

Certificate on Disclosure Document

We have verified the Disclosure Document ("the Document") dated May 15, 2026 for Portfolio Management Services prepared by M/s. Shaguncap Investment Managers LLP, a Portfolio Manager to be registered with SEBI under the SEBI (Portfolio Managers) Regulations, 2020, having its Registered Office at B403, 4th Floor, Eldora B, Hiranandani Gardens, Powai, Mumbai, Maharashtra- 400076, India and principal place of business at F2/25, 2nd Floor, Wave Silver Tower, Sector -18, Noida, Uttar Pradesh 201301 India.

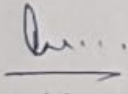
The disclosure made in the document is made on the model disclosure document as stated in Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020.

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

Based on such examination we certify that:

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

For **Anurag R Gupta & Associates**
Chartered Accountant
FRN: 125008W



(Anurag R Gupta)
Proprietor

M No.: 108677

UDIN : 26108677WIPHER8480

Place : Kalyan

Date : 15/05/2026

Form C
DISCLOSURE DOCUMENT

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

Portfolio Manager Details	
Name	Shaguncap Investment Managers LLP
Address	F2/25, 2nd Floor, Wave Silver Tower, Sector -18, Noida, Uttar Pradesh 201301
Phone	+91 9654757090
Email	corporate@shaguncapital.in

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 ANURAG R GUPTA AND ASSOCIATES FRN (125008W), Address A-1/004, Ganga Building, Chandresh Galaxy No 3 CHS LTD Behind, Golden Wok hotel, Gandhare. Kalyan, Thane, Maharashtra 421301 , Contact – 9867395510, by ANURAG RAMPRAKASH GUPTA (Membership No – 108677) on – 15-05-2026

For Shaguncap Investment Managers LLP

For Shaguncap Investment Managers LLP


Authorised Signatory

Prateek Gupta
Principal Officer
Address: F2/25, 2nd Floor, Wave Silver Tower,
Sector -18, Noida, Uttar Pradesh 201301 India
Date:15-05-2026

SHAGUNCAP INVESTMENT MANAGERS LLP

DISCLOSURE DOCUMENT

PORTFOLIO MANAGEMENT SERVICES

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

I. Declaration:

- a) The Disclosure Document (hereinafter referred as the “**Document**”) has been filed with the Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (“**Regulations**”).
- b) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging “Shaguncap Investment Managers LLP” (hereinafter referred as the “**Portfolio Manager**”) as the portfolio manager.
- c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing and the investor may also be advised to retain the Document for future reference.
- d) The Disclosure Document is updated on May 15, 2026.
- e) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

Prateek Gupta

Principal Officer

Registered Address: B403, 4th Floor, Eldora B, Hiranandani Gardens, Powai, Mumbai, Maharashtra-400076, India

Correspondence Address: F2/25, 2nd Floor, Wave Silver Tower, Sector -18, Noida, Uttar Pradesh 201301 India

Email : corporate@shaguncapital.in

Contact: 9654757090

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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 SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

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

2. DEFINITIONS

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

1. “**Act**” means the Securities and Exchange Board of India Act, 1992.
2. “**Accreditation Agency**” means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
3. “**Accredited Investor**” means any person who is granted a certificate of accreditation by an accreditation agency who:

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

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

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

5. “**Agreement**” or “**Portfolio Management Services Agreement**” or “**PMS Agreement**” means agreement executed between the Portfolio Manager and its

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

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

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

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

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

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

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

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

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

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

15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **“Disclosure Document” or “Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
21. **“Foreign Portfolio Investors” or “FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
23. **“Funds” or “Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.

25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. **“IT Act”** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
29. **“Non-resident Investors”** or **“NRI(s)”** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.
34. **“Portfolio Manager”** means SHAGUNCAP INVESTMENT MANAGERS LLP, a Limited Liability Partnership incorporated under the Limited Liability Partnership Act 2008 [LLPIN: ACW-3658] registered with SEBI as a portfolio manager bearing registration number _____ (Application for obtaining registration number is in Process) and having its registered office at B403, 4th Floor, Eldora B, Hiranandani Gardens Powai, Mumbai, Powai, Mumbai- 400076, Maharashtra, India.

