-type: none"> <li>• <b>Market Risk:</b> REIT, SM REIT, and InvIT units are traded on stock exchanges and their prices can fluctuate based on overall market sentiment, macroeconomic conditions, and interest rate movements - even if underlying cash flows are stable.</li> <li>• <b>Interest Rate Risk:</b> Since REITs, SM REITs, and InvITs are yield-oriented assets, a rise in interest rates may reduce the relative attractiveness of these instruments, leading to a decline in unit prices. Additionally, higher interest rates can increase borrowing costs and compress net income.</li> <li>• <b>Asset-Specific Risk:</b> For REITs and SM REITs, risks related to tenant defaults, lease expiries, occupancy drops, or lower-than-expected rental escalation. For InvITs, operational issues in infrastructure projects (e.g. traffic/toll shortfall, generation issues in power projects, counterparty delays).</li> <li>• <b>Concentration Risk:</b> Some REITs, SM REITs, or InvITs may have a limited number of properties/projects. High dependency on a few assets or tenants increases vulnerability to specific adverse events.</li> <li>• <b>Regulatory &amp; Policy Risk:</b> REITs, SM REITs, and InvITs operate in highly regulated environments. Changes in regulations, taxation policies (like the 2023 change in tax on return of capital for REITs/InvITs), or sectoral regulations (real estate zoning laws, toll policies, power tariffs) can impact returns and distributions.</li> <li>• <b>Liquidity Risk:</b> While listed, REITs, SM REITs, and InvITs may have lower trading volumes, especially in market downturns. Investors may face challenges exiting large positions at fair prices.</li> <li>• <b>Leverage Risk:</b> REITs, SM REITs, and InvITs are allowed to borrow up to a regulatory limit. Excessive leverage or refinancing risk (in rising rate environments) can affect distribution capacity or lead to solvency concerns.</li> <li>• <b>Valuation Risk:</b> Underlying assets are periodically revalued (usually semi-annually). If asset valuations are revised down (due to lower rental income, higher cap rates, or shorter leases), it can impact the REIT / SM REIT / InvIT's NAV and unit price.</li> <li>• <b>Sponsor &amp; Management Risk:</b> Sponsor reputation, financial stability, and alignment with unitholders are critical. Poor governance, delayed asset transfers, or conflicts of interest in</li> </ul>



	<p>related-party transactions (e.g., leasing to group companies at lower rentals) can erode value.</p> <ul style="list-style-type: none"> <li>• Distribution Risk: While REITs, SM REITs, and InvITs are required to distribute at least 90% of their Net Distributable Cash Flows (NDCF), that income may fluctuate due to lower collections, delays in revenue from SPVs, or capital expenditure needs, leading to lower-than-expected payouts.</li> <li>• The above are some of the common risks associated with investments in REITs, SM REITs, &amp; InvITs. There can be no assurance that investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.</li> <li>• Please refer to clause 6 Risk Factor for general risks.</li> </ul>
Other Information/features, if any.	<ul style="list-style-type: none"> <li>• Exit Load – As per PMS Regulations and Master Circular issued thereunder.</li> <li>• Minimum Investment – INR 50 lakhs or any amount not less than the amount as prescribed under PMS Regulations.</li> <li>• Partial Redemption – As per PMS Regulations and such that the minimum investment amount prescribed by SEBI is maintained by the Client.</li> <li>• Diversification – Portfolio Manager shall endeavour to invest the Funds in at least three distinct REITs / SM REITs / INVITS as identified in its discretion.</li> <li>• Indicative target IRR of the strategy is 12-15% for more than 4 years, along with an indicative target yield of 8-9% per annum.</li> </ul>

### 5.2.2 **NDPMS:**

#### **A. Name of Approach – NA**

Investment Objective	The investment objective of the Portfolio Manager is to carry on the activities of a non-discretionary portfolio manager and recommend for investment in unlisted equity shares, preference shares, convertible or non-convertible debentures, bonds, and other instruments of companies/entities based in India to generate risk adjusted returns for its clients.
Description of Securities	Subject to Applicable Law, the indicative type of Securities on which Non-Discretionary Portfolio Management Services are proposed to be rendered shall include unlisted equity shares, preference shares, convertible or non-convertible debentures, bonds, and other instruments of companies/entities based in India)
Basis of Selection of type of security	The Portfolio Manager shortlists an investment opportunity by applying its investment criteria to the various opportunities. These

	include criteria such as the expected yield, potential for capital appreciation, exit capabilities etc.	
Allocation of portfolio across types of securities	<b>Type of security</b>	<b>Allocation in portfolio</b>
	Equity Shares	0-100%
	Convertible or non-convertible debentures	0-100%
Appropriate Benchmark to compare performance and basis of choice	Nifty 50 Hybrid Composite Debt 50:50 Index. This index has been selected as per circular dated March 23, 2023 and March 31, 2023 by Association of Portfolio Managers in India.	
Indicative tenure or investment horizon	Long Term Capital Appreciation (2-5 years)	
Risks	Please refer to clause 6 Risk Factor for general risks	
Other Information/features, if any.	<ul style="list-style-type: none"> <li>• Strategy – Hybrid</li> <li>• Please note that this investment approach is no longer available for new clients and the Portfolio Manager is only providing the service as envisaged under this investment approach to existing clients onboarded on or before December 31, 2019.</li> </ul>	
Other key attributes	<ul style="list-style-type: none"> <li>• <b>Coreplus: Low Risk – Regular Income with Capital Growth:</b> Invest in listed or unlisted securities or special purpose vehicles that provide regular monthly, quarterly or annual returns through dividends or interest with a potential to earn further upside through capital appreciation.</li> <li>• <b>ValueAdded: Medium Risk – Capital Growth:</b> Invest in listed or unlisted securities or special purpose vehicles with potential to earn significant upside through capital appreciation. While these securities may provide regular income, the strategy will focus more on capital appreciation.</li> <li>• <b>Debt:</b> Invest in debt securities with Loan-to-value (LTV) of 50-60% that provide a fixed interest of 8-12% at regular intervals.</li> <li>• <b>Mezzanine Debt:</b> Invest in debt securities with Loan-to-value (LTV) of 50-75% that provide a fixed interest of 6-10% at regular intervals in addition to upside linked to performance of the underlying asset.</li> </ul>	

