

FORM C

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

SHADE CAPITAL PRIVATE LIMITED

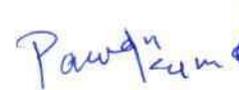
Regd. Office: S-68, Ground Floor, Panchsheel Park, Malviya Nagar, New Delhi – 110017
Tel.: 91-011-42603454, Website: www.shadecapital.in
E-mail: pawan.kumar@shadecapital.in

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 in the Portfolio Management;
- iii) The Disclosure Document has been duly certified by Mr. Subodh Kumar Modi (Membership Number 093684) a partner of M/s NSBP & Co., Chartered Accountants (Firm Registration Number 001075N), an independent chartered accountant, having office at 325, Third Floor, U.S. Complex, Opp. Apollo Hospital, 120, Mathura Road, Sarita Vihar, New Delhi -110076, Contact No.: +91 -9810301988 on September 25, 2024

Date: 01/10/2024
Place: New Delhi

Signature of the Principal Officer




PAWAN KUMAR
(Principal Officer)

Corporate Address: 2002B, WorkWell
Suites, Max House Situated at Bahapur Delhi 110020

Auditor's Certificate

1. We, NSBP & Co., Chartered Accountants, the Statutory Auditor of Shade Capital Private Limited (hereinafter referred as the "Company") having their Registered Office at S-68, Ground Floor, Panchsheel Park, Malviya Nagar, New Delhi - 110017, India, have received a request from the Company to certify the Disclosure Document ("the Document") required as per Schedule V and Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the Regulations") dated January 16, 2020.

Management's Responsibility

2. The preparation of the Document is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of this document and applying an appropriate basis and making estimates that are reasonable in the circumstances.
3. The management is also responsible for ensuring that the Company complies with the requirements specified as per Schedule V and Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the Regulations") for the preparation of the Document.
4. The management of the Company is also responsible for extracting the financial information as provided in the document from audited financial statements.

Auditor's Responsibility

5. Pursuant to the requirements of the above mentioned SEBI Regulations, it is our responsibility to provide a reasonable assurance on the completeness and accuracy of the figures mentioned in the Document which have been extracted from the audited financial statement and other relevant reports/documents as maintained by the Company.
6. We conducted our verification in accordance with Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient and appropriate evidence on the reporting criteria mentioned in the paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the reporting criteria.

Opinion

9. Based on our examination and according to the information and explanation given to us we certify the following:
 - a) All the disclosures by the Company are in accordance with those specified in Schedule V and Regulation 22 of the Securities Exchange Board of India (Portfolio Managers) Regulations, 2020.



SHADE CAPITAL PRIVATE LIMITED

CIN : U74210DL1996PTC083363
SEBI REGISTRATION NO. INP000004185
GST NO. 07AAACI8102Q1ZC

Portfolio Management Services Disclosure Document

Disclosure Document for Portfolio Management Services by **Shade Capital Private Limited**

- This 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.
- The purpose of this Disclosure Document is to provide essential information about portfolio management services in a manner to assist and enables the investors in making an informed decision for engaging a Portfolio Manager.
- This Disclosure Document contains necessary information about the Portfolio Manager required by an investor, before investing and the investors may also be advised to retain the document for future reference.
- The name, phone number, and e-mail address of the principal officer so designated by the Portfolio Manager is as given below:

Principal Officer

Mr. Pawan Kumar

Registered Address: S-68, Ground Floor, Panchsheel Park, Malviya Nagar, New Delhi - 110017

Corporate Address: 2002B, Work Well Suites, Max House, Situated at Bahapur, Delhi - 110020

Tel: 011-42603454

Email: pawan.kumar@shadecapital.in



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DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES**(1) DISCLAIMER CLAUSE:**

This Disclosure Document has been prepared by Shade Capital Private Limited a Portfolio Manager registered with the Securities Exchange Board of India ("SEBI"), in accordance with SEBI (Portfolio Managers) Regulations, 1993 (Superseded by SEBI (Portfolio Managers) Regulations, 2020), (Registration No. INP000004185) and filed with SEBI. This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

(2) DEFINITIONS:

- a) **"Act"** shall mean The Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) **"Assets" or "Assets of the Account or Portfolio"** shall mean the Securities and other investments and funds managed by the Portfolio Manager from time to time in terms of the Portfolio Management Services Agreement entered into with the Client.
- c) **"Chartered Accountant"** as defined in clause (b) of sub-section (1) of section 2 of The Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of the Act.
- d) **"Client"** means the person who pursuant to the Portfolio Management Services Agreement with the Portfolio Manager intends to avail the Portfolio Management Services offered by the Portfolio Manager.
- e) **"Custodian"** shall mean the custodian providing custodial services in accordance with the regulations issued by SEBI and appointed from time to time for safe keeping of the Assets of the Client.
- f) **"Discretionary Portfolio Manager"** a Portfolio Manager who exercise or may, under a contract relating to portfolio management, exercises any degree of discretion as to the investments or management of the portfolio of securities or the funds of the client, as the case may be.
- g) **"Distributor/(s)"** means an individual/ a company/ a partnership firm/ a karta of Hindu Undivided Family and others who enters into an agreement with the Portfolio Manager and empaneled as a distributor to distribute the Portfolio Manager's Portfolio Management Services to its current and potential clients who may be interested in availing such services and comply with the relevant regulations mentioned in the SEBI (Portfolio Managers) Regulations, 2020 and circulars as issued and amended by SEBI from time to time.
- h) **"Foreign Account Tax Compliance Act (FATCA)"** is that Act seeks to indentify U.S. tax payers having accounts at Foreign Financial Institutions (FFIs) and attempts to enforce reporting of those accounts through withholding.



- i) **"Fund Manager"** means the individual(s) appointed by the Portfolio Manager who manages, advises or directs or undertakes on behalf of the client (whether as a Discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the client, as the case may be.
- j) **"Funds"** means the money placed by the Clients with the Portfolio Manager and any accretion thereto.
- k) **"Net Asset Value" or "NAV"** means the net asset value of the portfolio which is the sum of (a) the value of the securities in the portfolio of the Client, determined in accordance with the valuation policies of the portfolio manager forming a part of the accounting policies as disclosed herein; and (b) the cash balance to the credit of the Client, less (c) accounts payable by the Client.
- l) **"Non- Discretionary Portfolio Manager"** means a Portfolio Manager who manages the funds in accordance with the directions of the clients.
- m) **"Non-Pool Account"** means the bank account opened, maintained and operated by the Portfolio Manager, in the name of the client.
- n) **"Non-Resident Indian (NRI)"** shall have the meaning as defined under Foreign Exchange Management (Deposit) Regulations, 2000 (FEMA Regulation, 2000) framed by Reserve Bank of India under Foreign Exchange Management Act, 1999 (superseded by Foreign Exchange Management Act, 2016, as amended from time to time). (As on date as per FEMA Regulation 2016, "Non-Resident Indian (NRI)" means a person resident outside India, who is a citizen of India.)
- o) **"Person of Indian Origin (PIO)"** shall have the meaning as defined under Foreign Exchange Management (Deposit) Regulations, 2000 (FEMA Regulation, 2000) framed by Reserve Bank of India under Foreign Exchange Management Act, 1999 (superseded by Foreign Exchange Management Act, 2016, as amended from time to time). (As as per FEMA Regulation 2016, " Person of Indian Origin (PIO)" means a person resident outside India who is a citizen of any country other than Bangladesh or Pakistan or such other country as may be specified by the Central Government, satisfying the following conditions:
- Who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955), as amended thereafter; or
 - Who belonged to a territory that became part of India after the 15th day of August, 1947; or
 - Who is a child or a grandchild or a great grandchild of a citizen of India or of a person referred to in clause (a) or (b); or
 - Who is a spouse of foreign origin of a citizen of India or spouse of foreign origin of a person referred to in clause (a) or (b) or (c)

Explanation: for the purpose of this sub-regulation, the expression 'Person of Indian Origin' includes an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.)