35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
- (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
 - (ii) all other operations of the Portfolio Manager
36. **“Regulations” or “SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
37. **“Related Party”** means –
- i. a director, partner or his relative;
 - ii. a key managerial personnel or his relative;
 - iii. a firm, in which a director, partner, manager or his relative is a partner;
 - iv. a private company in which a director, partner or manager or his relative is a member or director;
 - v. a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
 - vi. any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
 - vii. any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
 - viii. any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;
 - ix. a related party as defined under the applicable accounting standards;
 - x. such other person as may be specified by the Board: Provided that,
 - (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
 - (b) any person or any entity, holding equity shares:

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

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

3. DESCRIPTION

i. History, Present Business and Background of the portfolio manager.

The Portfolio Manager, SHAGUNCAP INVESTMENT MANAGERS LLP is incorporated on March 16, 2026, having its registered office at B403, 4th Floor, Eldora B, Hiranandani Gardens, Powai, Mumbai, Maharashtra- 400076, India and principal place of business at F2/25, 2nd Floor, Wave Silver Tower, Sector -18, Noida, Uttar Pradesh 201301 India, it has applied to SEBI for registration as portfolio manager.

It seeks to provide discretionary portfolio management services, non-discretionary portfolio management services and advisory services to High-Net-worth Individuals (HNIs), institutional clients, corporates, NRIs and other permissible class of investors.

ii. Promoters of the portfolio manager, designated partners and their background.

1. Promoters of the Portfolio Manager

S.NO	Name of the Partner	Designation	Partnership Interest
1	Mr. Mohit Kanodia	Designated Partner	34.83%
2	Mrs. Shilpa Kanodia	Designated Partner	34.83%
3	Orelus Financial Advisory and Management Services Private Limited	Partner	30.34%

2. Background of the Designated Partners

a) Mohit Kanodia - Promoter and Designated Partner

Mohit Kanodia is the Founder of Shaguncap Investment Managers LLP and a seasoned business leader with over 25 years of experience across e-commerce, retail, digital payments, and financial services. Over the course of his corporate career, he has held leadership roles within the Reliance Group, where he played an instrumental role in building and scaling multiple large consumer and commerce platforms into multi-billion-dollar businesses.

Mohit brings deep expertise in organizational building, operational scaling, and strategic execution, having led large teams and managed complex business functions across the retail and digital commerce ecosystem. Alongside his operating career, he has also been a long-term value investor for more than a decade. His investment philosophy is centered on identifying fundamentally strong businesses with durable competitive advantages, high-quality

management teams, and long growth runways, backed by disciplined research, continuous learning, and a long-term approach to capital allocation.

He holds a Post Graduate Diploma in Management (equivalent to an MBA) from Indian Institute of Management Bangalore, where he graduated as a Gold Medalist. He is also a Rank Holder from the Institute of Chartered Accountants of India, reflecting a strong academic foundation alongside his extensive industry and investment experience.

b) Shilpa Kanodia - Promoter and Designated Partner

Shilpa Kanodia holds a Master of Business Administration (MBA) degree along with a Bachelor of Arts degree. She has gained exposure to compliance and administrative processes within the financial services sector, including experience in governance and internal compliance practices. Her academic background and professional exposure support the organization's administrative and compliance framework

iii) Top 10 Group companies/firms of the portfolio manager on turnover basis as on 31st March 2026

As on 31st March 2026 as below:

#	Name of the Companies
1	Orelius Financial Advisory and Management Services Private Limited

iv) Details of the services being offered: Discretionary/ Non-discretionary / Advisory.

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

The main features of services being offered are as follows:

A. Discretionary Services

Under these services, the Portfolio Manager will exercise sole and absolute discretion as to investment and/ or management of the portfolio of securities or the funds of Clients' as he deems fit and in terms of the PMS Agreement executed with each Client. The securities invested / disinvested by the Portfolio Manager for Client in the same Portfolio may differ from Client to Client. The decision of Portfolio Manager (taken in good faith) in deployment of the Clients' Portfolio is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of

interest or gross negligence.