### 5.3 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

There are no investments in the securities of associates or related parties. In the event that any such relationships are established in the future, and the Portfolio Manager proposes to make investments in the securities of such entities, it will comply with the investment limits prescribed under the SEBI Circular SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2022/112 dated August 26, 2022, and shall obtain prior consent from the investor(s) before making such investments.

## 6. RISK FACTORS

### A. General Risk Factors:

1. Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
2. The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
3. Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager.
4. The names of the Investment Approach do not in any manner indicate their prospects or returns.
5. Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
6. When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
7. Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
8. The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
9. The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.
10. An investment in real estate sector is subject to certain risks associated with the ownership of real estate and the real estate industry in general, including: the burdens of ownership of real property; local, national and international economic conditions; the supply and demand for properties; the financial condition of tenants, buyers and sellers of properties; changes in interest rates and the availability of mortgage funds; changes in the Applicable Laws and fiscal and monetary policies; environmental claims arising in respect of properties acquired with unknown environmental problems; changes in real estate property tax rates; changes in energy prices; negative developments in the economy that depress travel activity; uninsured casualties; force majeure acts, terrorist events, under-insured or uninsurable losses; and other factors which are beyond the reasonable control of the Portfolio Manager. Many of these factors could cause fluctuations in



occupancy rates, rent schedules or operating expenses, which may affect returns on investment. Additionally, in the event that the real estate asset is under development, there is a risk that the real estate asset may not be developed as per the timelines committed by the developer, or the development may never be completed. In case the real estate asset is not developed, the rent generation ability of such asset may be adversely impacted and consequently the returns of the investor will be impacted.

11. In certain circumstances, the securities purchased by the Client may derive their value from income generated from the underlying asset. In such cases, the value and return on the securities may be impacted in case the underlying asset is not able to generate income, which may be due to various factors. Further, the Portfolio Manager may offer investment opportunities to other clients, which may compete with the investment made by you.

**B. Risk associated with equity and equity related instruments:**

12. Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.
13. Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
14. Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

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

15. Interest Rate Risk:

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

16. Liquidity or Marketability Risk:

The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the

offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Additionally, in the event the Client has invested in unlisted securities, there is no guarantee that the Portfolio Manager will be able to find a purchaser for such securities or benchmark the price for purchase for such securities (as there won't be a market for the same).

17. Credit Risk:

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

18. Reinvestment Risk:

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

19. Force Majeure Risk

In certain cases, the value of securities may be impacted by external factors such as acts of State, eminent domain, or sovereign action, acts of nature, acts of war, civil disturbance, which may affect the liquidity of securities, value of underlying asset.

**D. Risk associated with derivatives instruments:**

20. The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.
21. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional

investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

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

22. 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.
23. 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.
24. Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
25. 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.
26. The Portfolio Manager shall not be responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
27. The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
28. While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
29. The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

**F. Risk arising out of Non-diversification:**

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



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

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

31. The Portfolio Manager may have direct or indirect interest in the entities in which the Portfolio Manager may recommend to the Clients to purchase the securities of. In certain cases, the entities whose securities are recommended for purchase by the Client may have been promoted or incorporated by the directors, shareholders, or employees of the Portfolio Manager. Additionally, the Portfolio Manager may employ the services of its associates / group companies to distribute its Portfolio Management Services. The Portfolio Manager has adopted, inter alia, certain policies and procedures intended to protect the interest of all the investors. It is intended for such conflicts to be managed primarily by complying with the Applicable Laws, acting in good faith to develop equitable resolutions of known conflicts and developing policies to reduce the possibilities of such conflict. The Portfolio Manager shall ensure fair treatment to all its Clients in case of conflicts of interest. The attorneys, accountants, and other professionals, who perform services for the Portfolio Manager may, and in some cases do, also perform services for the relevant parties.
32. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
33. The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arms' length basis and in compliance with Applicable Laws and Regulations.
34. The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

**H. Key Person Risk**

35. Key persons of the Portfolio Manager may be involved in various capacities (such as directors or shareholders) with the issuer of securities purchased the Client and there may be a potential non-alignment or conflict of interest in such cases. Some of the transactions between the Portfolio Manager and the issuer of securities purchased by the Client will be treated as related party transactions.

In this regard, it is hereby disclosed that the Client's funds may be invested in the following securities where the key persons currently hold investments as follows:

- (a) Kunal Muktan, the Principal Officer of the Portfolio Manager holds 15,700 units of the outstanding units issued by Embassy Office Parks REIT; and
- (b) Rahul Jain, the Investor Relations Executive of the Portfolio Manager, holds 200 units of the outstanding units issued by Embassy Office Parks REIT and 300 units of the outstanding units issued by Knowledge Realty Trust.