- p) **"PMS Portfolios"** means any of the investment Portfolios as mentioned herein or such Portfolios that may be introduced at any time in the future by the Portfolio Manager.
- q) **"Pool Account"** means the bank account in which the funds handed over by the client shall be held by the Portfolio Manager on behalf of the Client.
- r) **"Portfolio Management Services (PMS) Agreement"** means the agreement by whatever name called entered into between the Client and the Portfolio Manager for availing of the Portfolio Management Services rendered by the Portfolio Manager as provided for by regulation 14(1) of the Regulations.
- s) **"Portfolio Manager"** means Shade Capital Private Limited, a Portfolio Manager registered under the SEBI (Portfolio Managers) Regulations, 1993 (Superseded by SEBI (Portfolio Managers) Regulations, 2020)
- t) **"Pure Equity Oriented Portfolio"** means the funds shall be deployed purely in equity instruments to the extent of 100 % in accordance with the Portfolio Management Services Ltd. and the liquid funds shall be invested in the various instruments of the Debt Market as decided by the Client/Portfolio Managers based on the Portfolio Management Services Agreement.
- u) **"Rules"** shall mean The Securities and Exchange Board of India (Portfolio Managers) Rules, 1993 or amended thereafter.
- v) **"Regulations"** shall mean the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.
- w) **"SEBI / Board"** Shall mean The Securities and Exchange Board of India.
- x) **"Securities"** shall mean the securities as defined in the Securities Contracts (Regulation) Act, 1956 and includes bonds, notes, shares, units of mutual funds, certificates of deposit, futures, foreign exchange contracts, or other securities and instruments, and rights or property which may at any time accrue or be offered (whether by way of bonus, redemption, dividends, conversion, option or otherwise) in respect of any of the foregoing and any certificates, options, receipts, warrants or other instruments (whether in registered or unregistered form) representing rights to receive, purchase or subscribe for any of the foregoing or evidencing or representing any other rights or interests therein (including, without limitation, any of the foregoing constituted, evidenced or represented by an entry in the records of the issuer or a depository) which may from time to time be held by the Portfolio Manager pursuant to Portfolio Management Services Agreement.

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



(3) DESCRIPTION: -**i) HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER**

Shade Capital Pvt. Ltd. is a private limited company incorporated under the provision of Companies Act, 1956 (Superseded by Companies Act, 2013) having its Registered Office at S-68, Ground Floor, Panchsheel Park, Malviya Nagar, New Delhi – 110017 and Corporate Office: 2002B, WorkWell Suites, Max House situated at Bahapur Delhi -110020

Shade Capital Pvt. Ltd. has a Board managed professionally, focusing on providing niche financial advisory services. It has been in the Corporate Finance Business over 20 years.

The Company has been formed with the objective to provide high-quality financial services. Initially, corporate finance was the key focus area. Key services within corporate finance included mergers and acquisitions, private equity placement, corporate restructuring, and valuations. With professional management set up and focus on client service, the company has developed a strong client base and a reputation for excellence.

The two business lines of the Company i.e., Corporate Finance and Portfolio Management Services are managed independently by the respective Head's with periodic review of performance, budgets and compliance by the Directors.

ii) PROMOTERS OF THE PORTFOLIO MANAGER, DIRECTORS, AND THEIR BACKGROUND (As on 25/09/2024)**PROMOTERS:**

Name of the Promoter	Percentage Shareholding in Shade Capital	Director/Promoter in any other Company
Mrs. Madhulika Mehta	75	NIL
Mrs. Charu Mehta	25	NIL

The Company is managed under the supervision of the Board of Directors, which consists of promoters and Directors. The businesses area run by professional heads who report to the Board on a periodic basis.

Board of Directors:

- a) **Mr. Jagvir Singh Fauzdar** is an MBA (Finance). He has over 17 years of experience in the Securities Market, He has been appointed as Director on 16/10/2013 and Whole Time Director on 25/03/2015.



- b) **Mrs. Charu Mehta** is a Graduate and has a Diploma in Fashion Designing. She has intensive experience in marketing and business development and will handle the day-to-day operations of the Company. She has been appointed as Director on 12/03/2021.
- c) **Mr. Vikram Singh Mehta** is a rank holder Chartered Accountant and a graduate of the Darden School of Business, University of Virginia. He has over 22 years of experience in investment banking and corporate finance advisory. His views have been published by leading financial newspapers and magazines. He has been appointed as Director on 28/10/2022.

iii) **GROUP COMPANIES/FIRMS OF THE PORTFOLIO MANAGER ON TURNOVER BASIS:**

Shade Capital Private Limited does not have any group Companies/Firms till date. Latest audited financial statement March 31, 2024.

iv) **Details of the services being offered:**

Discretionary Services:

The Portfolio Manager provides only discretionary portfolio management services to their clients.

Under the Discretionary Portfolio Management 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. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in the deployment of the Client's account is absolute and final and can never be called in question or be open to review at any time during the currency of the agreement or at any time thereafter except on the ground of fraud, malafide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, Guidelines and Notifications in force from time to time. Periodical statements in respect of the Client's Assets under Management shall be sent to the respective Clients.

The Portfolio Manager offers the option of direct on-boarding to clients under the Discretionary Services. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied for the on-boarding. The Client may contact to the official details mentioned below to boarding directly.

Name of the Official: Mr. Pawan Kumar

Designation: Principal Officer

Contact No. + 91 - 9810454554

Email Id: pawan.kumar@shadecapital.in

The Client can also make investment through distributor/(s) empaneled with us and the distributor commission shall be borne by the Portfolio Manager, which shall be in the range of 20% to 50% (or as agreed) of the management fees and performance fees charged from client. Actual commission paid to the distributor shall be provided in the Client report on quarterly basis.



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

- i) **All cases of penalties imposed by SEBI or the directions issued by SEBI under the Act or Rules or Regulations made thereunder.**

No penalties have been imposed on the Portfolio Manager by SEBI and no directions have been issued by SEBI under the Act or Rules or Regulations made thereunder.

- ii) **The nature of the penalty/direction.**

Not Applicable

- iii) **Penalties/fines imposed for any economic offence and/ or for violation of any securities Laws.**

There are no penalties imposed on the Portfolio Manager for any economic offences and / or for violation of any securities laws.

- iv) **Any pending material litigation/legal proceedings against the portfolio manager/key personnel (in its capacity as Portfolio Managers) with separate disclosure regarding pending criminal cases, if any:**

There are no pending material litigation/legal proceedings against the portfolio manager/key personnel (in its capacity as Portfolio Managers).

There are no pending criminal cases against the portfolio manager/key personnel (in its capacity as Portfolio Managers).

- v) **Any deficiency in the systems and operations of the Portfolio Manager (in its capacity as Portfolio Manager) observed by SEBI or any regulatory agency:**

There has been no deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency.

- vi) **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 the Act or Rules or Regulations made there-under.**

No enquiry/adjudication proceedings initiated by SEBI under the Act or Rules or Regulations made there-under.