Under the Discretionary Portfolio Management Services offered to the Client, the Portfolio Manager may design financial products or 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 Clients. (Structured Products)

These products would be managed in accordance with the product specifications provided by the Portfolio Manager to the Client. The amount invested by the clients under the structured products may be subject to lock in period. Every structured product shall have separate term sheet and risk factors that would be read and signed by the Client before investment.

B. Non-Discretionary Services

Under these services, the Portfolio Manager executes transactions in securities as per directions of the Client and in terms of the PMS Agreement. The Portfolio Manager's role is limited to providing research, investment advice and trade execution facility to the Client. The Portfolio Manager shall execute orders as per the mandate received from Client.

C. Advisory Services

The Portfolio Manager will provide advisory services which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy and investment / divestment of individual securities in the Client's Portfolio in terms of the Agreement and within overall risk profile. In such case, the Portfolio Manager does not make any investment on behalf of the Client.

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.

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

Type	Details
(i) All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder.	None
(ii) The nature of the penalty/direction.	None
(iii) Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.	None
(iv) Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	None
(v) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	None
(vi) Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder.	None

5. SERVICES OFFERED

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

A. Investment approach - ShagunCap Longterm Value

I. Investment Objective:

The objective of the strategy is to achieve long-term capital appreciation by investing predominantly in a concentrated portfolio of listed Indian equities and equity-related securities of high-quality businesses.

The strategy seeks to compound investor capital over extended periods through ownership of exceptional businesses that possess durable competitive advantages, strong management quality, robust financial characteristics and meaningful growth opportunities.

II. Description of types of securities for Investment Approach:

The Portfolio Manager shall invest predominantly in the Equity and Equity Related securities. The Portfolio Manager at its own discretion may invest in any of the Equity Instruments, debt and money market instruments and other securities, as specified by SEBI from time to time and allowed under the Regulations which will, inter-alia, include but not limited to:

- Equity - Listed equity securities on the NSE and BSE including IPOs
- Derivatives (for hedging and portfolio balancing)
- Equity ETFs, listed partly-paid securities and warrants
- Listed Debt and Debt ETFs
- Listed INVITs and REITs
- Gold, Silver ETFs and listed Sovereign Gold Bonds
- Mutual Funds - Equity mutual funds, Debt mutual funds, Hybrid funds, multi-asset funds, Arbitrage
- Funds, Fund of Funds (FOF Domestic, FOF Overseas), ETF funds and Index funds

III. Strategy: Equity.

IV. Allocation of Portfolio across types of securities

- Equity and Equity Related securities - 0% to 100%
- Other Securities including Mutual funds- 0% to 100%

V. Basis of selection of such types of securities as part of the Investment Approach

The strategy follows a long-term, business-owner-oriented approach to investing. The Portfolio Manager seeks to identify extraordinary businesses that have sustainable competitive advantages, are led by capable and ethical management teams, and operate in sectors benefiting from structural growth tailwinds.

The focus is on buying such businesses only when they are available at a meaningful discount to their estimated intrinsic value, thereby incorporating a margin of safety.

The investment approach is influenced by the principles of renowned value investors and is based on the belief that superior long-term returns arise from:

1. Identifying exceptional businesses;
2. Purchasing them at attractive valuations; and
3. Holding them patiently for long periods while the underlying business compounds in value.

The portfolio is constructed as a concentrated, high-conviction portfolio. Typical characteristics include:

- Portfolio size of approximately 10 to 20 core holdings;
- Allocation based on conviction, quality and risk-reward assessment;
- Sector diversification to reduce exposure to any single industry; and
- Low portfolio turnover

Portfolio allocation pattern can be altered and changed for a short to medium term period based on the market conditions and defensive considerations as per the Portfolio Managers.

VI. Performance Benchmark and Basis of selection

Performance Benchmark for the Investment Approach would be S&P BSE 500 TRI.

The benchmark has been selected in accordance with the SEBI circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022 & as per APMI guidelines from the list of benchmarks available for selection, given this benchmark is the closest comparative of the asset mix chosen under this approach.

VII. Indicative Tenure or investment horizon

Our basis of selection of equity securities being part of our Investment Policy is to invest

for long-term gains, indicative tenure for such Scrip level investment would typically range from 5 to 10 years or longer.

However, if there is material change in the fundamentals, circumstances, ownership, external and internal environment etc, or prices run up too high to diminish future returns or any other relevant factor in which company operates, we may take exit call from such investment before 5 years as well.