All of the aforesaid transactions have been carried out in accordance with internal policies of the Portfolio Manager and applicable law and adequate measures have been taken to ensure that the interests of the clients are not adversely affected.

## **I. Other Risk factors**

### **36. Stock Specific Risk**

Performance of the issuer companies will have significant influence on market prices of its securities. This will further depend on, in addition to external factors, its own ability to perform, management, changes therein, frauds by and on the management etc. These are known as internal risks.

### **37. Transaction and Settlement Risk**

The Portfolio faces additional risks such as timing risks, short delivery or delayed delivery from markets, reduced liquidity, etc.

### **38. Portfolio Manager Competency Risk**

The Portfolio faces risks based on management and operational efficiencies and controls of the Portfolio Manager i.e. the risk is based on ability of the Portfolio Manager in identifying opportunities or misjudging trends and late investments and/ or early liquidations, either at a loss or at reduced profits, or misjudging opportunities completely.

### **39. Allied Service Provider Risk**

The Portfolio faces risks due to other service providers that the Portfolio Manager may engage to render the services such as banking, broking, clearing and settlement, custodian services, courier services, auditing services etc.

### **40. Portfolio Allied Operations Risk**

The Client also faces risks from usage of technology for recording transactions and accounts, communication of information to and from data computing and storage, leakages of data / information from various points including at the Portfolio Manager's operations etc.

### **41. Title Risk**

As a Portfolio Manager, we may appoint advisors and service providers to undertake due diligence of underlying asset, however, there is an inherent risk associated with any due diligence exercises as it relies on the vendor to provide all information, accurately and truthfully.

### **42. Macro-Economic risks**

Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.

43. Capital Risk

The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to factors which by way of illustration include default or non-performance of a third party, company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

44. Market Risk

Market values, liquidity and risk: return profile of investments (investment characteristics) in equities are likely to fluctuate depending on performance of the industry, national and international economies, regulations and changes therein - domestically and internationally, events that are of significant impact such as war, terrorism, sanctions and trade embargoes, natural calamities, acts of God etc. Market values, liquidity and yields of fixed and variable income instruments are likely to fluctuate depending on the prevailing interest rates in the market, liquidity preferences, impact cost changes, re-ratings of the issuer or the instruments, competing instruments, etc.

45. Regulatory Risk

Changes made by the government in any of the policy parameters, including in respect of taxation, etc., that affect working of companies have positive / negative impact on market prices of those stocks and to that extent, in the value of the Portfolio. Such changes may also apply to the manner in which Portfolio is being operated and on taxability of profits made on divestment, tax treatment for dividends, etc.

46. Income Tax Risk

There is a risk that the income tax authorities may recharacterize the income/returns provided to you, which may lead to higher incidence of direct and indirect tax. In certain circumstances where the securities purchased by the Client may derive their value from income generated from the underlying asset, the income tax authorities may have claims pending the underlying asset, which may impact your income/returns from such asset.

47. Litigation Risk

The value and marketability of the securities or the underlying asset may be impacted due to commencement of litigation in relation to the client, the issuer of security or the underlying asset through which the securities derive their value.



## 7. NATURE OF EXPENSES

- a. The following are indicative types of costs and expenses for clients availing the Portfolio Management Services.
- b. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.

- i. Investment management and advisory fees

The portfolio management fees relate to Portfolio Management Services offered to the Clients. The fee may be a fixed fee or performance-based fee or a combination of both, as agreed by the Client in the PMS Agreement. Charges pertaining to partial withdrawal / closure would be levied as per the terms provided in PMS Agreement.

- ii. Brokerage and Transaction Costs

Brokerage and / or transaction cost on transactions would be levied at the prevailing rates charged by the brokers and / or any such other intermediary including applicable goods and services tax, stamp duty, securities transaction tax, turnover tax, any other levies thereon, as may be applicable from time to time.

- iii. Exit Load

Portfolio Manager shall charge exit load to the Client in the following manner:

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

- iv. Other operating expenses

Over and above the fixed fee, performance fee and the transactions cost as mentioned above, the Portfolio Manager would recover charges levied by the Custodian for acquiring, holding, sale & transfer of investments in de-materialised form (like custody charges, transaction charges, depository charges, out of pocket expenses, etc., at actual), audit fees for auditing and reporting of individual Client's account and any other charges that the Portfolio Manager may have to incur while running the portfolio management services. The above fees, transaction cost and other charges shall be directly debited to the Client's account as and when the same becomes due for payment. These include:

1. Custodian/Depository fees: The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.
2. Registrar and transfer agent fee Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges; cost of affidavits, notary charges, postage stamp and courier charges.

3. Certification and professional charges payable for outsourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.
4. Incidental Expenses in connection with the inter alia courier expenses, stamp duty, Goods and Services Tax, postal, telegraphic, opening and operation of Bank Account.
5. Audit Fees Actual charges levied by the auditor to be recovered by the Portfolio Manager from the Client, based on pre-determined criteria.

Manner of payment of fees and/ or expenses: The Portfolio Manager shall recover directly from the PMS pool bank account or individual PMS investor bank accounts of the Client maintained under PMS custody, all the fees, transactions cost and other charges as specified above.

#### Indicative Expenses

Sr. No.	Nature of Expenses (Indicative)	Indicative Rate of Fee (%)
1.	Investment Management and Advisory fee	
	A) Fixed Fee	Up to 3%
	B) Performance Linked Fee as permitted under the Regulations	20% over a hurdle rate of 8% IRR based on High Water Mark Principle
2.	Brokerage and transaction costs	The current average brokerage rate is up to 10 bps + STT (exclusive of GST) for 'buy' and 'sell' transaction from the pool account. Such costs are either added (in case of 'buy') or reduced (in case of 'sale') from the trade value. To be charged at actuals.
3.	Exit Loads	In case client portfolio is redeemed in part or full, the Portfolio Manager may charge Exit Load as follows: <ol style="list-style-type: none"> <li>a) In the first year of investment, up to 3% of the amount redeemed.</li> <li>b) In the second year of investment, up to 2% of the amount redeemed.</li> <li>c) In the third year of investment, up to 1% of the amount redeemed.</li> <li>d) After a period of three years from the date of investment, no exit load.</li> </ol>

4.	Other operating expenses (includes Custody fees, Audit fees, Franking, Notary Charges, Miscellaneous expenses and excludes brokerage and fees charged by the Portfolio Manager)	Up to 0.5% per annum on average daily Assets Under Management or at actuals whichever is lower.
Basis of Charge – Indicative (one or a combination of the below) or otherwise agreed with the Client under the Agreement.		
a.	On Average Daily Assets Under Management	
b.	On Capital Invested	
c.	On Capital Committed	
d.	On Average Daily Equity portion of the Portfolio	

Note: The Portfolio Manager may also be entitled to recover transaction fee, brokerage charges, demat fees, and/or disbursement made in respect of the investments (and/or disbursements) and/or any incidentals in the form of stamp duties, registration charges, professional fees, legal fees, consultancy charges, service charges etc. and such other expenses, duties, charges incurred on behalf of the Client on account of the Service provided to him/her/it.



## 8. TAXATION

This document does not encompass detailed tax implication which are applicable / relevant to Portfolio entities (i.e. the entities in which the funds are invested). However, a generic overview of tax implications in India as per the IT Act has been provided below. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document / the date of making investment shall endure indefinitely.

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

### **Basic Tax Rates:**

#### **For Individuals, Hindu Undivided Family (HUF), Co-operative society, Association of Persons, Body of Individuals:**

Slab Rate for individuals (including Resident aged less than 60 years), Hindu undivided family, Association of persons and Body of individuals	Slab Rate For senior citizens (residents) (aged 60 years and above but less than 80 years)	Slab Rate For very senior citizens (residents) (aged 80 years or more)	Tax Rate
Up to 250,000	Up to 300,000	Up to 500,000	NIL
250,001 to 500,000	300,001 to 500,000	Not applicable	5%
500,001 to 1,000,000	500,001 to 1,000,000	500,001 to 1,000,000	20%
Above 1,000,000	Above 1,000,000	Above 1,000,000	30%
Rebate from income tax of Rs 12,500 or 100% of tax (whichever is less) for resident individual having total income $\leq$ 5,00,000			
Levy of surcharge on tax:			
<ul style="list-style-type: none"><li>10% for individuals having total income exceeding Rs. 50 Lakhs up to Rs. 1 Crores</li><li>15% for individuals having total income exceeding Rs. 1 Crore up to Rs. 2 Crores</li><li>25% for individuals having total income exceeding Rs. 2 Crore up to Rs. 5 Crore</li><li>37% for individuals having total income exceeding Rs. 5 Crore</li></ul>			

Where the total income includes any income by way of dividend or income chargeable under section 111A, section 112 and section 112A of the ITA, the rate of surcharge on the amount of income tax computed in respect of that part of the income shall not exceed 15%.

Health and Education cess to be levied at 4% on tax (inclusive of surcharge, if any)

The Finance Act, 2020 introduced an optional Concessional Tax Regime (CTR) for individuals (residents and non-residents) and HUFs applicable from Financial Year 2020-21 onwards, wherein Income-tax rates were reduced for the above taxpayers subject to the condition that they agree to forego certain Income-tax exemptions / deductions and carry forward of losses [Section 115BAC of the IT Act].

Further, it was also provided that professional taxpayers i.e. taxpayers having income from business or profession can avail the benefit of CTR once in lifetime unless the taxpayer ceases to earn business income i.e. option can be exercised only on irrevocable basis for such taxpayers. If the option to pay under CTR is withdrawn by the taxpayer subsequently, he shall never be eligible to opt for CTR.

Thereafter, Finance Act, 2023 extended the CTR for Association of Persons [other than a co-operative society], or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 and introduced a rebate of Rs. 25,000 or 100% of the tax, whichever is lower, where the total taxable income of the resident individual is lower than Rs. 7,00,000.

The Finance Act, 2025 has further amended Section 115BAC of the IT Act and reduced the tax slabs for determining the income-tax payable in respect of the total income for FY 2025-26 (AY 2026-27). The rates are as given in the following table –

<b>Total Income</b>	<b>Tax rate*</b>
Up to INR 4,00,000/-	Nil
From INR 4,00,001/- to INR 8,00,000/-	5%
From INR 8,00,001/- to INR 12,00,000/-	10%
From INR 12,00,001/- to INR 16,00,000/-	15%
From INR 16,00,001/- to INR 20,00,000/-	20%
From INR 20,00,001/- to INR 24,00,000/-	25%
Above INR 24,00,000	30%

\*These rates are excluding surcharge and education cess

As per the Finance Act 2020, section 115BAD has been introduced to give an option to Co-operative society to opt for special tax of 22%+10% surcharge+4% cess subject to fulfilling certain conditions.

Further as per Finance Act 2023, section 115BAE has been introduced to give an option to new manufacturing Co-operative society to opt for tax at the rate of 15% plus surcharge plus cess subject to fulfilling certain conditions.

For partnership firms (including limited liability partnerships)

- Partnership firms (including LLP) are taxable at 30%.
- Surcharge on tax of 12% applicable in case where total income exceeds Rs. 1 Crore.
- Health and Education cess to be levied at 4% on tax (inclusive of surcharge, if any).

#### **For domestic companies**

- Domestic companies are required to compute income tax at 30%, except for companies whose total turnover or gross receipts in financial year 2023-24 did not exceed Rs. 400 Crores. Such companies are required to compute income tax at 25%.
- Where the income-tax payable on the total income, as per normal provisions of the Act, do not exceed 18.5% of the “Book profits” (determined as per prescribed formulae), domestic companies may also be liable to tax based on such “Book profits”. This is commonly known as tax paid under Minimum Alternative Tax (MAT) provisions
- Surcharge on tax is applicable as follows:
  - at 7% if the total income exceeds Rs.1 Crore but does not exceed Rs.10 Crore.
  - at 12% if the total income exceeds Rs. 10 Crores.
- Health and Education cess to be levied at 4% on tax (inclusive of surcharge, if any).
- In case of domestic manufacturing company, registered on or after 1st March 2016, section 115BA provides an option to compute taxes at the rate of 22%, irrespective of the turnover of the company in financial year 2023-24, subject to certain conditions.
- Where a company had opted for Section 115BAA/115BAB of the ITA, the rates are as follows

Section opted	Tax rates	Surcharge & Cess on the tax
115BAA	22%	Surcharge rate shall be 10% irrespective of amount of Income
115BAB	15%	Health & Education cess of 4% is payable on the total amount of tax including surcharge.

- The domestic company who has opted for special taxation regime under section 115BAA & 115BAB of the ITA is exempted from MAT provisions. However, no exemption is available in case where section 115BA has been opted.

For Foreign companies

- Foreign companies are required to compute income tax at 35% and the surcharge on tax is applicable as follows:
  - at 2% if the total income exceeds Rs.1 Crore but does not exceed Rs.10 Crore.
  - at 5% if the total income exceeds Rs. 10 Crores.
- Health and Education cess to be levied at 4% on tax (inclusive of surcharge, if any).

### **Tax deducted at source**

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

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

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

### **Long term capital gains**

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

### **Period of Holding**

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



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

- Definition of Specified Mutual Fund:**

Before 1st April 2025:

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

On and after 1st April 2025:

**“Specified Mutual Fund”** means-

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

- **Definition of debt and money market instruments:**

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

- **Definition of Market Linked Debenture:**

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

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

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

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

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

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

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

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

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

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

Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

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

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

Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore

funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

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

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

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

### **Short term capital gains**

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

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

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

### **Profits and gains of business or profession**



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

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

### **Losses under the head capital gains/business income**

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

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

### **Transfer and Redemption of Debentures**

The characterization of gains/income earned on sale/redemption of debentures generally depends on characteristics of the debentures i.e. whether the same are held as capital assets or stock in trade, and whether the same are being transferred to a third party or are being redeemed by the issuing company.

If debentures are transferred to a third party prior to their maturity, and if the same have been held as capital assets, income arising from such transfer could be treated as capital gains. If debentures are transferred to a third party prior to their maturity, and if the same have been held as stock in trade, income arising from such transfer could be treated as business income.

Where the debentures are redeemed and if the same have been held as capital assets, the difference between the redemption price and the subscription price, could be treated as interest income and taxed under the head “income from other sources”. Where the debentures are held as stock in trade, the interest income could be taxed under the head “business income”.

However, the Finance Act, 2024 has amended the section 50AA of the ITA, to include unlisted debentures and accordingly, gains arising from transfer or redemption of such debentures held as capital asset, will be deemed as short term capital gains, irrespective of the period of holding.

### **Interest income earned from Debentures**

In case of NRIs, though Section 115E provides for a beneficial rate of 20% plus applicable surcharge and cess in case of interest income from specified assets (which include debentures issued by Companies), there is a controversy around applying the beneficial rate since the specified asset would have to be acquired /subscribed / purchased in foreign currency. However, in this case,

the investment in the specified asset, i.e. debentures issued by the companies would be in Indian currency only. Accordingly, the higher rates of 30% plus applicable surcharge and cess could be considered on a conservative basis.

The tax rates on interest income could be reduced based on rates applicable under the tax treaty.

Please note that provisions of IT Act require a non-resident to obtain a valid Tax Residency Certificate from the country of residence and file Form 10F in order to claim the beneficial/reduced rates of taxes in the respective treaties.

### **General Anti Avoidance Rules (GAAR)**

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

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

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

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

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

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

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB) in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.

- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

### **Details under FATCA/Foreign Tax Laws**

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

- the name, address, taxpayer identification number and date and place of birth;
- where an entity has one or more controlling persons that are reportable persons: (i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and (ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- account number (or functional equivalent in the absence of an account number);
- account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.
- Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and other reportable accounts (i.e. under CRS).

### **Goods and Services Tax on services provided by the portfolio manager**

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

*Disclaimer: The tax information provided above is generic in nature and is subject to change from time to time. The actual tax implications for each Client could vary substantially from what is mentioned above, depending on the facts and circumstances of each case. From 1st April 2017, General Anti-avoidance Regulations ("GAAR") are applicable which empowers tax authorities to disregard or combine or re-characterize any part or whole of a transaction / arrangement such that the transaction / arrangement gets taxed on the basis of its substance rather than its form if such arrangement gets classified as an impermissible avoidance arrangement. This could result in any tax benefit being denied, including denial of treaty benefits, shifting of residency of investors and / or re-characterization of capital gains income as any other classification. Accordingly, 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 in the Portfolio Management Service offered by the Portfolio Manager.*



## 9. ACCOUNTING POLICIES

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

### A. **Client Accounting:**

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

### B. **Recognition of portfolio investments and accrual of income**

7. In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
8. Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
9. Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
10. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
11. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
12. In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
13. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price



or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

**C. Valuation of portfolio investments**

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

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

## 10. INVESTOR SERVICES

10.1 The Contact details of Investor Relations who shall attend to the investor queries and complaints:

Name : Mr. Rahul Jain

Designation : Vice President – Investments

Telephone no. : (+91) 99020 41563

Address : 16th Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru, Karnataka, India, 560 001

Email : [investorrelations.pms@altcapital.ai](mailto:investorrelations.pms@altcapital.ai)

10.2 In case of escalation, Client may also approach the Compliance Officer of the Portfolio Manager.

### 10.3 **Grievance redressal and dispute settlement mechanism**

10.3.1 In case the Client is not satisfied with the Portfolio Management Services provided by the Portfolio Manager, the Client may raise his/her grievance with Investor Relations by sending an email to [investorrelations.pms@altcapital.ai](mailto:investorrelations.pms@altcapital.ai) or in any manner as specified by SEBI from time to time. Investor Relations will be the interface between the Portfolio Manager and the Client and will make best efforts to resolve the Client's grievance satisfactorily within a period of 21 (twenty-one) days.

10.3.2 In the event that the Executive is unable to resolve the grievance within the timeline stipulated above or the client is not satisfied with the manner of resolution, the Client may escalate his/her grievance by sending an email to the Compliance Officer of the Portfolio Manager. To escalate the matter, the Client should send an email to [hashim.khan@altcapital.ai](mailto:hashim.khan@altcapital.ai) with the details of the original grievance raised by the investor, the steps taken by the investor relation officer to resolve it, and the reason why the client is not satisfied with the resolution.

10.3.3 Upon receipt of the grievance by the Compliance Officer, the Compliance Officer shall take best efforts to resolve the same. The Portfolio Manager shall address such grievance at the earliest within the timelines prescribed under the Regulations from time to time.

10.3.4 The Client may lodge the complaint on SEBI's web-based complaints redressal system, SCORES, on <https://scores.sebi.gov.in> or may also write to any of the offices of SEBI or contact SEBI Office on Toll Free Helpline at 1800 266 7575 / 1800 22 7575. The complaint shall be lodged on SCORES within one year from the date of cause of action, where,

- The complainant has approached the Portfolio Manager, for redressal of the complaint and,
- The Portfolio Manager has rejected the complaint or,
- The complainant has not received any communication from the Portfolio Manager or,
- The complainant is not satisfied with the reply received or the redressal action taken by the Portfolio Manager.

- a. SCORES may be accessed through SCORES mobile application as well, same can be downloaded from below link:

Android:

<https://play.google.com/store/apps/details?id=com.sebi&hl=en>

IOS:

<https://apps.apple.com/us/app/sebiscores/id6478849917>

If the Client is not satisfied with the extent of redressal of grievance by the Portfolio Manager, there is a one-time option for 'Compliant review Facility' of the extent of the redressal, which can be exercised within 15 days from the date of closure of the complaint on SCORES. Thereafter, the complaint shall be escalated to the supervising official of the dealing officer of SEBI.

- b. After exhausting all options as mentioned above for resolution, if the client is not satisfied, they can initiate dispute resolution through the Online Dispute Resolution Portal (ODR) at <https://smartodr.in/login>
- c. The process on Online Dispute Resolution Mechanism is available at <https://www.altcapital.ai/pdf/SEBI+-+Master+Circular+for+Online+Re.pdf>.
- d. Alternatively, the client can directly initiate dispute resolution through the ODR Portal if the grievance lodged with the Portfolio Manager is not satisfactorily resolved or at any stage of the subsequent escalations mentioned above.
- e. The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in SCORES guidelines or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law.

10.3.5 With reference to SEBI master circular no. SEBI/HO/IMD/IMD-POD-1/P/CIR/ 2025/104 dated July 16, 2025 as amended / clarified from time to time in relation to online resolution of disputes in the Indian securities market, the Smart ODR link is available at [SEBI+-+Master+Circular+for+Online+Re.pdf](https://www.altcapital.ai/pdf/SEBI+-+Master+Circular+for+Online+Re.pdf). Subject to the foregoing, all the legal actions and proceedings are subject to the jurisdiction of court in Bengaluru only and are governed by Indian laws.

10.3.6 The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time.

## 11. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

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

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

Currently, the Portfolio Manager does not have any investments in the securities of associates or related parties. However, in the event such investments are made, the following investment limits shall apply:

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

Non-discretionary portfolio management services are customised to the specific needs of a Client and may not follow any specific limits. Diversification will be basis Client's discretion.



## 12. GENERAL

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 Law in force 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 KYC Registration Agency (KRA) and CKYC compliant except the information required under any new KYC requirement. The Clients who are not KRA and CKYC compliant, the information will be procured by the Portfolio Manager and uploaded. The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client's 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 the Document carefully before entering into an Agreement with the Portfolio Manager.

## **PART- II: DYNAMIC SECTION**

### **13. CLIENT REPRESENTATION**

Category of Clients	No. of Clients	Funds Managed (Rs. in Crores)	Discretionary / non-discretionary
<b>Associates/ Group Companies</b>			
As on 30 June, 2025	NIL	NIL	NA
F.Y. 2024 – 2025	NIL	NIL	NA
F.Y. 2023 – 2024	NIL	NIL	NA
F.Y. 2022 - 2023	NIL	NIL	NA
<b>Others</b>			
As on 30 June, 2025	417	1,18,37,29,600	Non-discretionary
F.Y. 2024 – 2025	469	1,68,05,00,000	Non-discretionary
F.Y. 2023 – 2024	529	1,91,94,00,000	Non-discretionary
F.Y. 2022 - 2023	642	2,17,34,00,000	Non-discretionary

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

##### **Transactions with related parties during the FY 2022-23**

Nature of Relationship	Name of related party	Nature of Transaction	Amount (in Rupees)
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Investment in equity shares	Rs. 12,50,00,000

Nature of Relationship	Name of related party	Nature of Transaction	Amount (in Rupees)
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Reimbursement of expenses	Rs. 41,76,728
<b>Fellow Subsidiary</b>	Propcap Property Management Private Limited	Reimbursement of expenses	Rs. 61,15,621
<b>Executive Director</b>	Kunal Moktan	Remuneration	Rs. 29,17,000
<b>Executive Director</b>	Hashim Khan	Remuneration	Rs. 29,17,000
<b>Company Secretary</b>	Swathi VM	Remuneration	Rs. 15,00,000

#### **Balance receivable from related party**

Nature of Relationship	Name of related party	Amount (in Rupees)
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Rs. 36,27,766
<b>Fellow Subsidiary</b>	Propcap Property Management Private Limited	Rs. 80,31,728

#### **Transactions with related parties during the FY 2023-24**

Nature of Relationship	Name of related party	Nature of Transaction	Amount (in Rupees)
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Investment in equity shares	Rs. 17,50,00,000
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Reimbursement of expenses incurred on behalf	Rs. 72,55,652

Nature of Relationship	Name of related party	Nature of Transaction	Amount (in Rupees)
<b>Fellow Subsidiary</b>	Propcap Property Management Private Limited	Reimbursement of expenses incurred on behalf	Rs. 2,06,40,918
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Reimbursement of expenses incurred by	Rs. 13,42,283
<b>Executive Director</b>	Kunal Moktan	Remuneration	Rs. 41,66,668
<b>Executive Director</b>	Hashim Khan	Remuneration	Rs. 41,66,668
<b>Company Secretary</b>	Swathi VM	Remuneration	Rs. 15,00,000

**Balance receivable / (payable) from related party**

Nature of Relationship	Name of related party	Amount (in Rupees)
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Rs. 73,54,743
<b>Fellow Subsidiary</b>	Propcap Property Management Private Limited	(Rs. 64,05,940)

**Transactions with related parties during the FY 2024-25**

Nature of Relationship	Name of related party	Nature of Transaction	Amount (in Rupees)
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Issue of Equity shares	Rs. 5,00,00,000
<b>Holding company</b>	AltInvest Online Platform Private Limited	Reimbursement of expenses incurred on behalf	Rs. 61,26,000



<b>Nature of Relationship</b>	<b>Name of related party</b>	<b>Nature of Transaction</b>	<b>Amount (in Rupees)</b>
	(Formerly known as PropertyShare Online Platform Private Limited)		
<b>Fellow Subsidiary</b>	Propcap Property Management Private Limited	Reimbursement of expenses incurred on behalf	Rs. 36,95,000
<b>Fellow Subsidiary</b>	PropShare Investment Manager Private Limited	Reimbursement of expenses incurred on behalf	Rs. 50,68,000
<b>Step-down Subsidiary</b>	Altinvest Managed Properties LLP (formerly known as Property Share Properties Forum LLP)	Reimbursement of expenses incurred on behalf	Rs. 6,77,125
<b>Fellow Subsidiary</b>	PropShare Investment Manager Private Limited	Gratuity Fund contribution made on behalf of	Rs. 4,48,624
<b>Fellow Subsidiary</b>	Propcap Property Management Private Limited	Reimbursement of expenses incurred by	Rs. 4,76,000
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Reimbursement of expenses incurred by	Rs. 12,000
<b>Fellow Subsidiary</b>	PropShare Investment Manager Private Limited	Reimbursement of expenses incurred by	Rs. 18,000
<b>Executive Director</b>	Kunal Mktan	Remuneration	Rs. 62,77,780
<b>Executive Director</b>	Hashim Khan	Remuneration	Rs. 62,77,780
<b>Company Secretary</b>	Swathi VM	Remuneration	Rs. 19,70,280

**Balance receivable / (payable) from related party**

<b>Nature of Relationship</b>	<b>Name of related party</b>	<b>Amount (in Rupees)</b>
<b>Holding company</b>	AltInvest Online Platform Private Limited (Formerly known as PropertyShare Online Platform Private Limited)	Rs. 1,12,86,391
<b>Fellow Subsidiary</b>	Propcap Property Management Private Limited	(Rs. 44,25,106)
<b>Fellow Subsidiary</b>	PropShare Investment Manager Private Limited	Rs. 64,29,094
<b>Step-down Subsidiary</b>	Altinvest Managed Properties LLP (formerly known as Property Share Properties Forum LLP)	Rs. 6,77,125

13.2 The information under this section 7 is provided as on 31 March, 2025 based on the audited financial statements.

#### 14. THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (BASED ON AUDITED FINANCIAL STATEMENT)

Financial highlights of the Portfolio Manager for the three financial years are set out below:

Particulars	F.Y. 2024-2025	F.Y. 2023-2024	F.Y. 2022-2023
Revenue from operations	Rs. 90,03,270	Rs. 1,83,94,450	Rs. 1,07,33,630
Other income	Rs. 1,56,61,803	Rs. 3,52,66,604	Rs. 1,34,61,330
<b>Total Income</b>	<b>Rs. 2,46,65,073</b>	<b>Rs. 5,36,61,054</b>	<b>Rs. 2,41,94,960</b>
Employee benefits expense	Rs. 7,05,87,270	Rs. 5,74,07,680	Rs. 5,18,79,040
Finance Costs	Rs. 1,31,27,770	Rs. 1,29,80,150	Rs. 63,47,810
Depreciation and amortisation expense	Rs. 3,48,87,930	Rs. 2,86,70,320	Rs. 1,57,92,000
Other expenses	Rs. 2,95,34,910	Rs. 2,82,48,530	Rs. 1,17,76,440
<b>Total Expenses</b>	<b>Rs. 14,81,37,880</b>	<b>Rs. 12,73,06,680</b>	<b>Rs. 8,57,95,290</b>
<b>Loss for the year</b>	<b>(Rs. 12,34,72,807)</b>	<b>(Rs. 7,36,45,626)</b>	<b>(Rs. 6,16,00,330)</b>

The Net Worth of the Portfolio Manager as per the unaudited financial statements as on March 31, 2025 is Rs. 7,54,06,996/-.

**15. 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 IN TERMS OF REGULATION 22 OF THE PMS REGULATIONS**

DPMS:

Sr. No.	Portfolio TWRR (Net of all fees & charges levied by the portfolio manager) / Benchmark	Year 1	Year 2	Year 3	Year 4	Year 5
-Not Applicable-						

NDPMS:

Sr. No.	Portfolio Performance (annual yield %). Net of all fees and charges levied by the Portfolio Manager	Year 1 (2024 – 25)	Year 2 (2023 – 24)	Year 3 (2022 – 23)	Year 4 (2021 – 22)	Year 5 (2020 – 21)
1.	-NA-	5.52%	6.47%	6.08%	5.67%	6.79%
	Nifty 50 Hybrid Composite Debt 50:50 Index	7.82%	18.87%	2.39%	12.66%	38.37%

Notes:

1. Performance data and Investment Approach provided is not verified by SEBI.
2. Calculation of return is done based on Time Weighted Average Rate of Return method.
3. Performance data is based on net of all fees and all expenses (including taxes).
4. All cash holdings and investments in liquid funds have been considered for calculation of performance.



## 16. AUDIT OBSERVATIONS

There are no audit observations for the preceding three years.

## 17. DETAILS OF INVESTMENTS IN THE SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER

For investments in securities of Associates / Related Parties, the Portfolio Manager shall act as per the applicable norms and shall comply with all the limits prescribed under the SEBI (Portfolio Managers) Regulations, 2020, amended from time to time and relevant circulars, master circulars, guidelines and notifications issued thereunder.

### Current investment 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 the 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 the last day of the previous quarter
- Nil as of now -					

For AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors India Private Limited)

Kunal Moktan Director	
Hashim Qadeer Khan Director	

Place: Bengaluru, Karnataka, India

Date: January 16, 2025

## FORM C

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

[Regulations 22]

AltInvest Capital Advisors Private Limited  
(Formerly known as PropShare Capital Advisors Private Limited)

10<sup>th</sup> Floor, SKAV Seethalakshmi, 21/22, Kasturba Road, Bengaluru – 560001, Karnataka, India

(+91) 99020 41563

[Info.pms@alticapital.ai](mailto:Info.pms@alticapital.ai)

We confirm that,

- i. the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- ii. the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager;
- iii. the Disclosure Document has been duly certified by an independent chartered accountant – M/s. C G R & Co., Bengaluru, Karnataka, India, Phone: (+91) 99860 37557, Membership No.: 234729 on January 16, 2025

Date : January 16, 2025

Place : Bengaluru, Karnataka, India

**KUNAL**  
**MOKTAN**  
Digitally signed by  
KUNAL MOKTAN  
Date: 2026.01.16  
18:17:18 +05'30'

Signature of the Principal Officer

(Mr. Kunal Moktan)

Address : E715, Pine Block, Raheja Residency, 7<sup>th</sup> A Main Road, Wipro Park,  
Koramangala, Bengaluru – 560034, Karnataka, India



# C G R & Co.

CHARTERED ACCOUNTANTS

## Auditor's Certificate

We were appointed by AltInvest Capital Advisors Private Limited (Formerly known as PropShare Capital Advisors Private Limited) ('the Company') to examine and certify the information provided in the Disclosure Document for Portfolio management services, to be submitted by the Company to Securities and Exchange Board of India (SEBI) under Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

We have verified the attached Disclosure Documents of even date of the Portfolio Management Services of the Company based on the books of accounts and other financial records maintained by the Company. Based on our verification and information provided by the management, we certify that disclosures made in the attached document are true, fair and adequate to enable the investors to make well-informed decision.

This certificate is issued at the specific request of the company for the purpose of submitting the same to Securities Exchange Board of India and sharing with clients.

*for C G R & Co.*

Chartered Accountants

ICAI Firm Registration No: 015078s

**CHETAN  
GOTLUR  
RAVI**

Digitally signed by  
CHETAN GOTLUR  
RAVI  
Date: 2026.01.16  
19:58:11 +05'30'

Chetan G.R.

Proprietor

Membership No: 234729

UDIN : 26234729TKYRAL5444



Place : Bangalore

Date : January 16,2026