(5) SERVICES OFFERED

- i) **Details of Service:** Discretionary Portfolio Management – Shade Value Fund (Investment Approach)

Minimum Portfolio Size: Rs. 50 lakhs

Nature: Equity Oriented

Benchmark Index: S&P BSE 500 TRI (w.e.f. April 01, 2023)



Equity Oriented Portfolio Management:

Investment Objective: The primary investment objective is to get superior long-term absolute and relative returns and to seek to generate capital appreciation and current income by creating a portfolio that is invested primarily in well - diversified equities and equity related securities.

Investment Strategy:**Investment for long term on the basis of fundamental value**

Investment only in companies we truly understand:

Subject to SEBI Regulations, the Portfolio Manager shall invest in such capital and money market instruments or in fixed income securities or variable securities of any description, by whatever name called including: -

- (a) Equity and Equity related securities, Convertible Stock and Preference Shares of Indian Companies;
- (b) Debentures (Convertible and Non-convertible), Bonds and Secured Premium Notes, Swaps, Options, Futures, Securitised Debt, Pass Through Certificates and Instruments which are quasi-debt instruments, Tax-exempt Bonds of Indian Companies and Corporations.
- (c) Government and Trustee Securities;
- (d) Units and other instruments of Mutual Funds.
- (e) Bank Deposit
- (f) Treasury Bills
- (g) Commercial Papers, Certificates of Deposit and other similar Money Market instruments; and Derivatives. The Portfolio Manager may use derivative instruments like Stock Index Futures, Futures on Individual Stocks, Options on Stock Indices and Options on individual stocks, Interest rate swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time, as permitted by SEBI, to hedge its portfolio.

Asset Allocation

The portfolio would comprise primarily of equities and other securities. Wherever appropriate, the Portfolio Manager may invest those Assets in cash/liquid/money market funds or fixed income securities of short/medium duration, derivatives for any interim period that the Portfolio Manager may decide in its sole, entire and absolute discretion, till the Portfolio Manager locates appropriate opportunities in the market, in line with the Client risk profile.

Special Situations

Particular circumstances involving a security that would compel investors to trade the security based on the special situation, rather than the underlying fundamentals of the security or some other investment rationale. An investment made due to a special situation is typically an attempt to profit from a change in valuation as a result of the special situation, and is generally not a long-term investment.



There are many circumstances that could be referred to as special situation investment opportunities such as open offers, mergers and acquisitions, and bankruptcy proceedings etc.

- Open offers - mostly opportunity emerges from M&A or buyback of shares through tender offers.
- Spin offs - demerger of business or sell of some assets.
- Delisting - opportunity emerges from delisting of the company by the promoters.
- Dividend arbitrage.

ii) THE POLICIES FOR INVESTMENT IN ASSOCIATES / GROUP COMPANIES OF THE PORTFOLIO MANAGER AND THE MAXIMUM PERCENTAGE OF SUCH INVESTMENTS THEREIN SUBJECT TO THE APPLICABLE LAWS/REGULATIONS/GUIDELINES.

The Portfolio Manager will not invest in any associate/group companies.

Note:

- The Portfolio Manager shall not invest any of the Client's funds/assets in bill discounting or for the purpose of lending or placement with corporate or non-corporate bodies.
- The Portfolio Manager, while dealing with the Client's funds shall not indulge in speculative transactions, that is, it shall not enter into any transaction for the purchase or sale of any security in which transaction is periodically or ultimately settled otherwise than by actual delivery or transfer of the Security. Provided however that, the Portfolio Manager may enter into future contracts, options on securities, options on indices and other similar types of investment instruments which would be deemed to constitute part of the normal course of investing of Assets of the Account and the Portfolio Manager may also enter into transactions which will have the possibility of creating a hedge against the existing structure of the portfolio and such hedge transactions could include derivative products as may be permissible under law from time to time.
- The Portfolio Manager, however, may lend securities for and on behalf of the Client provided; the Client has specifically authorized the Portfolio Manager in writing in that behalf.
- It is further clarified that the Investment Guidelines shall not be deemed to have been breached or violated as a result of changes in the price or value of the Assets in the Account brought about solely through movements in the stock market or any other factors including change in registration which are beyond the control of the Portfolio Manager.
- **Partial Withdrawal Facility:** Partial withdrawal of Assets from Portfolio Management is permitted, subject to a minimum withdrawal of Rs. 1 lakh (excluding dividend/fractional shares payout).

Provided that the asset under management in respect to that client should not fall below the minimum stipulated level of Rs.50 Lakhs.



(6) RISK FACTORS:**General Risk Factors applicable to all Portfolios:**

1. Investments by the Portfolio Manager are made as per the rules and guidelines applicable. The pattern of investment is specified in these guidelines and hence the risk arising from the investment objective, investment strategy and asset allocation cannot be mitigated.
2. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the investments will be achieved.
3. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
4. The past performance of the Portfolio Manager does not indicate the future performance of the Portfolio Manager in provision of Portfolio Management Services. Investors are not being offered any guaranteed returns.
5. The investment made by the Portfolio Manager is subject to risk arising out of non-diversification.
6. The investments are subject to a very wide range of risks which include amongst others and by way of illustration loss in value of investments due to, *inter-alia*:
 - a. Overall economic slowdown, unanticipated bad corporate performance, environmental or political problems, changes in monetary or fiscal policies (including changes in tax laws and rates), changes in government policies and regulations;
 - b. Act of state, sovereign action, Acts of God, Acts of war, civil disturbance;
 - c. Delisting or market closure, relatively small number of scrips accounting for a large proportion of trading volume;

Risk arising from the investment approach, investment objectives, and investment strategy and asset allocation are as under:

For Debt Instruments:

- I. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macro-economic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
- II. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.



III. Investments in non-publicly offered debt securities (where permitted by the Investment mandate) may expose the client's portfolio to liquidity risks.

For Equity Investments

- I. In the case of Discretionary Portfolio Management Services, the Portfolio is managed at the discretion of the Portfolio Manager, hence there may arise a case for non-diversification.
- II. As with any securities investment, the value of the portfolio can go up or down depending on the factors and forces affecting the capital markets.
- III. The values of the portfolios may be affected by changes in the general market conditions, factors and forces affecting the capital markets, in particular, level of interest rates, various markets related factors and trading volumes, settlement periods and transfer procedures.
- IV. The liquidity of the portfolio investments are inherently restricted by trading volumes in the securities.
- V. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
- VI. Investments in unlisted securities (where permitted by the Investment mandate) may expose the client's portfolio to liquidity risks.

For Derivatives

- I. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds.
- II. Use of a derivative requires an understanding not only of the underlying interest but also of the derivative instrument itself.
- III. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly.
- IV. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract.
- V. Other risks in using derivatives include the risk of MIS pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.



Derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

7. Shade Capital Private Limited is acting as Portfolio Manager with effect from January 2nd, 2012 vide registration no. INP000004185.
The registration is valid unless it is suspended or cancelled by the SEBI.

Risk Management System

- Investment in special situations will reduce risk exposure in bad market conditions.
- Our investment philosophy to invest with huge margin of safety will further reduce market risk.
- We will take positions in derivatives to hedge our portfolio to reduce market risk.
- Cash holdings will reduce market risk as well as liquidity risk.
- Investment across different industries will reduce industry-level risk and business risk.
- We will not invest more than 25% of the Clients AUM in one company and more than 40% of the Client's AUM in single industry to mitigate company risk and industry risk.

(7) Investment Approach:

Particulars	Description
Investment Objective	Please refer to point no. 5(i)
Description of types of securities	The Portfolio Manager shall invest in all such securities as mentioned in point no.5 (i) and in all such Securities as may be permissible from time to time. The Portfolio Manager may also invest in derivatives or any other instrument as permitted by SEBI/RBI/such other Regulatory Authority from time to time.



<p>Basis of selection of such types of securities as part of the investment approach</p>	<p>Investment only in companies we truly understand.</p> <p>The flowchart illustrates the investment process. It starts with 'Leads' (Screen, Corporate Results, Analysts, Other contacts, Reading), followed by 'Primary analysis' (Industry research, Newspaper reports, Other reports, Basic worksheets, Annual reports), 'Meetings' (Brokers, Management, Supplier, distributors, Detailed meeting notes), and 'Detailed research' (Detailed spreadsheets, Quality of management review, Internal investment review). Below this, a 'Buy' process is shown, involving 'Buy decision/trigger/Assignment' and 'Continuous monitoring' (Regular review, Regular management meetings, Internal review meetings, Review with other analysts, Review with other stakeholders, like distributors, suppliers etc.). A 'Sell' process is also shown, involving 'Sell' and 'Sell if' (Target prices are reached, Change in view or perception of the industry/ business/ company management due to any event, Other triggers).</p>												
<p>Allocation of portfolio across types of securities</p>	<p>Please also refer point no.5 (i)</p> <table border="1"> <thead> <tr> <th>Proportion % of Net Assets</th> <th>Minimum</th> <th>Maximum</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity Exposure</td> <td>0%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Cash and/ or Liquid Funds/Liquid Bees</td> <td>0%</td> <td>100%</td> <td>Low</td> </tr> </tbody> </table>	Proportion % of Net Assets	Minimum	Maximum	Risk Profile	Equity Exposure	0%	100%	High	Cash and/ or Liquid Funds/Liquid Bees	0%	100%	Low
Proportion % of Net Assets	Minimum	Maximum	Risk Profile										
Equity Exposure	0%	100%	High										
Cash and/ or Liquid Funds/Liquid Bees	0%	100%	Low										
<p>Appropriate benchmark to compare performance and basis of choice of benchmark</p>	<p>Benchmark Index: S&P BSE 500 TRI (w.e.f. April 01,2023)</p> <p>Basis of Selection of Benchmark:</p> <p>The performance would be benchmarked against S&P BSE 500 TRI. The composition of the benchmark is such that it is most suited for comparing performance of the portfolio. The Portfolio Manager reserves the right to change the benchmark in future if other benchmark is better suited to the investment objective of the Investment Approach.</p>												



(8) CLIENT REPRESENTATION:

Indicative tenure or investment horizon	<p>Generally, Investment in the equity markets is considered for Long Term.</p> <p>The agreement will valid for fifteen (15) years considered it as initial period, however the client may specify the tenure or investment time horizon for the investment made by him/her in the portfolio management services account opening form or agreement.</p> <p>The tenure or investment horizon is subject to agree by the respective client.</p>
Risk associated with the investment approach	Please refer to point no.6 for the risk associated to the portfolio/investment approach.

(i) A summary of the funds managed by Shade Capital Pvt. Ltd. is provided below:

Category of Clients	No. of Clients			Funds Managed (Rs. in Cr.) *			Discretionary/ Non-Discretionary (if available)
	As on 31.03.22	As on 31.03.23	As on 31.03.24	As on 31.03.22	As on 31.03.23	As on 31.03.24	
Associate / Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	N/A
Other	43	38	36	55.47	44.38	66.05	Discretionary
Total	43	38	36	55.47	44.38	66.05	Discretionary

*Based on current market value of investment in portfolio.

Note: The above-mentioned client representation includes the following Non-Pool and NRI-Client details.



Category of Clients	No. of Clients			Funds Managed (Rs. in Cr.) *			Discretionary /Non-Discretionary (if available)
	As on 31.03.22	As on 31.03.23	As on 31.03.24	As on 31.03.22	As on 31.03.23	As on 31.03.24	
Non-pool Accounts	1	1	1	0.68	0.58	0.96	Discretionary
NRI-Accounts	2	2	2	1.59	1.36	2.01	Discretionary
Total	3	3	3	2.27	1.94	2.97	Discretionary

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

The portfolio Manager is not involved in any related party transactions other than those mentioned below.

Name	Relation
Mrs. Madhulika Mehta	Promoter
Mrs. Charu Mehta	Promoter and Director
Mr. Karna Singh Mehta	Spouse of Mrs. Madhulika Mehta
Mr. Jaideep Singh Mehta	Son of Mrs. Madhulika Mehta
Mr. Vikram Singh Mehta	Spouse of Mrs. Charu Mehta and Director
Mrs. Sharda Goyal	Mother of Mrs. Charu Mehta
Mr. Mahim Singh Mehta	Shareholder
Mrs. Jayshree Mehta	Spouse of Mr. Mahim Singh Mehta
Mr. Jagvir Singh Fauzdar	Whole Time Director
HLB Advisory Services Delhi LLP	Vikram Singh Mehta (Director) is a Partner

All the above have availed Portfolio Management Services (except HLB Advisory Services Delhi LLP) from Shade Capital Private Limited (Portfolio Manager). The fees and expenses charged to them are in line with the fees and expenses to other clients.



(iii) Transaction made during the year and Balance at year-end**(Amount in ₹ '000)**

Description	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Transaction made during the year			
Jagvir Singh Fauzdar			
Payment of Salary	3,320.00	2,818.14	3,824.95
Reimbursement of Expenses (Salary to Driver)	180.00	270.00	360.00
Management Fees	1.35	0.00	0.00
Charu Mehta			
Rent	0.00	0.00	35.00
Payment of Salary	2,480.00	480.00	330.00
Management Fees	79.06	0.00	53.35
Performance Fees	423.04	0.00	0.00
Madhulika Mehta			
Management Fees	226.05	89.66	197.04
Performance Fees	871.73	0.00	346.13
Reimbursement of Expenses	0.00	0.00	88.26
Karna Singh Mehta			
Management Fees	616.93	482.67	533.11
Performance Fees	2,513.53	0.00	798.61
Vikram Singh Mehta			
Management Fees	208.98	163.54	181.81
Performance Fees	819.19	0.00	292.62
Reimbursement of Expenses	142.90	533.08	3.48
Loan Received	2,000.00	0.00	0.00
Loan Repayment	2,000.00	0.00	0.00
Sale of Fixed Assets	500.00	0.00	0.00
Sharda Goyal			
Management Fees	157.51	62.45	136.00
Performance Fees	636.10	0.00	168.98
Pratibha Singh Fauzdar			
Consultancy Fees Paid	0.00	0.00	600.00
HLB Advisory Services Delhi LLP			
Consultancy Services Provided	0.00	4,200.00	600.00
Jaideep Singh Mehta			
Management Fees	376.73	146.44	164.08
Mahim Singh Mehta			
Management Fees	292.69	135.25	323.52



Performance Fees	303.89	0.00	356.08
Mrs. Jayshree Mehta			
Management Fees	64.67	26.09	56.97
Performance Fees	0.00	0.00	113.06

(iv) Balance outstanding at the year end

Salary Payable/Trade Payable/ Trade Receivable	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary Payable			
Jagvir Singh Fauzdar	2,750.00	-	262.78
Charu Mehta	1,365.00	20.00	-
Trade Receivable			
Jagvir Singh Fauzdar	1.35	-	-
Charu Mehta	468.40	-	30.92
Madhulika Mehta	999.67	-	446.82
Karna Singh Mehta	2,862.91	238.45	1,071.19
Vikram Singh Mehta	937.50	80.78	385.59
Sharda Goyal	725.26	-	238.45
Jaideep Singh Mehta	213.34	146.44	164.08
Mahim Singh Mehta	466.48	0.00	517.19
Jayshree Mehta	36.61	0.00	142.50

Note: Above value includes taxes wherever applicable.

Note: We have not considered the PMS balance for the purpose of the above disclosure.

(9) THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (BASED ON AUDITED FINANCIAL STATEMENTS)

(Rs. in thousands)

Balance Sheet	31 March 2024	31 March 2023	31 March 2022
EQUITY AND LIABILITIES			
Shareholder's funds			
<u>Share Capital:</u>			
- Equity	11.60	11.60	10.00
- Preference	50.00	50.00	50.00
Reserves and surplus	57,519.76	50,297.87	47,249.04
Total Shareholder's funds	57,581.36	50,359.47	47,309.04
Non-current liabilities			
Long-term borrowings	4,284.41	4,606.15	-



Total non-current liabilities	4,284.41	4,606.15	-
Current liabilities			
Short term Borrowings	348.54	318.58	-
Others current liabilities	8,700.36	309.17	1,669.28
Total current liabilities	9,048.90	627.75	1,669.28
Total equity and liabilities	70,914.67	55,593.37	48,978.32
ASSETS			
Non-current Assets			
Fixed assets :			
Tangible assets	8,351.42	8,439.21	1,719.33
Intangible assets	-	-	-
Non-current investment	9,909.89	5,066.74	2.47
Deferred tax assets (net)	1,191.18	1,016.24	843.28
Long term loans and advances	297.78	337.83	383.51
Other non-current assets	2,297.93	2,226.31	2,010.35
Total non- current assets	2,2048.20	17,086.33	4,958.94
Current assets			
Current investment	22,872.05	24,298.20	15,756.26
Trade receivable	21,152.31	2,672.03	13,188.64
Cash and cash equivalents	3,285.60	10,560.88	7,479.86
Short-term loan and advances	1,538.42	564.42	174.42
Other current assets	18.09	411.51	7,420.20
Total current assets	48,866.47	38,507.04	44,019.38
Total Assets	70,914.67	55,593.37	48,978.32

(Rs. in thousands)

Statement of profit and loss	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Revenue			
Revenue from operations	18,618.82	6,977.51	11,987.81
Other income	7,860.75	7,334.45	3,140.79
Total revenue	26,479.57	14,311.96	15,128.60



Expenses			
Employee benefit expenses	9,826.89	5,154.60	5,880.75
Finance costs	466.24	159.39	16.76
Depreciation and amortization expenses	3,399.16	1,304.55	784.28
Other expenses	4,715.10	6,525.85	3,821.44
Total Expenses	18,407.39	13,144.39	10,503.24
Profit before tax, extraordinary and exceptional item	8,072.18	1,167.57	4,625.37
Exceptional item	-	-	-
Profit before tax	8,072.18	1,167.57	4,625.37
Tax expenses			
Current tax	1,054.85	443.56	627.00
Mat Credit Entitlement	(29.62)	(153.47)	(355.69)
Net Current Tax	1,025.23	290.09	271.31
Deferred tax	(174.94)	(172.96)	45.44
Net Profit / (Loss) after Tax	7,221.89	1,050.44	4,308.62

Abstracts of financial statements:*(Rs. in thousands)*

Particulars	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
<i>Total Income (operating and other income)</i>	26,479.57	14,311.96	15,128.60
<i>Profit Before Tax</i>	8,072.18	1,167.57	4,625.37
<i>Profit/ (Loss) After Tax</i>	7,221.89	1,050.44	4,308.62
<i>Net Worth</i>	57,581.36	50,309.47	47,309.04
<i>Earnings Per Share (In Rs.)</i>	6,225.77	942.95	3,867.70
<i>Equity Share Capital</i>	11.60	11.60	10.00



- (10) Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using Time Weighted Rate of Return method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

PAST PERFORMANCE

PORTFOLIO RETURN (in %)			
Date of Inception 23/02/2012*			
Shade Capital Pvt Ltd	F.Y. 2023 - 2024	F.Y. 2022 - 2023	F.Y. 2021 - 2022
Shade Value Fund (in absolute)	60 (rounded off)	-13 (rounded off)	18 (rounded off)
Benchmark (S&P BSE 500 TRI, in absolute)	40.16	-0.91	22.26

*Date of inception means, the date of first investment made by the portfolio manager on the behalf of his client/(s) in PMS activity.

Note:

1. Portfolio returns as well as Index Returns are calculated on TWRR Basis.
2. Above performance not verified by SEBI.
3. Benchmark for the Investment Approaches have changed to S&P BSE 500 TRI with effect from April 1,2023
4. Past performance is not a guarantee of future return.
5. The actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client mandate, specific portfolio construction characteristics or other structural parameters. These factors may have an impact on client portfolio performance and hence may vary significantly from the performance data depicted above.

(11) AUDIT OBSERVATIONS

Year	Audit Observations
F.Y. 2021 - 2022	The auditor has issued an unmodified report
F.Y. 2022 - 2023	The auditor has issued an unmodified report
F.Y. 2023 - 2024	The auditor has issued an unmodified report

Note:

Information given in Para 8 (ii), 8(iii), 9, 11 and 14 of the Disclosure Document are based on latest audited financial statements i.e. March 31, 2024, March 31, 2023 and March 31, 2022.



(12) NATURE OF EXPENSES**1. Performance Fees**

The Portfolio Management Fees relate to the Portfolio Management Services offered to the Clients. This would be performance-based fees i.e. a profit share of 20% (on full catch-up basis) of the return after we cross a hurdle rate of 8% p.a. or as agreed with the client. In this way our returns will be aligned with the interest of the client.

The profit /performance shall be computed on the basis of high-water mark principle over the life of the investment, for charging of performance / profit sharing fee. High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall be yearly (based on position as on 31st March). The portfolio manager will charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

2. Management Fees

1% p.a. of the AUM or as agreed with the client will be charged to cover the management expenses. It will be charged on half yearly basis. The AUM for management fee will be calculated on the basis of average of daily AUM for that specific period. The first billing will be on 30th September or 31st March whichever comes earlier post the activation of the account and thereafter after every six months.

3. Custodian Charges

The Fee relating to Custodial services will be charged by the custodian from the Client on actual basis.

4. Registrar and transfer agent fee

The Registrar and transfer agent fee will be charged to the Client on actual basis.

5. Brokerage and Transaction Cost

Brokerage and other Government levies like Goods and Services Tax (GST), stamp duty, transaction cost etc. connected with the execution, recording and settlement of portfolio security transactions would be charged on actual basis.

6. Other Expenses/Cost

The Client will pay all of its own expenses, including without limitation: governmental fees; interest charges; taxes; fees and expenses of the Client's independent auditors and legal counsel; insurance premiums; and fees and expenses of the Custodian for all services to the Client, including safekeeping of funds and securities and maintaining required books and accounts on actual basis. Such charges if incurred by the Portfolio Manager on behalf of the Client shall be reimbursed/ billed to the respective Clients.

Note: A brief schedule on expense structure is mentioned in Annexure-1



(13) TAXATION:

The following information stated is based on the general understanding of tax laws in force as on the date of the Disclosure Document and is provided only for general information to the Client. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document / the date of making investment in any of the PMS services shall endure indefinitely. Further statements with regard to benefits mentioned herein are expressions of opinion and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest in any of the PMS services. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of individual nature of tax benefits, the Client is advised to consult with his or her or their own tax consultant, with respect to the specific tax implications arising out of his or her or their portfolio, managed by the portfolio manager.

Tax implications of the following income received by the client from investments in securities are discussed as follows:

- With effect from 1st April 2020, the provisions of section 115-O related to chargeability to tax on distribution of profits by the domestic companies, i.e., dividend distribution tax, have become inoperative. And now the investor is required to pay tax on the dividends received as per the rates of tax applicable according to their tax status, i.e., individual, firm, company, etc.
- With effect from 1st April 2020, the companies are required to deduct tax at source under section 194, if the dividend paid under section 2(22) to the shareholder during a year exceeds Rs. 5,000/-.
- With effect from 1st April 2020, the provisions of Section 10(34) & 10(35) of the ITA allowing exemption to dividend income have become inoperative. The shareholders or unit holders are now required to pay tax on the dividends received as per the rates of tax applicable according to their tax status.
- With effect from 1st April 2020, the provisions of Section 115BBDA of the ITA which taxes dividend in excess of Rs. 10 Lakhs has become inoperative with the introduction of taxability of dividend income in the hands of recipient.
- With effect from 1st October 2024, clause (f) is added to section 2(22), whereby, the buy back of shares by the company is considered as distribution of dividend to which TDS provisions u/s 194 shall apply.
- When income arises to an investor being a shareholder on buy back of shares by the company before 1st October 2024 in view of section 115QA of the ITA tax is paid by the company in terms thereof, then the consideration so received by the shareholder on such buy back is exempt from income-tax u/s 10(34A) of the ITA. Now, w.e.f. 1st October 2024, this exemption to the shareholders is withdrawn and the amount received as consideration on buy back is fully taxable as dividend and no deduction for the cost of acquisition is allowed at the time of buy back but shall be allowed to be carried forward as loss to be subsequently set-off against consideration received on sale.



- In terms of Section 94(7) of the ITA, losses arising on sale of securities or units of a mutual fund purchased within 3 months prior to the record date for entitlement of dividend, if exempted and sold within 3 months (9 months in case of units of mutual funds) after such record date, is to be ignored to the extent of the dividend, if exempted, received or receivable on such securities or units for the purpose of computing the taxable income.
- In terms of Section 94(8) of the ITA, where additional securities (i.e., stocks and shares) or units of mutual fund have been issued to any person without any payment, on the basis of existing securities or units held by such person on the record date, the loss on sale of the original securities or units shall be ignored for the purpose of computing income chargeable to tax, if the original securities or units were acquired by other person within 3 months prior to the record date fixed for the receipt of additional securities or units and sold within 9 months from such record date. However, the loss so ignored shall be considered as the cost of acquisition of such additional securities or units held on the date of sale by such person.
- With effect from 23rd July 2024, in terms of Section 2(42A) of the ITA, a capital asset will be considered as short term capital asset if it is held by an assessee for a period of not more than 24 months (12 months in case of a security listed on a recognized stock exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963) or a unit of an equity oriented fund or a zero coupon bond). Unlisted shares would be treated as long term if they are held for more than 24 months w.e.f. 23rd July 2024. Capital gain arising on transfer of a short-term capital asset is termed as short term capital gain.
- In terms of Section 111A, short term capital gains, for any transfer before 23rd July 2024 arising on sale of equity shares in a Company or units of an equity oriented mutual fund or a unit of a business trust which is charged to securities transaction tax, are taxed at a rate of 15% plus applicable surcharge and Health & education cess. On such short term capital gains, arising on or after 23rd July 2024, tax shall be charged at the rate of 20% plus applicable surcharge and Health & education cess. Short-term capital gains arising on transfer of equity shares in a company or units of a mutual fund on which securities transaction tax (STT) is not charged are taxed at the normal tax rates (plus applicable surcharge and Health & education cess).
- In terms of section 2(29AA) of the ITA, long term capital asset means a capital asset which is not a short term capital asset. A capital gain arising on transfer of a long-term capital asset is termed as long term capital gain.
- In terms of section 10(38), long term capital gains arising on sale of equity shares in a company or units of an equity oriented fund, the transaction of sale being chargeable to STT, are exempt from tax. As amended by the Finance Act 2017 in case of shares acquired post 1st October 2004, the benefit of section 10(38) would be available only if STT was also paid at the time of acquisition of such shares subject to certain exceptions. Consequently, any long term loss arising on such transaction is also to be ignored. The exemption of Section 10(38) has now been withdrawn by the Finance Act 2018 for transactions made on or after 1st April 2018.



- Section 112A has been introduced w.e.f. FY 2018-19 (i.e., AY 2019-20) levying tax @ 10% on long term capital gains on sale of equity shares or units of an equity oriented fund on the amount of such capital gain exceeding Rs. 1 lakh. With effect from 23rd July 2024, such rate is substituted with 12.5% and relief of Rs. 1 lakh is extended to Rs. 1.25 lakh.
- However, the cost of acquisition of the equity shares or units referred to in section 112A, acquired before 1st February 2018, shall be calculated as per clause (ac) under Section 55(2) which states it to be higher of:
 - a) the actual cost of acquisition of such asset; and
 - b) the lower of -
 - (i) FMV on 31st January 2018; and
 - (ii) full value of consideration received or accrued as a result of transfer of the capital asset.
- In terms of section 112A, long term capital gain arising on transfer of equity shares in a company is payable if STT has been paid on such shares both at the time of acquisition and transfer or in case of transfer of an equity oriented fund or a unit of a business trust if STT has been paid on transfer of such capital asset. As per the proviso inserted by Finance Act 2018 under Section 48, the benefit of indexation shall not be available on transfer of such long term assets which takes place on or after the 23rd July 2024.
- In terms of section 112, long term capital gains arising on transfer of capital assets is charged to tax at the rate of 20% with indexation benefits. In case of long term capital gains arising from transfer of securities (other than a unit) or zero coupon bond listed on recognized stock exchange is charged to tax at the rate of 20% (with indexation) or at the rate of 10% (without indexation), whichever is beneficial to the assessee (plus applicable surcharge and Health & education cess). In case of long term capital gains arising from transfer from units of mutual funds listed on recognized stock exchange in India, tax is charged at the rate of 20% (plus applicable surcharge and Health & education cess) with indexation benefits. With effect from 23rd July 2024, tax rate of 12.5% (without indexation) is substituted on transfer of capital assets which takes place on or after 23rd July 2024.
- In terms of sixth Proviso to Section 48, any STT paid is neither allowed as a deduction in computing the income chargeable under the head "capital gains" nor allowed as a deduction from the amount of income tax payable on capital gains.

Special Provisions applicable to Incomes of Non Resident Indian (NRI)

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.



- As per provisions of Section 115E of the Act, LTCG arising to NRI from transfer of specified foreign exchange assets, which takes place before 23rd July 2024, is taxable at the rate of 10% (plus applicable surcharge and Health & education cess). With effect from 23rd July 2024, tax at the rate of 12.5% is applicable on transfer of capital assets which takes place on or after 23rd July 2024.
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than covered by the provisions of newly inserted section 112A) from assets (other than specified foreign exchange assets) arising to NRI is taxable at the rate of 20% (plus applicable surcharge and Health & education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG arising to NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of section 115G of the Act, a Non-Resident Indian is not required to furnish ITR under section 139(1) if total income in respect of which he is assessable during the year consisted only of investment income or long term capital gain or both, subject to condition that the TDS on such income has been deducted.
- As per provisions of Section 115H of the Act, where a person, who is a NRI, in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- In terms of section 90(4) as amended by the Finance Act, 2013, the benefit of a double tax avoidance agreement would not be available to a non-resident assessee unless a certificate of his/her being a resident of the other country is obtained from the Government of that country. Hence a tax residency certificate certifying the residence of the assessee would be required to be furnished if the benefit of a treaty is sought to be claimed by a non-resident assessee. Further, in terms of section 90(5) of the ITA the assessee is also required to furnish documents and information as prescribed in Form No. 10F vide Notification No. 57/2013/ F.No.142/16/2013-TPL/ SO 2331(E) dated 01 August 2013 issued by the Central Board of Direct Taxes.
- As per provisions of Section 115I of the Act, NRI can opt not to be governed by the provisions of Chapter XII-A (Special Provisions relating to certain incomes of Non-Residents consisting of section 115C to 115-I) for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.



- Tax to be deducted at source on income and capital gains arising to NRI under section 195 of the Act.

Investment income & LTCG from other than specified asset	20%
Long term capital gains referred to in section 112A from specified asset	Before 23 rd July 2024 @ 10%. W.e.f. 23 rd July 2024 tax deduction rate shall be 12.5% for transfer taking place on or after 23 rd July 2024)
Short Term capital gains on sale of equity shares or units of an equity-oriented fund and chargeable to securities transaction tax referred to in section 111A	Before 23 rd July 2024 @ 15%. W.e.f. 23 rd July 2024 tax deduction rate shall be 20% for transfer taking place on or after 23 rd July 2024)
Other Income	30%

Note: Surcharge and Health & education cess, as applicable would be leviable on the above rates.

Taxation of derivatives transactions

Clause (d) of section 43(5) of the Income Tax Act, 1961, and explanation thereto, provides that, an eligible transaction as defined in the aforesaid section, carried out in respect of trading in derivatives on a recognized stock exchange, shall not be treated as speculative transaction. Accordingly, the profit or loss on such derivative transactions would form part of profits and gains of business of the client. For the purposes of the aforesaid section, the currently notified recognized stock exchanges are National Stock Exchange and Bombay Stock Exchange Limited.

Rationalization of provisions relating to STT

As per the Finance Act (No. 2) 2019, in case of exercise of option, the securities transaction tax shall now be levied on the "intrinsic value", i.e., the difference between the strike price and the settlement price. This amendment is effective from 1st September, 2019.

(14) ACCOUNTING POLICIES

The accounting policies and practices will be in line with the guidelines provided by SEBI and in compliance with the guidelines of The Institute of Chartered Accountants of India including applicable accounting standards and guidance notes.

As mentioned earlier, our accounting system is outsourced to Orbis. Orbis follows the accounting system as described below-



Accounting for Funds:

PMS will invest these funds into various asset classes as per the agreed portfolio fund. For funds invested into listed equity, following entries will be effected in PMS books:

	Buy Trade	Sell Trade
Trade Date (T)	Dr. Investment A/c Cr. Exchange A/c Cr. Broker A/c (In case of NSE only, as BSE does not require separate brokerage entries)	Dr. Exchange A/c Cr. Investment A/c Cr. Broker A/c (In case of NSE)
T+1	Dr. Exchange A/c Dr. Broker A/c (In case of NSE) Cr. Bank A/c	No Entry
T+2	No Entry	Dr. Bank A/c Dr. Broker A/c (In case of NSE) Cr. Exchange A/c

Corporate Actions

All the corporate actions, i.e. Dividend, Share split, and Bonus etc. will be directly credited to Beneficiaries a/c on ex-date basis.

Accounting Policies & Standards

- Accrual accounting basis will be followed
- FIFO method for gain / loss computations
- GIPS standard followed for Management and Performance fee computations

(15) INVESTORS / CLIENTS SERVICES

Name, address and telephone number of the investor relationship officer & compliance officer who shall attend to the investor queries and Complaints: -

Mr. Chetan Gupta
Investor Relationship Officer
Shade Capital Pvt. Ltd.
2002B, WorkWell Suites, Max House
Situated at Bahapur Delhi 110020
Tele: - 011-42603454
M.No:- 8447619433/7827135828
Email-ID:chetan.gupta@shadecapital.in

Mr. Shubhamay Bhowal
Compliance Officer
Shade Capital Pvt. Ltd.
2002B, WorkWell Suites, Max House
Situated at Bahapur Delhi 110020
Tele: - 011-42603454
M.No:- 8800486373
Email-ID:shubhamay.bhowal@shadecapital.in



Grievance Redressal Policy:

Shade Capital Pvt Ltd endeavors to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable time and manner. Shade 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.

The Policy seeks to ensure that:

- Grievance, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism of the Portfolio Manager and in compliant to the SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time.
- Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the resolution needs time, an interim response, acknowledging the complaint shall be issued.
- The Compliance Officer shall give monthly report of the client's complaint to the Directors with the details as Name of the Client, Nature of the Complaint, Date of Receipt of the Complaint and Status of resolving the same. For complaints remaining unresolved for a period of more than 15 days from the date of receipt, the Compliance Officer shall provide the justification to the Directors.
- The Compliance Officer shall also keep proper records of all the grievances/ complaints received and resolved.
- All employees at the customer facing channels and other support departments will be periodically trained in handling of complaints.
- The quality of customer service rendered by the Portfolio Manager shall be reviewed / examined by Company's Top Management at regular intervals.
- The Grievance Redressal Mechanism with updated contact details and dedicated email ID shall be a part of Disclosure Document for Portfolio Management Services and shall be suploaded on the Portfolio Manager's website.

Grievance Redressal Mechanism

The Client can approach the office of Portfolio Manager for redressal of their Grievances/Complaints Mr. Chetan Gupta has been appointed as Investor Relations Officer. He can be contacted at:

Shade Capital Pvt. Ltd.

2002B, WorkWell Suites, Max House Situated at Bahapur Delhi 110020

Tel No.: (91 11) 42603454, Mobile No. 91 8447619433/7827135828

Email: chetan.gupta@shadecapital.in

Clients can also email their complaints to a dedicated email ID grievances@shadecapital.in



- All client complaints will be directed to the Investor Relations Officer who is responsible for coordinating and ensuring responses to all client complaints.
- On receiving a complaint, the Investor Relations Officer will be required to look into the matter and respond as soon as possible unless the complaint is of a serious nature. The Compliance Officer will be consulted to determine whether a complaint is serious in nature or not.
- On completion of investigation, a reply will be sent to the concerned investor. The reply will be drafted in consultation with the Compliance Officer.
- Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the complaint is of a serious nature and the resolution needs time, an interim response, acknowledging the complaint shall be issued.
- All complaints will be logged in and a record of the complaint and the disposition or resolution is maintained in a register.