VIII. Risks associated with the Investment Approach

1. Short Term turbulences are not considered in the investment approach and approach does not have stop loss or target price or specific rules on price correction as trigger to book profit / loss in any of the securities.
2. Concentration risk may be higher than diversified equity funds as value opportunities may be available only in a few identified businesses.

IX. Other Salient Features

1. Our Investment Approach would be portfolio of Equity Securities of Companies/ cash positions having determined percentages for each such company in the portfolio.
2. Each such exposures would be reviewed periodically by the Investment Team.
3. As a part of Investment execution methodology for the given Investment Approach, Portfolio of the Investor would be rebalanced based on exit call, if any, of the selected Equity in the Portfolio and is at the sole discretion of the portfolio manager and might not be consistent across portfolios.
4. Scrip level weights would be different as Portfolio would be constructed considering buy/hold strategy at the time of entry/exit of the Investors Corpus, Scrip level weights would therefore, could be different for different investors as per time of entry/withdrawal of the investor.
5. Portfolio Manager will deploy Client's funds in a reasonable timeframe.

Nature of Fees & Expenses: For detailed nature of expenses, kindly refer to section 7 of the disclosure document.

(ii) Minimum Investment Amount -

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and /or funds of an amount prescribed by Portfolio Manager for a Portfolio, subject to minimum amount as specified under SEBI Regulations, as amended from time to time. Currently the minimum investment amount is Rs. 50 Lacs. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and/ or funds under the service.

The minimum investment amount of INR 50 Lacs as prescribed under the SEBI (Portfolio Managers) Regulations, 2020 shall not be applicable in case the client is

classified as an Accredited Investor. The Minimum contribution and other terms and condition shall be governed by the agreement between the client and the portfolio manager subject to the applicable regulatory framework. The Client acknowledges that investment below the prescribed threshold may impact portfolio diversification, increase concentration risk, and result in deviations from standard portfolio construction and execution strategies.

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

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

(iv) Direct on boarding of client -

The Portfolio Manager provides the facility to the Client for Direct on-boarding with us without any involvement of a broker/distributor/agent engaged in distribution services. The Client can sign up for our services by writing to us at – contact@shaguncapital.in.

6. RISK FACTORS

A. General Risks Factors

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

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

(3) The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.

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

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

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

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

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

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

B. Risk associated with equity and equity related instruments

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

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

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

C. Risk associated with debt and money market securities

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

(14) Liquidity or Marketability Risk: The ability of the Portfolio Manager to execute

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

(15) Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk. 12

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

D. Risk associated with derivatives instruments

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

(18) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks

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

E. Risk associated with investments in mutual fund schemes

(19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

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

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

(22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by

the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.

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

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

(25) While it would be the endeavour of the Portfolio Manager to invest in the schemes

in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.

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

F. Risk arising out of Non-diversification

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

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

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

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

(29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavour

to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.

(30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and

to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

7. NATURE OF EXPENSES

The following are the broad types of costs and expenses chargeable to Clients availing the Portfolio Management Services. The exact quantum of fees / expenses relating to each of the services shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The expense charged may vary from Client to Client. The expenses incurred shall be directly debited on actual expense incurred basis to the Client's Portfolio as and when the same becomes due for payment or on a monthly basis.

(i) Investment management and advisory fees.

(a) Portfolio Management Fees

The fees is related to portfolio management services offered to Clients. The fees may be in the form of a percentage of the assets under management or linked to portfolio returns achieved or a combination of both. In case of fees linked to portfolios returns the basic principles for calculation of the fees are as under:

- The fees are charged upon exceeding a hurdle rate or a benchmark rate as specified in the PMS agreement.
- The fee shall be computed on the basis of high-water mark principle over the life of the investment.
- High water mark shall be the highest value that the Portfolio has reached. Value of Portfolio for the computation of high-water mark shall be taken to be the value on the date on which performance fees are charged.

(b) An indicative table of the charges that may be levied by the Portfolio Manager for Investment Approach is as given below:

S. No	Investment Approach	Fixed Management Fee	Performance based Fee
I	ShagunCap Longterm Value	Upto 2.50% per annum on daily closing AUM of the Portfolio	Performance based fees up to 20% of portfolio return

The actual fees charged by the Portfolio Manager for each Client shall be determined separately and the fees may vary from Client to Client.

Performance based fees will be charged semi-annually or annually as specified in the agreement or at the close of account, whichever is earlier. In case of interim contribution / withdrawals by clients, performance- based fees shall be charged on a proportionate basis

Goods and Services tax and statutory levies would be levied separately as per the prevailing rates from time to time.

(ii) Custodian fee.

The charges relate to opening and operation of depository accounts, custody and transfer charges for securities, dematerialization and re-materialisation, fund accounting services and other charges in connection with the operation and management of the depository accounts. Custodian fee will be 3bps p.a.

(iii) Registrar and transfer agent fee.

Charges payable to registrars and transfer agents in connection with transfer of securities including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges and other related charges would be recovered.

(iv) Brokerage and transaction cost.

The brokerage charges, and other charges like Goods and Services Tax, stamp duty, transaction costs including bank charges, turnover tax, securities transaction tax or any other tax levied by statutory authorities on the purchase and sale of securities and exit load (if any) on units of Mutual Funds. (Current Charges: 0.02% of the turnover amount + GST +STT and other statutory charges)

(v) Audit Fees, Certification and professional charges

Charges payable for out sourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by bankers or regulatory authorities including legal fees etc. would be recovered on actual basis.

(vi) Exit Load

Upon early termination of Portfolio Management Services, the Portfolio Manager shall be entitled to charge the client an Exit Load as mentioned in the Agreement executed between Client and Portfolio Manager.

The exact quantum of exit load relating to such early termination shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The exit load charged may vary from Client to Client.

The exit load charged shall not exceed SEBI permissible limits. Present permissible exit load vide SEBI Circular no. SEBI/HO/IMD/DF1/P/2020/26 dated February 13, 2020 is;

- If redeemed in full or part in the first year, maximum of 3% of the amount redeemed.
- If redeemed in full or part in the second year, maximum of 2% of the amount redeemed.
- If redeemed in full or part in the third year, maximum of 1% of the amount redeemed.
- If redeemed in full or part after a period of three years from the date of investment, no exit load.

(vii) **Any other incidental and ancillary charges**

All incidental and ancillary expenses not covered above but incurred by the Portfolio Manager on behalf of the Client for Portfolio Management and expenses incurred by the Portfolio Manager in terms of the Agreement shall be charged to the Client.

(viii) **Direct Onboarding Charges.**

The Portfolio Manager provides an option to the clients to be on-boarded directly, without intermediation of persons engaged in distribution services.

At the time of on-boarding of clients directly, no charges except statutory charges shall be levied by the Portfolio Manager.

(ix) **Operating Expenses Limit.**

Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed limit as prescribed by SEBI from time to time. Presently SEBI has prescribed limit of 0.50% per annum of the client's average daily Assets under Management (AUM) vide SEBI Circular no. SEBI/HO/IMD/DF1/P/2020/26 dated February 13, 2020.

(x) **No upfront fee -**

In terms of SEBI regulations and/ or guidelines, Portfolio Manager shall never charge up-front fees to the clients, either directly or indirectly.

NOTE - Investments in mutual fund schemes, if any, under the Portfolio Management Services shall be made only in Direct Plans of mutual fund schemes, in accordance with the SEBI (Portfolio Managers) Regulations, 2020. The Portfolio Manager does not receive any commission in respect of mutual fund investments made under the Portfolio Management Services, as such investments are restricted to Direct Plans only.

8. TAXATION

A. General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws. The information set out below outlines the tax implications based on relevant provisions of the Income Tax Act, 2025 ("the IT ACT") as on date.