If the client remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, he/she can contact Mr. Jagvir Singh Fauzdar, Whole Time Director at:

Shade Capital Pvt. Ltd

2002B, WorkWell Suites, Max House Situated at Bahapur Delhi 110020

Tel: 011-42603454

Tel No. (91 11) 42603454

Email: pawan.kumar@shadecapital.in

SEBI Complaints Redress System (SCORES) platform:

"If the client not satisfied with the response of the portfolio manager he/she may lodge his/her grievances with SEBI at <http://scores.gov.in> or may also write to any of the offices of SEBI. For any queries, feedback or assistance the client may contact the SEBI office on toll-free helpline at 1800 22 7575/1800 266 7575. Or the investor can also lodge its complaints to the smart ODR portal at <https://smartodr.in>"

(16) DETAILS OF INVESTMENT IN THE SECURITIES OF ASSOCIATES/RELATED PARTIES:

Investments in the securities of associate / related parties of Portfolio Manager:

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



(17) DIVERSIFICATION POLICY

The Portfolio Manager follows a rule-based approach to investments. In this approach, stocks are eliminated and selected based on rules devised by analysing past data. These rules are intended to result in a well-diversified portfolio with caps for individual security weights in Investment Approaches that invest directly in stocks. The Portfolio Manager does not offer any Investment Approach that invests in Debt and Hybrid securities. Please note that the Portfolio Manager does not invest in securities of its related parties or associates as defined in Clause 2 of the Securities and Exchange Board of India Circular SEBI/HO/IMD/IMD-1/DOF1/P/CIR/2022/112 dated August 26, 2022.

(18) FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these is that details of U.S. investors holding assets outside the US will be reported by financial institutions to the IRS, as a safeguard against U.S. tax evasion. As a result of the Hire Act, and to discourage non-U.S. financial institutions from staying outside this regime, financial institutions that do not enter and comply with the regime will be subject to a 30% penalty withholding tax with respect to certain U.S. source income (including dividends) and gross proceeds from the sale or other disposal of property that can produce U.S. source income. Sections 1471 through 1474 of the U.S. Internal Revenue Code impose a 30% withholding tax on certain payments to a foreign financial institution ("FFI") if that FFI is not compliant with FATCA. The Company is a FFI and thus, subject to FATCA. Beginning 1 July 2014*, this withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation) and

Beginning on 1 January 2017, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to U.S. source dividend or interest payments. These FATCA withholding taxes may be imposed on payments to the Company unless (i) the Company becomes FATCA compliant pursuant to the provisions of FATCA and the relevant regulations, notices and announcements issued there under, or (ii) the Company is subject to an appropriate Intergovernmental Agreement to improve international tax compliance and to implement FATCA. The Company intends to comply with FATCA in good time to ensure that none of its income is subject to FATCA withholding.

* or such date as may be applicable

India has entered into Inter Governmental Agreement ("IGA") with USA on 9th July 2015 and has notified Income Tax rules for compliance with FATCA regulations. Further, India has also signed a multilateral agreement on June 3, 2015, to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters under the Common Reporting Standard (CRS). The Portfolio Manager intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations. In order to comply with its FATCA/CRS obligations, the Company will be required to obtain certain information from its investors so as to ascertain their tax status. If the investor is a specified person, or does not provide the requisite documentation, the Company may need to report information on these



investors to the appropriate tax authority, as far as legally permitted. If an investor or an intermediary through which it holds its interest in the Company either fails to provide the Company, its agents or authorised representatives with any correct, complete and accurate information that may be required for the Company to comply with FATCA/CRS, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the Company or, in certain situations, the investor's interest in the Company may be sold involuntarily. The Company may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Company deems appropriate or necessary to comply with FATCA/CRS, subject to this being legally permitted under the IGA or the Indian laws and regulations. Other countries are in the process of

adopting tax legislation concerning the reporting of information. The Company also intends to comply with such other similar tax legislation that may apply to the Company although the exact parameters of such requirements are not yet fully known. As a result, the Company may need to seek information about the tax status of investors under such other country's laws and each investor for disclosure to the relevant governmental authority. Investors should consult their own tax advisors regarding the FATCA/CRS requirements with respect to their own situation. In particular, investors who hold their Units through intermediaries should confirm the FATCA/CRS compliance status of those intermediaries to ensure that they do not suffer FATCA/CRS withholding tax on their investment returns.

Note: The Portfolio Manager does not have any U.S.A. and Canada client / investor.

(19) ARBITRATION

Disputes or differences arising between the Client and Portfolio Manager which could not be resolved amicably will be settled by Arbitration referred to a panel of three Arbitrators, one to be appointed by the Investor/Client, one to be appointed by the Portfolio Manager and the third to be appointed by such two selected Arbitrators appointed by the parties. The decision taken by majority at the panel will be the decision of the panel and would be final and binding on the parties. All proceedings under such Arbitration shall be held in Delhi and would be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment's thereof. The High Court of Delhi shall have exclusive jurisdiction to entertain any Applications or Petition pertaining to the arbitration arising hereunder and/or any other proceedings arising pursuant to this clause.

NAME OF THE DIRECTOR	DESIGNATION	SIGNATURE
Mr. Jagvir Singh Fauzdar	Whole Time Director	
Mr. Vikram Singh Mehta	Director	

Date: 25-09-2024

Place: New Delhi



Annexure – 1
Fees and Charges

S. No.	Parameters/Category	Charging Method	Billing Cycle
1.	Portfolio Management Fees		
	a. Upfront Fee	Nil	Not Applicable
	b. Portfolio Management Fees (Performance Basis)	<p>20% on profit after crossing a hurdle rate of 8%p.a. (computation on full catch-up basis)</p> <p>Performance shall be computed on the basis of high-water mark principle over the life of the investment, for charging of performance / profit sharing fee. High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency is annually. The portfolio manager will charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.</p>	The billing will be on 31st March from the activation of the account and thereafter after every year.
	c. Management Fees	<p>1%p.a. of the AUM</p> <p>The Management Charges will be charged on half yearly basis. The AUM for management fee will be calculated on the basis of average of daily AUM for that specific period.</p>	The first billing will be on 30 th September or 31 st March whichever comes earlier post the activation of the account and thereafter after every six months.
	d. Exit Load	Nil	Not Applicable



2.	Brokerage and Transaction Cost (includes GST, Transaction Charges, SEBI Turnover Fees, Stamp Duty) Securities Transactions Tax (STT) (or as amended from time to time by the Government)	Equity-Delivery	Futures	Options	As execution of trade.
		0.070% of Turnover	0.015% of Turnover	INR. 40.00 per lot	
		0.10% of Turnover	0.0125% of Turnover on SELL transactions	0.0625% of Option Premium on SELL transactions and 0.125% of settlement Value where Option is exercised	
3.	Operating Expenses				
	a. Custody Charges	7 bps of Asset under Management (AUM) per annum			Monthly
	b. Transaction Charges				Monthly
	-Equity and Mutual Funds	1bps on Txn Value subject to a maximum of INR 250 per transaction			
	-Debt (G-Sec, Corporate Bonds etc.)	INR 200 per Txn			
	-Derivatives (Future)	INR 20 per crore			
	-Derivatives (Option)	INR 200 per crore on Premium Turnover			
	-Others (IPO, Rights etc.)	INR 250 per Txn			
		(Above transaction charges will be computed on pool level (except for category non-pool and NRI client) and bifurcated in the ratio of transactions of the respective clients)			
	-Proxy	INR 5,000			As Applicable
	c. Depository Charges	Annual Maintenance Charges (AMC) – INR 300 (for Individual Client) and 1,000 (for Corporate and NRI Client) and Debit Txn – 0.01% of debit transaction value subject to a minimum of INR 12/- and a maximum of INR 20 per ISIN			For AMC-Annually For Transaction Charges -Monthly



4.	Other Expenses and Cost	Actuals	As Applicable
5.	Registrar and Transfer Agent Fees	Actuals	As Applicable
6.	SEBI Fees	Actuals	As Applicable

Note:

- a) **Operating expenses are capped to 0.50% per annum of the client's average daily Asset under Management (AUM).**
- b) **The above-mentioned fee and charges are excluded from GST of 18% (except brokerage charges and STT) and GST are subject to change as amended from time to time by the Government.**