B. Tax deducted at source

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

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

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

C. Long term capital gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under section 67 of IT Act 2025.

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 twelve (12) months	More than twelve (12) months	Long-term capital Asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term capital Asset
Unlisted shares of A company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital Asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital Asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long-term capital asset
	36 months or less	Any period	Short-term capital Asset

- **Definition of Specified Mutual Fund:**

Before 1st April 2025:

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

On and after 1st April 2025:

“Specified Mutual Fund” means, --

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

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

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

- **Definition of Market Linked Debenture:**

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

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

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

As per section 198 of the IT Act 2025, long term capital gains exceeding INR 1.25 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 12.5%, 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 12.5%. 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 70 (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 or rebated under Section 156 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 12.5% (without indexation) 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 208) are taxable at the rate of 12.5% under Section 210 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 12.5% 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 214 of the IT Act 2025, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 212 (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 12.5% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

D. Short term capital gains

Section 196 of the IT Act 2025 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 20% 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 72 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 76 of the IT Act 2025. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 76 of the IT Act 2025 with effect from 23 July 2024.

E. Profits and gains of business or profession

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head “Profits and Gains of Business or Profession” under section 26 of the IT Act 2025. The gain/ loss is to be computed under the head “Profits and Gains of Business or Profession” after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

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

F. Losses under the head capital gains/business income

In terms of section 108 read with section 111 of the IT Act 2025, 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 tax 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 tax years.

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

G. General Anti Avoidance Rules (GAAR)

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

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

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

- Disregarding or combining or 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.

H. FATCA Guidelines

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

- (a) the name, address, taxpayer identification number and date and place of birth;
- (b) where an entity has one or more controlling persons that are reportable persons:
 - (i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and
 - (ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- (c) account number (or functional equivalent in the absence of an account number);
- (d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- (e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and other reportable accounts (i.e. under CRS).

I. Goods and Services Tax on services provided by the portfolio manager

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

9. ACCOUNTING POLICIES

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

A. Client Accounting

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

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

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

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

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

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

B. Recognition of portfolio investments and accrual of income

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

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

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

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

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

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

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

C. Valuation of portfolio investments

(14) As per SEBI circular, include the following wording and note:

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.

NOTE: Investments in Equities, will be valued at the closing price of the exchanges (closing price of NSE or BSE as the case may be and BSE or NSE as the case may be).

Primary Exchange would be NSE. If Price is not available on primary exchange than price of secondary exchange will be considered. If Price is not available on secondary exchange than previous day price will be considered.

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

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

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

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

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

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

10. INVESTORS SERVICES

(i) Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints.

Name	Vidish Asher
Address	F2/25, 2nd Floor, Wave Silver Tower, Sector -18, Noida, Uttar Pradesh 201301 India
Telephone	+91 8369031783
Email	contact@shaguncapital.in

(ii) Grievance redressal and dispute settlement mechanism.

Shaguncap Investment Managers LLP endeavor to address all complaints regarding service

deficiencies or causes for grievance, for whatever reason, in a reasonable time and manner. Shaguncap Investment Managers LLP realizes that quick and effective handling and resolution of customer's complaints is essential to provide excellent customer service.

To achieve this company has a clearly documented policy for redressal of customer grievances.

Through this policy, the company shall ensure that a suitable mechanism exists for receiving and addressing complaints from its customers with specific emphasis on resolving such complaints fairly and expeditiously.

For the timely and proper redressal of client's complaints and grievances, the Portfolio Manager shall have the following Grievance Redressal and Dispute Handling Mechanism at place:

The Portfolio Manager has appointed Mr. Vidish Asher, Compliance Officer as a first point for the redressal of the Client's complaints. The Client can approach him at below mentioned contacts:

Shaguncap Investment Managers LLP
F2/25, 2nd Floor, Wave Silver Tower, Sector -18, Noida, Uttar Pradesh 201301 India
Mobile No. +91 8369031783
Email: contact@shaguncapital.in

If the client remains dissatisfied with the remedies offered or the stand taken by above designated person, he/she can contact Principal Officer , Mr Prateek Gupta at:

Shaguncap Investment Managers LLP

F2/25, 2nd Floor, Wave Silver Tower, Sector -18, Noida, Uttar Pradesh 201301 India

Mobile No. +91 9654757090

Email: corporate@shaguncapital.in

For disputes or differences arising between the Client and Portfolio Manager which could not be resolved amicably, shall be settled in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such Arbitration proceedings shall be held at Noida. All the legal actions and proceedings are subject to the jurisdiction of court in Noida (Uttar Pradesh) only and are governed by Indian Law.`

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

Investor may also register/ lodge their complaints to SEBI through its online portal SCORES (SEBI COMPLAINTS REDRESS SYSTEM). The link to access SCORES is <https://scores.sebi.gov.in/> and investors can file complaints by clicking “Complaint Registration” under “Investor Corner”. SCORES facilitates investors to lodge their complaint online with SEBI and subsequently view its status.

After exhausting all available options as above for resolution of the grievance, if the investor/client is still not satisfied with the outcome, then the Investor has the option to file the complaint/ grievance on SMARTODR platform. Accordingly, the client can initiate dispute resolution through the ODR Portal, for its resolution through online conciliation or arbitration. ODR Portal harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. ODR Portal can be accessed via the following link - <https://smartodr.in/>.

11. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

The Portfolio Manager shall invest predominantly in equity and equity-related securities and shall construct a diversified, sector-agnostic portfolio in accordance with the applicable regulations issued by Securities and Exchange Board of India.

The Portfolio Manager may, at its sole discretion, invest Client Assets in one or more of the following asset classes and instruments, as permitted under applicable laws and regulations:

- Equity: Listed equity securities on the NSE and BSE including IPOs
- Derivatives (for hedging and portfolio balancing)
- Equity ETFs, listed partly-paid securities and warrants
- Listed Debt and Debt ETFs
- Listed INVITs and REITs
- Gold, Silver ETFs and listed Sovereign Gold Bonds
- Mutual Funds - Equity mutual funds, Debt mutual funds, Hybrid funds, multi-asset funds, Arbitrage
- Funds, Fund of Funds (FOF Domestic, FOF Overseas), ETF funds and Index funds

The Portfolio Manager generally seeks to maintain a diversified portfolio across sectors, industries and businesses, while retaining the flexibility to allocate capital to higher-conviction opportunities where the risk-reward profile is considered attractive. The core equity portfolio is typically expected to comprise approximately 10 to 20 holdings, selected based on rigorous fundamental research, business quality, management assessment, valuation discipline and long-term growth potential. Position sizes are determined based on conviction, liquidity, portfolio context and overall risk considerations.

The Portfolio Manager may also maintain exposure to cash, liquid mutual funds, money market instruments and other defensive assets pending deployment or during periods when suitable investment opportunities are limited.

The extent of diversification, number of holdings and allocation across asset classes may vary depending on market conditions, valuation opportunities, liquidity considerations and the Portfolio Manager's investment outlook. Portfolio allocation patterns may be altered for short- to medium-term periods for defensive positioning, hedging or tactical considerations, in the best interests of Clients.

PART-II DYNAMIC SECTION:

12. CLIENT REPRESENTATION

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- (i) The Portfolio Manager is currently in the process of obtaining registration from Securities and Exchange Board of India to carry on the business of portfolio management. Accordingly, the Portfolio Manager has not commenced operations as a registered portfolio manager and does not have any prior track record of managing portfolios or acting on behalf of any person or entity in the capacity of a portfolio manager.
 - (ii) **Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India-** No Such Transaction.

13. FINANCIAL PERFORMANCE

The entity has been incorporated on March 16, 2026. As it is the first year of operation, no financial performance data is available to disclose.

14. PERFORMANCE OF PORTFOLIO MANAGER

As it is the first year of operation and entity is yet to start offering PMS services, no performance data is available to disclose.

15. AUDIT OBSERVATIONS (OF THE PRECEDING 3 YEARS)
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The entity has been incorporated on March 16, 2026. As it is the first year of operation, audit of financial statements has not been done.

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

The details of investment of client's funds by the portfolio manager in the securities of its related parties or associates.

#	Investment Approach, if any	Name of the associate/ related party	Investment Amount (cost of investment as on last day of previous calendar quarter INR Crore)	Value of Investment as on last day of previous calendar quarter INR Crore)	Percentage of total AUM as on last day of previous calendar quarter
1	Not applicable	Not applicable	NIL	NIL	NIL

Name and Signatures of at least two Designated Partners of Portfolio Managers

Name of Director	Signatures
1) Mohit Kanodia	FOR SHAGUNCAP INVESTMENT MANAGERS LLP  DESIGNATED PARTNER Date:
2) Shilpa Kanodia	FOR SHAGUNCAP INVESTMENT MANAGERS LLP  DESIGNATED PARTNER Date: