



**PORTFOLIO MANAGEMENT SERVICES  
DISCLOSURE DOCUMENT**

**Updated on 08<sup>th</sup> May, 2026**  
**First Global Finance Private Limited**  
**Portfolio Management Services**  
**SEBI Registration Number: INP000006697**  
**CIN: U74899MH1994PTC427881**

RATNAM SQUARE, FIRST FLOOR, PLOT NO. 38/39 SECTOR 19A, VASHI, NAVI MUMBAI-400703  
Ph: 91-22-6116 6500 Fax: 91-22-2783 3111





**FIRST GLOBAL FINANCE PRIVATE LIMITED**

**PORTFOLIO MANAGEMENT SERVICES – DISCLOSURE DOCUMENT**

- (i) This document has been filed with the Board along with the certificate in the specified format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- (ii) 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 a portfolio manager.
- (iii) The Document contains the necessary information about the Portfolio Manager required by an investor before investing, and the investor is advised to carefully read this entire document before making any investment decision and to retain it for future reference
- (iv) The following are the Details of the Portfolio Manager:

Name of the Portfolio Manager	First Global Finance Private Limited
SEBI Registration Number	INP000006697
Head Office Address	Ratnam Square, First Floor, Plot No. 38/39, Sector 19A, Vashi, Navi Mumbai-400703
Phone	+91 22 6116 6500
Fax	+91 22 6116 6562
Website	<a href="http://www.firstglobalsec.com">www.firstglobalsec.com</a>
Email-Id:	<a href="mailto:pms@firstglobal.in">pms@firstglobal.in</a>

- (vi) The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Name of the Principal Officer	Neeraj Khanna
Phone	+91 9821167150
Email	<a href="mailto:neeraj.khanna@firstglobalsec.com">neeraj.khanna@firstglobalsec.com</a>
Head Office Address	Ratnam Square, First Floor, Plot No. 38/39, Sector 19A, Vashi, Navi Mumbai-400703

This Disclosure Document is dated 08<sup>th</sup> May, 2026 and was approved by the board of directors of FIRST GLOBAL FINANCE PVT. LTD. on 12<sup>th</sup> May, 2026





I. **FORM C**

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

**First Global Finance Private Limited**  
**Address: Ratnam Square, First Floor,**  
**Plot no. 38/39, Sector 19A, Vashi,**  
**Navi Mumbai-400703**  
**Tel: +91 22 6116 6500/3913 6500**  
**Email id: info@firstglobal.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 on **14<sup>th</sup> May, 2026** by an independent chartered accountant having its office at A-502/504, 5<sup>th</sup> Floor, Vatsal, H-Rishabraj, S V Road, Next to BOB, Kandivali (W) Mumbai – 400067 having its Firm Registration Number vide certificate issued dated 14<sup>th</sup> May, 2026 to the effect that disclosure made in the document are true, fair and adequate to enable the investors to make a well informed decision. The details are as follows.

Name of the firm: Mehta Sanghvi & Associates  
Partner: Ms. Khushali Thakkar  
Membership No.: 175156  
Address- A-502/504, 5<sup>th</sup> Floor, Vatsal, H-Rishabraj,  
SV Road, Next to BOB, Kandivali (W)  
Mumbai – 400067.

**For First Global Finance Private Ltd.**

*Neeraj Khanna*  
**Mr. Neeraj Khanna**  
**Principal Officer**

**Registered Office Address:**

**Ratnam Square, First Floor, Plot No. 38/39, Sector 19A, Vashi, Navi Mumbai-400703**

**Place: Mumbai**

**Date: 14<sup>th</sup> May, 2026**



*Khushali*





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## **CERTIFICATE**

TO,

**FIRST GLOBAL FINANCE PRIVATE LIMITED**

Ratnam Square, First Floor, Plot no. 38/39, Sector 19A,  
Vashi, Navi Mumbai-400703, India

### **Certificate under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020**

We have been requested by management of M/s **FIRST GLOBAL FINANCE PRIVATE LIMITED**, having its registered office at Ratnam Square, First Floor, Plot no. 38/39, Sector 19A, Vashi, Navi Mumbai-400703 a SEBI registered Portfolio Manager (Reg no. **INP000006697**) to certify the contents of Disclosure Document dated 07<sup>th</sup> May, 2026 for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations'). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI") and to the clients of the Company.

### **Management's responsibility**

The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.

The preparation of Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

### **Auditor's responsibility**

We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

We have verified Disclosure Document and the details with the respective documents, system generated reports provided by the management of the Portfolio Manager and have relied on various representations made to us by the management wherever necessary.



**A-502/504, 5<sup>th</sup> Floor, Vatsal- H. Rishabraj S V Road, Next to BOB, Kandivali (West) Mumbai-400067**  
**E Mail: Bhumika@camsa.co.in, Cell: 98204 67099 – E Mail: khushali@camsa.co.in, Cell: 97699 40259**

For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

- a) The list of persons classified as group companies and list of related parties of the company are as per audited financial statements provided by the Company
- b) The promoters and directors' qualifications, experience, ownership details are as confirmed by the Portfolio Manager and have been accepted without further verification;
- c) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to penalties or litigations against the Portfolio Manager, as mentioned in the Disclosure Document;
- d) We have reviewed the figures for performance disclosed in the Disclosure Document on the basis of performance data provided by the management
- e) We have verified that the figures related to related parties disclosed in the Disclosure Document align with the audited financial statements for the respective years
- f) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to the investment objectives and policies / investment philosophy;
- g) We have reviewed nature of fees and expenses as per the agreements and representations provided by the Company; and
- h) We have verified the financial figures disclosed in the Disclosure Document with the audited financial statements for the respective years.

#### Conclusion

Based on the procedures performed as stated above, evidence obtained and information and explanations provided by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

Based on our verification of the relevant documents and records and the information and explanations given to us, we hereby certify that the disclosures made in the Disclosure Document dated **07<sup>th</sup> May, 2026** and annexed hereto are true, fair and adequate to enable the investors to make a well-informed decision. We further certify that the Disclosure Document complies with the requirement specified in



**A-502/504, 5<sup>th</sup> Floor, Vatsal- H. Rishabraj S V Road, Next to BOB, Kandivali (West) Mumbai-400067**  
**E Mail: Bhumika@camsa.co.in, Cell: 98204 67099 – E Mail: khushali@camsa.co.in, Cell: 97699 40259**

Schedule V of Regulation 22 of the Securities and Exchange Board (Portfolio Managers) Regulations, 2020 and the Guidelines issued by SEBI.

This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose.

**Mehta Sanghvi & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 129016W**



**Khushali Thakkar**  
**Membership No: 175156**  
**UDIN NO: 26175156ULEAMV8047**  
**Date: 14<sup>th</sup> May, 2026**  
**Place: Mumbai**



**PART-I- STATIC SECTION**

**1. DISCLAIMER CLAUSE**

This document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and it has been 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

For the purposes of this Disclosure Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires, the following words and expressions shall have the meanings assigned to them respectively hereinafter:

“**Act**” means the SEBI, Act, 1992 (15 of 1992) as amended from time to time.

“**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.

“**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 deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

“**Activation Date**” is the date when the sum equivalent to the funds or the securities respectively are received in the pool bank or Demat Account or the utilization of those funds/securities for portfolio management by the Portfolio Manager whichever is later.

“**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.

“**Application**” means the application made by the Client to the Portfolio Manager to place the monies and/or securities mentioned therein with the Portfolio Manager for Portfolio Manager Service. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

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





**“Agreement” or Portfolio Management Service Agreement or PMS Agreement**” means agreement executed between the Client and the Portfolio Manager in terms of Regulation 22 and Schedule IV of SEBI (Portfolio Managers) Regulations, 2020 for providing portfolio management services to that Client and shall include all schedules and annexure attached thereto any amendments made to this Agreement by the parties in writing.

**“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.

**“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.

**“Bank Account”** means one or more bank accounts opened, maintained and operated by the Portfolio Manager in the name of clients or a pool account in the name of the Portfolio Manager in which the funds handed over by the client shall be held by the Portfolio Manager on behalf of the Client

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

**“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.

**“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.

**“Client” or “investor”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager

**“Custodian”** means a person who has been granted a certificate of registration to carry on the business of custodian of securities under the SEBI (Custodian of Securities) Regulations, 1996.

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

**“Depository Account”** means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations.

**“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.

**“Disclosure Document”** means this disclosure document for Portfolio Management Services as prescribed under the Regulation and amended time to time.





**“Discretionary Portfolio Management Services”** means Portfolio Management Services where the Portfolio Manager exercises or may, under a contract relating to Portfolio Management, exercise 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.

**“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).

**“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.

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

**“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.

**“Financial year”** means the year starting from 1<sup>st</sup> April of a year and ending on 31<sup>st</sup> March the following year.

**“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.

**“Funds”** means the moneys placed by the Client with the Portfolio Manager and any accretions thereto.

**“Funds managed”** means the market value of the Portfolio of the Client as on date.

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

**High Water Mark”** means value of the highest closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (inclusive of any additional funds placed by the Client in that year) and net of (ii) the Portfolio Management fees and (iii) any withdrawals, if any, made by the Client in accordance with this Agreement, for that year.

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

**“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.

**“Initial Corpus”** means the value of the Funds and the market value of readily realizable investments brought in by the Client at the time of registering him as a Client with the Portfolio Manager and accepted by the Portfolio Manager. The investments brought in by the Client as corpus shall be sold





within a period of 30 days and the net realizable proceeds shall be taken to the portfolio and if not so sold, shall be switched to the Portfolio at the last available closing price on the day of switch.

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

“**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.

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

“**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.

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

“**Non-Discretionary Portfolio Management Services**” means Portfolio Management services other than Discretionary Portfolio Management Services, Investment Advisory Services and Structured Products.

“**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.

“**Portfolio**” means the total holdings of all investments, securities and funds belonging to the Client.

“**Portfolio Manager**” means FIRST GLOBAL FINANCE PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 and having its registered and Corporate Office at 1<sup>st</sup> Floor, Ratnam Square Plot No. 38/39, Sector 19A, Vashi, Navi Mumbai -400703.

“**Portfolio Management Services**” means the Discretionary Portfolio Management Services or Non-Discretionary Portfolio Management Services or Investment Advisory Services or Structured Products, as the context may require.

“**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

“**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

“**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 immediately preceding Financial Year; shall be deemed to be a related party;

**“Scheme/Option”** means any of the current investment scheme/option or such scheme/option that may be introduced at any time in the future by the Portfolio Manager.

**“Structured Products”** means the products that the Portfolio Manager may, from time to time launch that are structured towards meeting specific needs of a particular Client and that shall be managed in accordance with the specifications provided by the Portfolio Manager to the Client.

**“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 OF THE PORTFOLIO MANAGER

#### 3.1 HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

##### 1. Background and History of the Portfolio Manager

###### Corporate Profile and Regulatory Status

First Global Finance Pvt. Ltd. ("FGFPL" or "The Company") was incorporated in 1994 under the Companies Act, 1956. Established under the leadership of Ms. Devina Mehra, the Company was formed to undertake Equity Research, Merchant Banking, and other financial market-related activities.

FGFPL is registered with the Securities and Exchange Board of India (SEBI) and holds a Category I Merchant Banking permanent license, as well as a Research Analyst Registration Certificate (issued in March 2017). The First Global group has been active in the investment, research, and advisory business for over 31 years, maintaining a presence in global markets for over 25 years.

###### 2. Investment Philosophy and Track Record

FGFPL's investment philosophy is rooted in critical, independent analysis, frequently adopting a contrarian approach to prevailing market consensus to identify opportunities and manage risk. The Portfolio Manager focuses on deep fundamental research to navigate both undervalued opportunities and inflated market bubbles.

Historically, the Company's research has led to significant early-stage market calls, including:

- **Indian Equities:** Identifying Infosys (1994) and HDFC Bank (1996) on their respective listing days, calling a major buying opportunity in Indian small caps in 2013 (which subsequently outperformed large caps significantly over four years), and identifying the potential of Indian chemical companies starting in 2014.
- **Global Equities:** Recognizing value in global technology companies during market downturns, including Amazon (2001), Apple (2002), and Twitter (2016).
- **Risk Mitigation:** Taking strong stances against highly inflated market cycles, such as the Tech bubble in February 2000, and the Infrastructure and Financials bubble in December 2007.

While the Portfolio Manager acknowledges the inherent risks and cyclical nature of equity markets, the firm's historical track record reflects a strong ratio of successful market assessments.

###### 3. Research Capabilities and Industry Recognition

First Global is recognized globally for the independence and accuracy of its research. The Company has utilized its Global Asset Allocation capabilities for decades to assist large global institutional clients managing substantial assets. Its insights have been widely covered by major financial media, including *The Wall Street Journal*, *Business Week*, *CBS*, *Financial Times*, and *CNBC*.

The Group's institutional research has received top-tier industry recognition, including:

- **The Wall Street Journal:** Awarded the top position as "Asia's Master Stock Picker" across two distinct categories.
- **ET Starmine Analysts Awards:** Ranked second in the "Best Earnings Estimator" category for Biotechnology (organized by Thomson Reuters, Starmine, and ET Now).





- **Broker Polls:** Highly rated for accuracy and independence in surveys conducted by Asiamoney, Thomson Reuters, and Starmine.
- **Barron's:** Recognized the Company's output, noting First Global's research as "*Credible... and often, much more than that.*"

#### **4. Introduction of Portfolio Management Services**

Historically focused on serving large global institutional investors, FGFPL made the strategic decision in February 2020 to extend its Global Asset Allocation and research capabilities to High-Net-Worth Individuals (HNIs) and Family Offices. Through the launch of its Portfolio Management Services (PMS), the Company now provides individual investors access to the same institutional-grade expertise, research, and investment strategies utilized by global multi-billion-dollar funds.





### 3.2 PROMOTERS AND DIRECTORS OF THE PORTFOLIO MANAGER AND THEIR BACKGROUND IN BRIEF

#### a. Promoter

##### Designation and Current Role

Ms. Devina Mehra is the Founder, Chairperson, and Managing Director of the First Global Group. With over 30 years of extensive experience in global investment and research, she oversees the firm's strategic direction. She established First Global Finance Pvt. Ltd. ("FGFPL") in 1994, and currently leads the Research and Fund Management division. Under her leadership, the firm manages assets across Indian and global mandates, servicing High-Net-Worth Individuals, Family Offices, and institutional clients.

##### Educational Qualifications

Ms. Mehra's highly distinguished academic background includes:

- **MBA (1986):** Graduated from the Indian Institute of Management (IIM), Ahmedabad as a Gold Medallist (notably as one of only two women in her batch).
- **Undergraduate Degree:** Holds a B.A. in Mathematics, Statistics, and English from Lucknow University, where she broke a 60-year university record for the highest aggregate marks. She was awarded 8 Gold Medals, received the 'Seth Memorial Prize' for the highest G.P.A. in her first year, and earned Industrial Scholarships.
- **Post-Graduate Studies:** Completed the first year of a Master's program in Mathematical Statistics, achieving Rank 1.

##### Professional Experience and Global Expansion

- **Citibank N.A. (1986–1993):** Commenced her professional career with a seven-year tenure in the Investment Banking/Corporate Finance Group and Corporate Credit/Risk Strategy Group.
- **First Global Foundation (1993–Present):** Founded First Global, securing individual membership on the Bombay Stock Exchange (BSE) followed by corporate membership on the National Stock Exchange (NSE).
- **Pioneering Global Operations (1999–Present):** Spearheaded the globalization of First Global's operations. Under her direction, First Global became the first Asian (ex-Japan) firm to gain membership with the London Stock Exchange (LSE) in 1999, followed by the NASD (US) in 2000.

##### Investment Philosophy and Fund Management

Ms. Mehra is a pioneer of quantitative and technologically driven asset management in India. She champions a unique "**Human + Machine**" investment model, leveraging proprietary Artificial Intelligence and Machine Learning tools (such as FG ExoTech) combined with decades of human fund management experience.

A strong advocate for sophisticated risk management, her investment framework heavily focuses on Tactical and Dynamic Asset Allocation. As a fund manager, she oversees flagship India PMS strategies (such as the India Super 50 and India Multi Asset Allocation PMS) alongside global fund products.

##### Authorship, Research Expertise, and Industry Recognition





First Global's research is globally recognized for its independence and ability to discern market trends ahead of the consensus, with *Barron's* describing the firm's research as "Credible...and often, much more than that."

Ms. Mehra's individual contributions to the financial industry are widely celebrated:

- **Authorship:** Author of the national bestseller "Money, Myths and Mantras: The Ultimate Investment Guide," which ranked as a #1 seller across all genres on major platforms and was shortlisted for the prestigious Crossword Book Awards.
- **Awards & Accolades:** Consistently featured in *Fortune India's* "Most Powerful Women in Business" lists (including 2022 and 2025). She has been felicitated as a leading entrepreneur by *Outlook Business* and *Entrepreneur* magazines.
- **Media & Publications:** Authors a fortnightly column in the *Mint* newspaper. She is frequently quoted in premier global publications including *The Wall Street Journal*, *Financial Times*, *Forbes*, *Fortune*, *Business Week*, and *Barron's*.
- **Industry Leadership:** A prominent voice in the sector, she is a sought-after speaker at high-profile financial forums, including the Business Standard BFSI Summit, Indian Express Mumbai Dialogues, PMS AIF World summits, and various leadership conclaves, sharing panels with central bankers, regulatory authorities, and industry veterans.

## Profile of Key Management Personnel: Mr. Neeraj Khanna

### Designation and Current Role

Mr. Neeraj Khanna serves as a Director of the First Global Group. In his capacity as a corporate leader and Portfolio Manager, he oversees diverse lines of business for the firm, including India Portfolio Management Services (PMS) and Investment Banking. As part of managing the firm's global footprint, he also holds key directorships within the group's international entities.

### Professional Qualifications and Experience

A distinguished Chartered Accountant with over 33 years of professional experience, Mr. Khanna possesses exhaustive knowledge across a multitude of complex financial domains. His core areas of expertise include the Securities Market, Corporate Finance and Restructuring, Mergers and Acquisitions, Investment Banking, Corporate Management, Corporate Taxation, and Financial Engineering and Consultancy.

### Leadership and Global Expansion

During his tenure spanning over 22 years as a Director and Group CFO at First Global, Mr. Khanna has been highly instrumental in promoting new business ventures and establishing the firm's operations both in India and internationally. Notably, he played a pioneering role in channeling Indian investments abroad as early as 1999, a period when overseas Indian investments were largely an exception. He has been a central figure in building and managing the group's expansive, technologically driven suite of wealth management and advisory products.

### Regulatory and Compliance Expertise

Given the multi-jurisdictional nature of First Global's operations, Mr. Khanna has developed profound expertise in navigating both National and International regulatory frameworks. He possesses comprehensive knowledge of various statutory regimes, including Direct and Indirect Tax Laws,





Corporate Laws, and Indian and Global Securities Laws. His extensive hands-on experience includes managing the complex compliance procedures laid down by premier regulatory authorities, particularly the Securities and Exchange Board of India (SEBI).

**b. Particulars of Directors of FIRST GLOBAL FINANCE PRIVATE LIMITED**

The Directors of the Portfolio Manager are:

Name	Age, Qualifications & Experience	Brief Experience
Ms. Devina Mehra	B.A. (Mathematics, Statistics and English Literature), Lucknow University, Lucknow (1983) M.A. 1 <sup>st</sup> Year (Mathematical Statistics), Lucknow University, Lucknow Marks (82.2%), Rank 1 (1984)	She has vast experience of more than 38 years in the capital markets.
Mr. Neeraj Khanna	B.Com, FCA, Chartered Accountant	He has a vast experience of more than 35 years as a Chartered Accountant, out of which 25 years has been in the capital markets.
Mr. Achin Agarwal	Bachelor of Technology (Honours) Degree in Computer Science and Engineering Post Graduate Diploma in Management – Master of Business Administration	He has a vast experience of more than 13 years in the technology, software and financial markets.





**3.3 DETAILS OF THE TOP TEN GROUP COMPANIES:** The details of group entities of First Global Finance Private Limited as on 31st March, 2025 reckoned based on their total turnover as per the latest audited financial statements as on 31st March, 2025 are given below

<b>Sr. No.</b>	<b>Name of the Entities.</b>
1.	First Global Stockbroking Pvt. Ltd.
2.	First Global Securities Private Limited
3.	First Global Commodities Pvt. Ltd.
4.	Cerebra Braintech Pvt. Ltd.
5.	Virta Trade & Agencies Pvt. Ltd.
6.	Vruddhi Confinvest India Pvt. Ltd.
7.	Top Gear Leasing & Finance Pvt. Ltd.
8.	Arren Consultants Pvt. Ltd.
9.	Alexia Technologies Pvt. Ltd.





**3.4 DETAILS OF SERVICES BEING OFFERED:**

The Portfolio Manager offers Discretionary PMS, Non-Discretionary PMS and Investment Advisory services. For more details, please refer Section 5 below.





**4. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS, ETC.**

There are no active adverse orders, penalties, or pending litigations against the Portfolio Manager (FGFPL), its holding company, its group companies, or its directors.

*Historical Note:* In 2001, SEBI initiated an investigation into market volatility involving several market participants, including the holding company of the Portfolio Manager (First Global Stockbroking Pvt. Ltd.). While SEBI passed an order in 2002, the Hon'ble Securities Appellate Tribunal (SAT) completely set aside the said SEBI order vide its judgment dated December 3, 2004. SEBI did not appeal this SAT order, rendering it final and the underlying SEBI order legally *non est*. Consequently, there is no standing adverse regulatory action against the Portfolio Manager or the Group.

**List of pending legal matters and their status as on 31.3.2026**

<b>Status of Adjudication / Criminal matter for PMS Disclosure Document</b>			
<b>Case No. and Entity</b>	<b>Regulatory Authority</b>	<b>Regulatory Actions</b>	<b>The detail of Adjudication/ criminal matters and the current status of the proceedings</b>
Case No. 2308/W/2003 later renumbered CC No. 100032/2016  First Global Stockbroking Pvt. Ltd (holding company and others)	SEBI	Prosecution launched 15-May-2003	<p>The prosecution was launched against the Applicant First Global Stockbroking Pvt. Ltd, Vruddhi Confinvest India Pvt. Ltd and their then Directors Ms. Devina Mehra and Mr. Shankar Sharma based on SEBI order dated 12-Sep-2002, while the company's appeal against the said SEBI order was pending.</p> <p>The said order was completely set aside by Hon'ble Securities Appellate Tribunal (SAT) order dated 3.12.2004 and the said order has not been appealed before the Hon'ble Supreme Court and therefore, has achieved finality.</p> <p>The matter is pending in the Hon'ble Sessions Court. However, the proceedings before Sessions Court have been stayed by the Hon'ble Bombay High Court vide its order dated June 4, 2018 passed in Criminal Writ Petition 702 of 2017.</p> <p>The Applicant has also filed a consent application before SEBI for compounding the matter through the Hon'ble Sessions Court to avoid going through the rigours of the trail as the civil matter has already been</p>

*Shankar*





			set aside by Hon'ble Securities Appellate Tribunal.
3842/S/2003  First Global Stockbroking Pvt. Ltd. (holding company and others)	SEBI	Prosecution launched 15-May-2003	<p>The prosecution was launched against the Applicant First Global Stockbroking Pvt. Ltd, First Global Finance Pvt. Ltd, Virta Trade and Agencies Pvt. Ltd, Vruddhi Confinvest India Pvt. Ltd and their then Directors Ms. Devina Mehra and Mr. Shankar Sharma based on the proceedings leading to SEBI order dated 12-Sep-2002, while the company's appeal against the said SEBI order was pending.</p> <p>The said order was completely set aside by Hon'ble Securities Appellate Tribunal (SAT) order dated 3.12.2004 and the said order has not been appealed before the Hon'ble Supreme Court and therefore, has achieved finality.</p> <p>The matter is pending in the Hon'ble ACMM Court. However, the proceedings before the Hon'ble ACMM Court have been stayed by the Hon'ble Bombay High Court vide its order dated April 21, 2010 passed in Criminal Writ Petition 2936 of 2009</p>
14/CW/2002 (old No. 122/W/2002) Esplanade Court  First Global Stockbroking Pvt. Ltd (holding company and others)	Enforcement Directorate	Prosecution was launched on 31.5.2002 i.e. on the day when the two years sunset period to take notice of contravention under Section 51 of FERA expired.	<p>Three show cause notices were issued. The first SCN was issued to First Global Stockbroking Pvt. Ltd., Virta Trade and Agencies Pvt. Ltd, Vruddhi Confinvest India Pvt. Ltd., Top Gear Leasing and Finance Pvt. Ltd. and their then directors and other entities including banks and financial institutions. The first SCN was numbered as below:</p> <p>(SCN) No. T-4/143/SDE/AKB/B/2002 (SCN-I) dated 31.5.2002.</p> <p>All the three show cause notices were quashed and set aside by Hon'ble Bombay High Court vide its order dated 18.11.2022. Consequently, orders passed by the Enforcement Directorate were also quashed and set aside.</p>

*Shankar*





			The matter is now pending in the Esplanade Court and will be dealt with in due course, considering the adjudication proceedings have already been quashed.
1352/CS/2002 / Esplanade  First Global Stockbroking Pvt. Ltd (holding company and others)	Enforcement Directorate	Prosecution was launched on 30.5.2002 i.e. a day before the day when the two years sunset period to take notice of contravention under Section 51 of FERA expired.	<p>Three show cause notices were issued. The second SCN was issued only to First Global Stockbroking Pvt. Ltd and its then Directors. The second SCN was numbered as below:</p> <p>SCN No. T-4/141/SDE/AKB/B/2002 (SCN-I) dated 30.5.2002</p> <p>All the three show cause notices were quashed and set aside by Hon'ble Bombay High Court vide it's order dated 18.11.2022. Consequently, orders passed by the Enforcement Directorate were also quashed and set aside.</p> <p>A revision application is pending before the Hon'ble Sessions court in Criminal Revision Application 289 of 2019. The matter will be dealt with in due course considering the adjudication proceedings have already been quashed.</p>
1587/CS/2002 /Esplanade  First Global Stockbroking Pvt. Ltd (holding company and others)	Enforcement Directorate	Prosecution was launched on 30.5.2002 i.e. a day before the day when the two years sunset period to take notice of contravention under Section 51 of FERA expired.	<p>Three show cause notices were issued. The third SCN was issued only to First Global Stockbroking Pvt. Ltd and its then Directors. The third SCN was numbered as below:</p> <p>SCN No. T-4/141/SDE/AKB/B/2002 (SCN-II) dated 30.5.2002</p> <p>All the three show cause notices were quashed and set aside by Hon'ble Bombay High Court vide it's order dated 18.11.2022. Consequently, orders passed by the Enforcement Directorate were also quashed and set aside.</p> <p>The matter is now pending in the Esplanade Court. However, the proceedings stand stayed by the order passed by the Hon'ble High Court in Criminal Application 2209 of 2008.</p>

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			The matter will be dealt with in due course considering the adjudication proceedings have already been quashed.
<p>SCN Nos. DIS/3981/202 6, DIS/3982/202 6 and DIS/3983/202 6 dated 28 January 2026</p> <p>First Global Finance Private Limited, Ms. Devina Mehra and Mr. Neeraj Khanna</p>	SEBI	<p>Show Cause Notice issued on 28 January 2026 under Sections 11(4A) and 11B(2) read with Sections 15HA and 15HB of the SEBI Act, 1992.</p>	<p>Pursuant to an inspection by SEBI of the portfolio management activities of First Global Finance Private Limited (“FGF”), SEBI issued three Show Cause Notices, all dated 28 January 2026, to FGF, Ms. Devina Mehra and Mr. Neeraj Khanna.</p> <p>The SCNs allege contraventions of the SEBI (Portfolio Managers) Regulations, 2020 and connected SEBI circulars including the SEBI Master Circular for Portfolio Managers dated 7 June 2024 and the SEBI Circular CIR/MIRSD/24/2011 dated 15 December 2011, and Regulations 4(2)(k) and 4(2)(s) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. The principal assertions relate to (i) FGF’s relationship with a technology service provider, (ii) certain marketing and advertisement materials of FGF, and (iii) Use of CAGR methodology for performance disclosure to clients, instead of only TWRR.</p> <p>FGF and the individual Noticees have denied the assertions and filed a Reply dated 13 March 2026, Supplementary Submissions dated 14 April 2026, and Additional Submissions dated 6 May 2026 placing on record contemporaneous evidence and legal submissions in support of their defence. A personal hearing was held before the Hon’ble Adjudicating Officer on 16 April 2026, at which the Noticees appeared and made oral submissions.</p> <p>The matter is currently pending adjudication before the Hon’ble Adjudicating Officer at the Securities and Exchange Board of India.</p>

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## 5 SERVICES OFFERED

### 5.1 INVESTMENT OBJECTIVES, POLICIES AND PHILOSOPHY:

We firmly believe that Diversification, done right, delivers way in excess of market returns, with low risk

First Global is renowned across the world for being deeply data driven, in its investment approach. We are unemotional about investing. We don't get romantic about it. We view it for what it is: a vehicle to get rich, while minimising risk. So why does our investing model work across cycles and markets?

The most common investment myth that is peddled day in and day out, is that diversification is the enemy of high returns.

In reality concentrated portfolios are a recipe for disaster more often than not.

Any fund manager who professes to run deeply concentrated portfolios is going to be a fund manager who will do well for some time and then flame out when even one or two stocks in the portfolio run into bad weather.

At First Global, our research and learnings have been exactly to the contrary.

As a result of our strategy of diversification, we have found that you can generate tons of alpha without adding proportionately to risk.

Across market cycles.

Risk and Return don't always go hand in hand

Another common myth that is heard all the time is that to make high returns, you have to take high risk. Nothing could be further from the truth. Our research and findings are again to the contrary.

First Global has simplified the confusing world of investing, into an elegant, simplified, yet deeply researched, Investment Model. The Model is called Return and Risk Optimization (RARO) Model of Investing.

What is the RARO Model?

It has taken us decades to figure this out. And frankly, it's a tad complicated. But let us simplify it for you.

Taking off from Nobel-winner Markowitz's Modern Portfolio Theory (MPT), First Global has innovated on this.

And discovered that a newer, far more efficient frontier exists in investing, wherein you can actually maximize return while minimizing risk.

Don't ask us how. Because that's our secret sauce. Tons of data have been mined, hundreds of patterns have been detected. Conclusions have been built.





Suffice it to say that this is what the RARO Model is: finding the best investment ideas, in India and across the world that give virtually "free" alpha, i.e., high return but without adding to units of risk.

### Investing is not about Love

Again, most fund managers approach the business of investing as they would approach a romantic affair: you fall in love with your stocks.

You overlook even the most obvious danger signs. And you hang on to the bitter end. Not us. We are neutral. Unbiased. Unemotional.

If we see a problem in a portfolio stock, or in a sector, or in a country, we will be out. There will be no rationalizing.

This makes our approach robust. It makes our approach less risky. All of it makes for sustained investment performance.

### RESEARCH INDEPENDENCE

We hate to make a big deal of this, for we think that basic intellectual integrity has to be a given in this business. It is unfortunate that this is not the case. As for us, investors can rest assured that what we say is untainted by corporate finance considerations or the need to drive trading volumes. All that we require from clients is that they be fair in their approach towards our fees. If we add more value than others, we deserve to get paid more. If some other firm adds more value, then pay that firm the most. All this said, it is also our firm belief that merely being independent is not good enough. Being *right* is more important. In order to be right, independence may be a necessary, but not sufficient condition.

Over years, over markets, over cycles, First Global has proven its ability to call the future before it becomes common knowledge.

And this, in our humble view, is all that matters.

### TYPES OF SECURITIES

The Portfolio Manager shall invest predominately in the Securities specified in the portfolio description. However, the Client's funds may be invested in any of the Equity and Equity-related instruments, Debt Instruments & Money Market Instruments and such other instruments falling under the definition of Securities

### TRADING IN DERIVATIVES

SEBI in terms of the SEBI (Portfolio Managers) Amendment Regulations, 2002, has permitted all Portfolio Managers to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, the Portfolio Managers may use various derivative products from time to time, as would be available and permitted by SEBI. Accordingly, the Portfolio Managers may use derivative instruments like Stock Index Futures, Options on Stocks and Stocks Indices, Interest Rate Swaps, Forward Rate Agreements and other such derivative instruments as may be introduced from time to time, as permitted by SEBI.

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 the Portfolio Manager for a Portfolio, subject to minimum amount as specified by SEBI Regulation from time to time. The Client may on one more occasion(s) or on a continual basis, make further placement of Securities and/or funds under the service.

## RISK MANAGEMENT

Notwithstanding the unique investment requirement and risk preference of the Client, the Portfolio Manager (PM) will endeavour to put in place the following risk control measures while recommending investments to the Client and/or executing transactions on behalf of the Client. However, specific investment guidelines in this regard provided by the Client would be adhered to by the Portfolio Manager.

Risk management is one of the most important pillars of the Portfolio Manager's investment process.

Portfolio Manager is inspired by what Charles Ellis famously said – he said that investing is a Loser's game. What that means is that the key to winning is to avoid the big mistakes. If we can side step the big losses, we're already way ahead of everyone else.



And that is exactly how the Portfolio Manager define risk management – we avoid the unforced errors. And we obsess over ensuring that there are no risks that have not been accounted for and mitigated.

Risk management practices are embedded within every step of the investment process, starting from the definition of the investment universe, to position sizing, to stop losses and portfolio construction. The six most essential elements necessary to effectively control risk are:

- (i) The extent of CONCENTRATION, or alternatively the approach to diversification.





(ii) ASSET QUALITY, the fundamental performance of the underlying companies in the portfolio.

(ii) MOMENTUM or the extent to which the portfolio is exposed to short-term volatility.

(iv) EXPENSIVENESS or the risk posed by irrational valuation.

LIQUIDITY, the extent to which the portfolio can be easily sold in the markets, to raise cash.

HEDGING, the Portfolio to provide the client with risk mitigation.

The head of risk is a Director and part of the board of directors and is directly reporting to the board and the Chairperson. The risk management team influences the investment decisions and is represented in the investment committee. The frequency of risk reporting is daily.

Portfolio Manager's decades of investing experience has taught that risk management is the central pillar of investing success – without that even the best strategies will fail. Hence, the PM has established a detailed risk management framework based on best-in-class practices and have adopted sound internal controls.

PM ensures the presence of sound risk management processes and operating procedures that integrate prudent risk limits with appropriate risk measurement, monitoring and reporting. This is supported by the presence of competent personnel in the risk management and control functions.

PM identifies specific risk factors corresponding to the equity markets. The measurement of equity risk captures the risk exposure to price movements in the overall equity market, specific sectors of the equity market, and individual equity issues.

Market liquidity risk is mitigated by ensuring that positions are taken only in those securities which satisfy well-defined thresholds of size and trading volume.

All the risk measures which have been outlined in this section are monitored on a continuous basis to ensure that the portfolio statistics are within the defined and acceptable limits, including but not limited to liquidity tests, diversification tests, rolling performance and risk measures (like volatility, gain-to-pain ratio, etc.), attribution analysis, sensitivity analysis, cost of insurance, outlier periods in terms of performance (i.e., best/worst performing periods), etc.

PM has a blended investment strategy/approach which is designed taking into consideration multiple factors like Value, Growth, Price movements, Valuations, Quality of stock, Overall market dynamics, etc. Essentially, PM has a bias-free approach to investing. PM's Man+Machine Model is purely clinical. It doesn't stonify investing.

Also, PM's strategy is one of taking a large number of small bets as opposed to the conventional strategy of taking a small number of large bets. PM does not have a fixed, predetermined allocations to any asset class - that's the uniqueness of our dynamic allocation strategy.

As a result of PM's strategy of diversification, PM has found that you can generate tons of alpha without adding proportionately to risk.





PM uses an extensive suite of risk management tools, developed in-house, to monitor and implement the risk management policies of the firm, e.g., liquidity analysis, execution efficiency reports, diversification analysis, monitoring of stop losses, etc.

The various risk metrics used and their impact on decision making is as below:

**Diversification:** PM's portfolios are highly diversified across asset classes, countries, sectors and stocks. When PM looks at diversification, PM does not consider just the number of holdings, but also the correlation across the different holdings.

A portfolio with 30 stocks might have very little diversification if all the holdings are from similar sectors, as is the case with many PMS schemes on offer. If all the holdings are from 1 or 2 sectors, in reality such a portfolio has just 1-2 large bets and is not diversified at all.

PM ensures that we have true diversification in the portfolios. Correlations across our various holdings are very closely monitored. PM has a very strict limits on stock level as well as sector level weightages in our portfolios.

**Liquidity:** All PM's holdings are highly liquid, exchange traded instruments. Each security has to pass extremely rigorous liquidity criteria before being eligible for inclusion in our portfolios.

**Dynamic Asset Clustering:** PM does not rely on the traditional method of measuring sectoral risk where each stock is exclusively categorized into a particular sector or industry. Stocks can have non-zero sensitivities to multiple sectors. PM's unsupervised clustering algorithms identify such sensitivities and gives a truer picture of actual sectoral allocation.

**Position Sizing:** PM positions are sized based on multiple factors including, but not limited to, the return expectations from the security, perceived risks and the volatility profile of the security. The volatility adjustment on position size ensures that certain securities do not end up dominating the performance of the overall portfolio.

**Protective Stops:** All positions that PM holds in our portfolios have very well-defined stop loss levels, that trail with favorable price moves. If a position goes below its stop level, the position is mechanically exited without any room for a discretionary widening of the stop.

**Tactical Insurance for Portfolio Protection (TIPP):** As investment managers, our first and foremost responsibility is to protect client capital. PM ensures that we do not lose big money. TIPP helps us protect client capital from the risk of steep market falls.

Using TIPP, PM buys insurance for various parts of the portfolios. PM's systems help decide which parts of the portfolio need coverage and to what extent. Meaning, it is a tactical and dynamic coverage, rather than a static one. This ensures that we do not end up paying too much insurance premium. The tactical coverage achieves protection for the riskiest parts of the portfolio.

All the risk management measures, acting in concert, ensure that PM does not lose big money. PM protects the downside for the clients. That is itself is a source of significant alpha over the long run.

PM uses an extensive suite of risk management tools, developed in-house, to monitor and implement the risk management policies of the firm, e.g., liquidity analysis, execution efficiency reports, diversification analysis, monitoring of stop losses, etc.





## 5.2 INVESTMENT APPROACHES OF THE PORTFOLIO MANAGER

### DETAILS OF SERVICES BEING OFFERED BY THE PORTFOLIO MANAGER

The Portfolio Manager broadly offers services under the following categories:

#### **Discretionary services**

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The Portfolio Manager may at times and at its own discretion, adhere to the views of the Client pertaining to the investment/disinvestment decisions of the Client's Portfolio. The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per the Agreement and make such changes in the investments and invest some or all of the Client's funds in such manner and in such markets as it deems fit. The Client may give informal guidance to customize the portfolio schemes; however, the final decision rests with the Portfolio Manager. The securities invested/disinvested by the Portfolio Manager for Clients in the same Scheme may differ from one Client to another Client. The portfolio managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Rules, and Regulations, guidelines and notifications in force from time to time. Under these services, the Clients may authorize the Portfolio Manager to invest their Funds in specific financial instruments or a mix of specific financial instruments or restrict the Portfolio Manager from investing in specific financial instruments or securities. Periodical statements in respect of the Client's Portfolio shall be sent to the respective Clients. Currently, under the discretionary services, the following strategies are offered to the investors:

The India Super 50 Portfolio (IS50)  
The India Multi Asset Allocation Portfolio (IMAAP)  
India Fixed Income Portfolio (IFIP)  
India Liquid Fund Portfolio (ILFP)  
India Equity Mutual Fund Portfolio (IEMFP)

#### **Non-discretionary services**

Under these services, the Client decides their own investments, with the Portfolio Manager only facilitating the execution of transactions. The Portfolio Manager's role is limited to providing research, investment advice, and guidance and trade execution at the Client's request. The Portfolio Manager shall execute orders as per the mandate received from Clients. The portfolio managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. Periodical statements in respect of the Client's Portfolio shall be sent to the respective Clients.

#### **Investment Advisory Services**

Under these services, the Portfolio Manager advises Clients on investments in general and any specific advice required by the Clients and agreed upon in the Agreement. For such services, the Portfolio





Manager charges the Client a fee for the services rendered as spelt out in the Agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio.

### **Structured Products**

Under the Discretionary Portfolio Management Services offered to the Clients, the Portfolio Manager may, from time to time, launch products that are structured towards meeting the specific needs of the Clients. These products would be invested and managed in accordance with the product specifications provided by the Portfolio Manager to the Client.

Specific details of strategies offered under discretionary portfolio management services.

### **The India Super 50 Portfolio (IS50):**

#### **Investment Objective:**

To deliver steady, low risk returns, over a diversified portfolio. Portfolio selection is based on our Proprietary Human+Machine Model. The portfolio is a curated list of the best stocks (usually around 50) in the Indian market at any given point in time, based on First Global's proprietary Investment Criteria.

#### **Investment Strategy:**

The IS50 is a curated list of the best 50 stocks, as per First Global's research analysis, in the Indian stock market, at any given point in time. The universe includes all stocks with a market cap above Rs.1000cr. These stocks are identified from a larger list that is thrown up using cutting edge Artificial Intelligence and Machine Learning technologies, that comb through mountains of financial data, annual reports, conference call transcripts, press coverage, social media chatter, macroeconomic data, quantitative sentiment indicators, etc. The AI- ML approach enables us to remain completely neutral, unbiased, unemotional about our selection.

And it also makes us remain absolutely clinical in our exit strategy. To this constantly evolving list of stocks, we apply a patina of our decades of human Intelligence.

#### **Investment Approach:**

1. Description of Securities – Client monies would primarily be invested in equity shares and exchange traded index funds, which are listed in India having market cap greater than Rs 1,000 cr. Some part of client monies might be invested in liquid funds or arbitrage funds and some part might be retained as cash balance.
2. Basis of Selection of type of security – A unique approach to investing, wherein Deep Data Science, Artificial Intelligence & Machine Learning are harnessed to unearth trends, patterns, in financial data (structured and unstructured), and then, our Human Intelligence applies its combined decades of experience to narrow down on a final list of stocks and asset classes, to invest in. We have a blended investment strategy which is designed taking into consideration multiple factors like Value, Growth, Price movements, Valuations, Quality of stock, Overall market dynamics.
3. Allocation of portfolio across types of securities: - Diversification across several securities.





exchange traded index funds, and different market cap (Large, Mid and Small) segments with no concentration risk.

4. Appropriate Benchmark to compare performance –BSE 500 Total Return Index.
5. Basis for choice of benchmark – As per Recommendation of APMI, BSE 500 Total return Index is one which has largest basket of stocks and it's diversified across sectors.
6. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The un-invested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, bank deposits and other short-term avenues for investment. As of now Minimum Investments is Rs50 Lacs
7. Indicative tenure or investment horizon – 3 years – 7 years.
8. Minimum tenure – not applicable under this investment approach.
9. Lock-in period – No lock in period
10. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.
11. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.
12. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security the Portfolio Manager would be barred from using derivatives in the client's portfolio.
13. Risks associated with the investment approach – Please refer the clause 6 on Risk Factors.





## **India Multi-Asset Allocation Portfolio (IMAAP)**

### **Investment Objective:**

To achieve steady, low volatility returns by investing across sectors and asset classes. The strategy is based on Tactical & Dynamic Asset Allocation. This replicates the India Super 50 Portfolio, with the additional overlay of multiple asset classes like fixed income, oil and gold. This ensures a better risk- return profile, with significantly low volatility.

### **Investment Strategy:**

The IMAAP's core strategy follows our central learning that nearly 90% of returns in Investing, come from getting the Top-Down Asset Allocation right.

Hence, the IMAAP invests across Asset Classes: Stocks, Bonds, Commodities, REITs etc. available in India. The weightings of each Asset Class in the Portfolio are adjusted dynamically and tactically, depending on the relative attractiveness of each Asset Class. The strategy is to diversify the Investment across the asset classes to minimize the risk with steady return.

### **Investment Approach:**

1. Description of Securities – Client monies would primarily be invested in equity shares which are listed in India having market cap greater than Rs 1,000 cr. Some part of client monies will be also invested in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, Gold & Silver oriented schemes of Mutual fund/ exchange traded fund. Some part might be retained as cash balance.
2. Basis of Selection of type of security – A unique approach to investing, wherein Deep Data Science, Artificial Intelligence & Machine Learning are harnessed to unearth trends, patterns, in financial data (structured and unstructured), and then, our Human Intelligence applies its combined decades of experience to narrow down on a final list of stocks and asset classes, to invest in. We have a blended investment strategy which is designed taking into consideration multiple factors like Value, Growth, Price movements, Valuations, Quality of stock, Overall market dynamics.
3. Allocation of portfolio across types of securities: - Diversification across several securities, positions, and different market cap (Large, Mid and Small) segments with no concentration risk with the additional overlay of multiple asset classes like fixed income and gold.
4. Appropriate Benchmark to compare performance – Nifty Multi Asset - Equity: Arbitrage: REITs/InvITs (50:40:10) Index.
5. Basis for choice of benchmark – As per Recommendation of APMI and the available Multi-Asset benchmarks, Nifty Multi Asset Index is the one closest to our mandate.
6. Minimum investment – The minimum value of Funds/investments which will be accepted towards initial corpus would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange





- traded index funds, bank deposits and other short term avenues for investment. As of now Minimum Investments is Rs. 50 Lacs
7. Indicative tenure or investment horizon – 3 years – 7 years.
  8. Minimum tenure – not applicable under this investment approach.
  9. Lock-in period – No lock in period
  10. Exit loads –There shall be no levy of exit load on withdrawal of monies being managed under this approach.
  11. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.
  12. Use of derivatives – The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security the Portfolio Manager would be barred from using derivatives in the client's portfolio.
  13. Risks associated with the investment approach – Please refer the clause 6 on Risk Factors.

**India Fixed Income Portfolio (IFIP):**

**Investment Objective**

The India Fixed Income Portfolio (IFIP) seeks to deliver stable, risk-adjusted returns. The strategy primary invests in a diversified mix of Debt, Hybrid, and Commodity mutual funds across various maturities and credit profiles. While the portfolio maintains a conservative core, it selectively taps into equity upside through hybrid instruments. To maintain high liquidity and credit quality, the strategy explicitly excludes credit risk funds and target maturity funds.

**Investment Strategy**

IFIP employs a quantitative, benchmark-agnostic approach to asset allocation. The investment universe is curated from high-AUM funds across various categories, which are then filtered through a proprietary Multi-Factor Model. This model is engineered to harvest low-volatility and momentum risk premia, ensuring the portfolio adapts to changing market cycles. Final allocations are dynamically optimized to balance capital preservation with steady growth, reducing idiosyncratic risk through broad diversification across asset classes.

**Investment Approach**

1. Description of Securities – Client monies will primarily be invested in a diversified mix of Debt, Hybrid, and Commodity mutual funds across various maturities and credit profiles. The strategy explicitly excludes credit risk funds and target maturity funds to maintain high liquidity and credit quality.





2. Basis of Selection of type of security – The investment universe is curated from high-AUM funds, which are then filtered through a proprietary Multi-Factor Model. This quantitative approach is engineered to harvest low-volatility and momentum risk premia, ensuring the portfolio adapts effectively to changing market cycles.
3. Allocation of portfolio across types of securities – A dynamic, benchmark-agnostic approach to asset allocation. Final allocations are optimized across the mix of Debt, Hybrid, and Commodity funds to balance capital preservation with steady growth, selectively tapping into equity upside through hybrid instruments while reducing idiosyncratic risk.
4. Appropriate Benchmark to compare performance – CRISIL Composite Bond Fund Index (or an equivalent broad market debt index).
5. Basis for choice of benchmark – Represents a comprehensive and diversified basket of fixed-income instruments, serving as a standard baseline for debt-oriented portfolios.
6. Minimum investment – The minimum value of initial corpus will not be less than Rs 50 Lacs (or as stipulated by Regulations). Un-invested amounts may be held in cash or deployed in liquid avenues.
7. Indicative tenure or investment horizon – 2 years to 3 years.
8. Minimum tenure – Not applicable under this investment approach.
9. Lock-in period – No lock-in period at the portfolio level.
10. Exit loads – No exit load is levied by the Portfolio Manager. Redemptions will be subject to any exit loads levied by the underlying Debt/Hybrid/Commodity mutual funds.
11. Redemptions / Partial withdrawals – Allowed, provided the residual portfolio value does not fall below the minimum investment threshold specified by regulations.
12. Use of derivatives – The Portfolio Manager does not directly transact in derivatives for this portfolio. Underlying funds may utilize derivatives for hedging and portfolio balancing as permitted by regulations.
13. Risks associated with the investment approach – Please refer to the clause on Risk Factors.

**India Liquid Fund Portfolio (ILFP):**

**Investment Objective:**

The objective of ILFP is to provide capital protection and liquidity to the investors. It will invest in Mutual funds that invest in debt and money market instruments such as Certificate of Deposit (CD), Commercial Paper (CP), Treasury Bills (T-bills), etc. with residual maturity of 91 days only.

**Investment Strategy:**

For ILFP, building a portfolio of liquid mutual funds targeting high liquidity and quality combined with low credit risk and expense ratios. The portfolio allocation will be 100% to Mutual funds that invest in





debt and money market instruments for the resident investors and 100% to ETFs in case of NRI investors. The benchmark index will be S&P BSE Liquid Rate Index. The S&P BSE Liquid Rate Index is designed to measure the returns from a daily rolling deposit at the Tri-Party Repo (TREP) rate and thus serves as an appropriate benchmark for the liquid fund given the investment horizon of the benchmark's underlying.

### **Investment Approach**

1. Description of Securities – Monies will be invested in Mutual funds that invest in debt and money market instruments (such as Certificates of Deposit, Commercial Papers, and T-bills) with a residual maturity of exactly or up to 91 days. For NRI investors, investments will be directed into Liquid Exchange Traded Funds (ETFs).
2. Basis of Selection of type of security – The portfolio focuses strictly on building a basket of liquid mutual funds/ETFs that target high liquidity and high asset quality, combined with low credit risk and low expense ratios.
3. Allocation of portfolio across types of securities – The portfolio allocation will be rigidly structured: 100% allocation to liquid mutual funds for resident investors, and 100% allocation to liquid ETFs for NRI investors.
4. Appropriate Benchmark to compare performance – S&P BSE Liquid Rate Index.
5. Basis for choice of benchmark – The S&P BSE Liquid Rate Index is designed to measure returns from a daily rolling deposit at the Tri-Party Repo (TREP) rate, making it the most appropriate benchmark for a liquid fund given the short investment horizon of the underlying assets.
6. Minimum investment – The minimum sum accepted towards the initial corpus will be Rs 50 Lacs (or as stipulated by Regulations).
7. Indicative tenure or investment horizon – 1 day to 1 year (Short-term liquidity management).
8. Minimum tenure – Not applicable.
9. Lock-in period – No lock-in period.
10. Exit loads – There is no exit load levied by the Portfolio Manager. Underlying liquid funds generally do not have exit loads beyond a 7-day holding period, but standard mutual fund rules apply.
11. Redemptions / Partial withdrawals – Highly liquid. Partial withdrawals are permitted subject to maintaining the regulatory minimum investment corpus in the portfolio.
12. Use of derivatives – Derivatives are not used directly in this portfolio.
13. Risks associated with the investment approach – Please refer to the clause on Risk Factors.





## India Equity Mutual Fund Portfolio (IEMFP)

### Investment Objective

The India Equity Mutual Fund Portfolio (IEMFP) seeks to deliver steady and superior risk-adjusted, tax-efficient returns by investing in a diversified selection of equity mutual funds. The portfolio aims for long-term capital appreciation across all equity categories while prioritizing stability and downside protection.

### Investment Strategy

IEMFP employs a rigorous, data-driven approach to fund selection. The investment universe comprises high-liquidity (Top AUM) funds with a long track record, filtered through FG's proprietary multi-factor quantitative model. This model is specifically engineered to capture low-volatility and momentum risk premia.

Unlike traditional approaches, the portfolio is benchmark-agnostic, allowing for dynamic allocation based on quantitative optimization rather than index tracking. By diversifying across uncorrelated equity instruments, the strategy minimizes idiosyncratic risk while maintaining a focus on steady, tax-optimized growth.

### Investment Approach

1. Description of Securities – Client monies will primarily be invested in a diversified selection of high-liquidity (Top AUM) equity mutual funds across all equity categories. Some part of the client monies might be retained as a cash balance or in liquid funds to manage portfolio liquidity.
2. Basis of Selection of type of security – The portfolio employs a rigorous, data-driven approach to fund selection. High-liquidity funds are filtered through a proprietary multi-factor quantitative model engineered specifically to capture low-volatility and momentum risk premia.
3. Allocation of portfolio across types of securities – The portfolio is benchmark-agnostic and relies on dynamic allocation based on quantitative optimization rather than index tracking. Capital is diversified across uncorrelated equity mutual funds to minimize idiosyncratic risk while prioritizing steady, tax-optimized long-term capital appreciation and downside protection.
4. Appropriate Benchmark to compare performance – BSE 500 Total Return Index (or a similarly broad mutual fund aggregate index).
5. Basis for choice of benchmark – While the strategy is explicitly benchmark-agnostic, the BSE 500 Total Return Index serves as an appropriate gauge for broader Indian equity market performance across market capitalizations.
6. Minimum investment – The minimum value of Funds/investments accepted towards the initial corpus is at the discretion of the Portfolio Manager but will not be less than Rs 50 Lacs (or as stipulated by SEBI Regulations). Un-invested amounts may be held in cash, liquid funds, or short-term avenues.





7. Indicative tenure or investment horizon – 5 years to 7+ years (Long-term).
8. Minimum tenure – Not applicable under this investment approach.
9. Lock-in period – No lock-in period at the portfolio level (subject to standard lock-ins of underlying ELSS funds, if any are selected).
10. Exit loads – There shall be no levy of exit load by the Portfolio Manager on the withdrawal of monies. However, investors may be subject to the exit loads charged by the underlying mutual fund schemes.
11. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that the portfolio value after recovery of fees, charges, and payment of the withdrawal amount is not less than the minimum regulatory investment requirement.
12. Use of derivatives – The Portfolio Manager does not directly invest in derivatives for this mandate. However, the underlying mutual fund schemes may use derivatives as per their respective scheme information documents.
13. Risks associated with the investment approach – Please refer to the clause on Risk Factors.

**Direct on-boarding of clients:**

As per clause 2.3 of SEBI Master circular SEBI/HO/IMD/IMD-POD-1/P/CIR/ 2025/104 July 16 dated July 16, 7, 2025, the clients shall have an option 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

**Appointment of Distributors**

Account activations will be sourced by various channel partners, employees, referral agents and distributors of First Global Finance Pvt. Ltd.





### 5.3 POLICY FOR INVESTMENTS IN GROUP/ASSOCIATE COMPANIES

The Portfolio Manager will ensure that it does not make any investments in any unlisted security of an associate or group company of First Global Finance Pvt. Ltd. or any security issued by way of private placement by an associate or group company of First Global Finance Pvt. Ltd. However, the above restrictions shall not be applicable to investments in units of mutual funds and deposits. The Portfolio Manager may utilize the services of the Sponsor, Group Companies and/or any other subsidiary or associate company of the Sponsor established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

#### **Execution of Trade in Own Company**

All trades would be executed as per the SEBI rules and regulations with the group of empanelled brokers including the portfolio manager's holding company, being a broking Company. All trades executed for the clients (except NRE clients) will be in Pool Account of PMS Portfolio and shares would be transferred to the Client's DP account as soon as the shares are received from the Exchange.





## 6 . RISK FACTORS

### A. General Risk Factors

1. Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
2. The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
3. Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] 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.

## **16. Reinvestment Risk**

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

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

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

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

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

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

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

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

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





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

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

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

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

#### **F. Risk arising out of non-diversification**

27. The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

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

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

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

30. The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arm's 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 COSTS AND EXPENSES FOR CLIENTS

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

### (a) Management Fees

#### **IS50 and IMAAP strategy**

Management Fees relate to the Portfolio Management Services offered to Clients. The fee may be a fixed charge per annum or a percentage of the quantum of funds managed or linked to the portfolio returns achieved or any combination of any of these. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed 2 % p.a. of the Client's portfolio corpus. With regard to the management fees linked to portfolio returns achieved, the terms will be decided as per the Client agreement.

Annual Portfolio Management Fees (e of GST) will be charged at the rate of 2% for the both the strategies on the average daily portfolio value. The billing will be on a calendar monthly basis for the management fees.

#### **India Fixed Income Portfolio (IFIP):**

Management Fees relate to the Portfolio Management Services offered to Clients. The fee may be a fixed charge per annum or a percentage of the quantum of funds managed or any combination of any of these. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed 1 % p.a. of the Client's portfolio corpus.

Annual Portfolio Management Fees. (exclusive of GST) will be charged at the rate of 1% for the strategy on the average daily portfolio value The billing will be on a calendar monthly basis for the management fees.

#### **India Liquid Fund Portfolio (ILFP):**

Management Fees relate to the Portfolio Management Services offered to Clients. The fee may be a fixed charge per annum or a percentage of the quantum of funds managed or any combination of any of these. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed 0.50 % p.a. of the Client's portfolio corpus.

Annual Portfolio Management Fees. (exclusive of GST) will be charged at the rate of 0.50% for the strategy on the average daily portfolio value The billing will be on a calendar monthly basis for the management fees.

#### **India Equity Mutual Fund Portfolio (IEMFP)**

Management Fees relate to the Portfolio Management Services offered to Clients. The fee may be a fixed charge per annum or a percentage of the quantum of funds managed or any combination of any of these. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed 0.75 % p.a. of the Client's portfolio corpus.





Annual Portfolio Management Fees. (exclusive of GST) will be charged at the rate of 0.75% for the strategy on the average daily portfolio value The billing will be on a calendar monthly basis for the management fees.

**(b) Custodian/Depository Fees**

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts will be charged as per the actual paid to the custodian.

**(c) Registrar and Transfer Agent Fee**

Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds, including stamp charges cost of affidavits, notary charges, postage stamp and courier charges at actuals as per DPMS agreement.

**(d) Brokerage and Transaction Costs**

The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments at actuals as per DPMS Agreement.

**(f) Certification and Professional Charges**

Charges payable for outsourced professional services like accounting, taxation, legal services, notarizations etc., will be charged at actual and for certifications and attestations required by bankers or regulatory authorities at 1200/- per certificate.

**(g) Incidental Expenses**

Charges in connection with courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank accounts, etc.

Any other incidental or out of pocket expenses incurred on behalf of client under this DPMS Agreement shall be charged on actual. The Fees and other Charges are subject to revision from time to time with the consent of the Client

**(h) Performance fees**

IS50 and IMAAP strategy

Performance fees 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. The performance fees will be charged on crossing of Hurdle Rate of the NAV of Portfolio. The performance fees shall be charged annually. The portfolio manager shall charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark.

  




IFIP and ILFP

No performance fees will be charged for strategy IFIP, ILFP and IEMFP

(i) **Exit Fees:** No Exit fees will be charges on any withdrawals /Redemption.

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

(k) There will not be any upfront fees charged to the clients except the actual cost as mentioned above.





## 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.

### 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 45 of the IT Act.

### Period of holding

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

Securities	Position up to 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization

*Shubh*





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	Any period	Long-term capital asset
	36 months or less	Any period	Short-term capital asset

**Definition of Specified Mutual Fund:**

Before 1st April 2025:

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

On and after 1st April 2025:

**“Specified Mutual Fund”** means, --

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

(b) a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).





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

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

**Definition of Market Linked Debenture:**

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

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

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

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

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

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

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





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

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

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

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

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

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

Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

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

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

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

#### **D. Short term capital gains**

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are





entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

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

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

#### **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 28 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

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

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

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

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

#### **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 and Basis of Valuation Accounting:

The Portfolio Manager shall follow the following accounting policies in respect of the portfolio investment of the Clients:

### A. Client Accounting

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

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

- (7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- (8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- (10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.





- (11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
- (12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- (13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

### **C. Valuation of portfolio investments**

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

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

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





## 10. Investor Services & SCORES

(a) Contact information: The investor queries and complaints can be addressed to:

Name: Mr. Neeraj Khanna

Address: FIRST GLOBAL FINANCE PVT. LTD.

Ratnam Square, First Floor, Plot No. 38/39, Sector 19A,

Vashi, New Mumbai 400 703.

Telephone: +91-22-61166500 and +91-22-27841008; Fax: +91-02261166562

E-mail: info@firstglobal.in

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is invested with the necessary authority, independence and the wherewithal to handle investor complaints.

(b) Grievance Redressal and dispute settlement mechanism: The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, within 7 working days, If the investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms. In case the Investor is not satisfied with the redressal by the Portfolio Manager as above, the Investor may raise its grievance/complaint on SEBI's web based complaints redressal system (SCORES), on <https://scores.sebi.gov.in>.

In addition to seeking redressal through the SCORES platform as mentioned above and/or if the Investor is not satisfied with the disposal of its grievance/complaint on the SCORES platform, the Investor may approach the Online Dispute Resolution mechanism framework specified by SEBI vide its Master Circular for Online Dispute Resolution bearing no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (and any amendment or modification or corrigendum /clarificatory circulars that may be issued by SEBI in this regard, from time to time) ("ODR Circular").

### SEBI SCORES Platform

SEBI has introduced an online registration of complaints whereby investors can lodge their grievances on the SEBI Complaints Redress System i.e., the SCORES portal <https://scores.sebi.gov.in>

SCORES enables online tracking of status of a complaint. Investors who are unable to access the online platform continue to have the option to register their complaints in physical form.





**11. Details of the diversification policy of the portfolio manager**

**Since we are not investing in the securities of related parties or association, therefore, this policy is not applicable for us for disclosure.**

Diversification Policy: The portfolio manager's asset allocation would be as per the investment strategies as per the portfolio manager's discretion. The emphasis would be to invest in fundamentally sound, well researched companies having bright future prospect and also a minimum market capitalization of Rs. 1000 crores. Portfolio will be spread across sectors and across market capitalization and hence the risk would be diversified.





**Part-II- DYNAMIC SECTION**

**12. CLIENTS REPRESENTATION**

FIRST GLOBAL FINANCE PVT. LTD. currently offers Discretionary Portfolio Management Services.

**The Client serviced during for the period April 1, 2022 to March 31, 2023 is as under:**

Category of clients	No. of clients	Funds managed (Rs. in Crs)	Discretionary / Non-Discretionary (if available)
Associates and Group Companies	-	-	Discretionary
Corporates	20	100.26	Discretionary
Non-corporates	215	153.78	Discretionary
NRIs	30	39.33	Discretionary

**The Client serviced during for the period April 1, 2023 to March 31, 2024 is as under:**

Category of clients	No. of clients	Funds managed (Rs. in Crs)	Discretionary / Non-Discretionary (if available)
Associates and Group Companies	-	-	Discretionary
Corporates	13	65.95	Discretionary
Non-corporates	248	345.33	Discretionary
NRIs	41	38.99	Discretionary

**April 1, 2024 to March 31, 2025**

Category of clients	No. of clients	Funds managed (Rs. In Crs)	Discretionary / Non-Discretionary (if available)
Associates and Group Companies			Discretionary
Corporates	10	48.78	Discretionary
Non-corporates	226	2,71.70	Discretionary
NRIs	47	42.12	Discretionary

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April 1, 2025 to March 31, 2026

Category of clients	No. of clients	Funds managed (Rs. In Crs)	Discretionary/Non-Discretionary (if available)
Associates and Group Companies	0	0	Discretionary
Corporates	7	22.35	Discretionary
Non-corporates	167	149.15	Discretionary
NRIs	40	29.18	Discretionary

**12.(i) DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES PERTAINING TO THE COMPANY**

Sl No	Party	Nature Of Transaction	Relation	2025	2024
1.	Neeraj Khanna &Co	Professional Service	Key Management Person	1200000.00	1200000.00
2.	First Global Securities Pvt Ltd	Leasing Or Hire purchase-Income	Company Under Same Management	120000.00	120000.00
3.	First Global Stockbroking Pv Ltd	Leasing Or Hire purchase-Income	Holding Company	120000.00	120000.00
4.	Virta Trade Agencies Pvt Ltd	Leasing Or Hire purchase-Expense	Company Under Same Management	0.00	72000.00
5.	Virta Trade Agencies Pvt Ltd	Interest Income	Company Under Same Management	495798.00	483411.00
6.	Garma Trexim Pvt Ltd	Interest Income	Company Under Same Management	1535813.00	759918.00
7.	First Global Securities Pvt Ltd	Interest Income	Company Under Same Management	13733.00	0.00
8.	Arren Technologies Pvt Ltd	Interest Income	Company Under Same Management	2511103.00	812677.00
9.	Alexia Technologies Pvt Ltd	Interest Income	Company Under Same Management	92920.00	0.00
10.	First Global Stockbroking Pv Ltd	Interest Expenses	Holding Company	0.00	1489634.00

*Shankar*





11.	First Global Commodities Pvt Ltd	Interest Income	Company Under Same Management	15415.00	0.00
12.	First Global Securities Pvt Ltd	Interest Expenses	Company Under Same Management	0.00	385915.00
13.	First Global Commodities Pvt Ltd	Interest Expenses	Company Under Same Management	0.00	97703.00
14.	First Global Securities Pvt Ltd	Research Expenses	Company Under Same Management	0.00	3000000.00
15.	First Global Stockbroking Pvt Ltd	Research Expenses	Holding Company	30000000.00	46000000.00
16.	Trading Accumen Pvt Ltd	Debtors	Company Under Same Management	3977.61	14278.60
17.	First Global Securities Pvt Ltd	Debtors	Company Under Same Management	0.00	21600.00
18.	First Global Stockbroking Pvt Ltd	Debtors	Holding Company	0.00	39357.74
19.	Alexia Technologies Pvt Ltd	Loans & Advances	Company Under Same Management	745066.55	1135339.05
20.	Arren Consultant Pvt Ltd	Loans & Advances	Company Under Same Management	57453247.76	55350747.30
21.	Cerebra Research Pvt Ltd	Loans & Advances	Company Under Same Management	4229706.46	4974320.89
22.	Kriti Trading Pvt Ltd	Debtors	Company Under Same Management	42338.29	24763.67
23.	First Global Cybenetics Pvt Ltd	Loans & Advances	Company Under Same Management	313963.07	313963.07
24.	First Global Investech Pvt Ltd	Loans & Advances	Company Under Same Management	10524.19	10524.19
25.	Garma Trexim Pvt Ltd	Loans & Advances	Company Under Same Management	35424854.99	34461157.07
26.	Top Gear Leasing Pvt Ltd	Loans & Advances	Company Under Same Management	0.00	221079.72

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27.	Virta Trade Agencies Pvt Ltd	Loans & Advances	Company Under Same Management	16946145.33	16492803.85
28.	Vruddhi Coninvest India Pvt Ltd	Loans & Advances	Subsidiary	0.00	28800.37
29.	First Global AIF Trust	Loans & Advances	Company Under Same Management	3304.00	0.00
30.	Neeraj Khanna & Co	Sundry Creditors	Key Management Person	108000.00	108000.00
31.	First Global Commodities Pvt Ltd	Unsecured Loans	Company Under Same Management	0.00	104260.20
32.	Devina Mehra	Unsecured Loans	Key Management Person	951552.17	971552.17
33.	First Global Securities Pvt Ltd	Unsecured Loans	Company Under Same Management	8137470.84	56999488.00
	<b>Total</b>			<b>160474933.3</b>	<b>225813293.9</b>

**ii. DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES PERTAINING TO THE COMPANY**

**Technology Consulting Engagement & Related Party Transaction**

This disclosure is prepared pursuant to SEBI's Portfolio Managers Regulations, 2020, and the Master Circular dated March 27, 2023 (updated June 2024/July 2025), and SEBI Circular CIR/MIRSD/24/2011, to provide transparency and demonstrate regulatory compliance regarding the engagement between First Global Finance Pvt. Ltd. (FGFPL) and Algo One AI Pvt. Ltd. (Algo One).

**1. Nature of Engagement and Services Provided**

- The Portfolio Manager, First Global Finance Pvt. Ltd., (FGFPL) has engaged Algo One AI Pvt. Ltd. (Algo One) as a retainer since December, 2019 to provide technology consulting for its Investment and Asset Management business.
- Algo One specializes in developing technology solutions utilizing Artificial Intelligence (AI) and Machine Learning (ML) algorithms.
- Under this arrangement, Algo One provides technology tools and solutions to assist the Portfolio Manager in building optimized portfolios for its clients.





- These technology tools generate historical backtests and ongoing quant models, based on the factors provided by FGFPL, which are then evaluated and taken into consideration by the Portfolio Manager's fund management team while constructing actual Model portfolios which are subsequently used to map the client portfolios to the model portfolios.
- At no stage does Algo One provide investment advice, recommend securities, or influence asset allocation decisions. Its services are limited to quantitative tool development under a technology consultancy agreement and do not constitute 'investment-related activities' within the meaning of Regulation 24(10) of the SEBI (Portfolio Managers) Regulations, 2020.

## 2. Remuneration and Fee Sharing

- For the technology consulting advisory services provided, Algo One is entitled to receive consulting fees that are directly linked to the revenue generated by the Portfolio Manager.
- The fee linked to management fees is paid on a calendar month basis, while the fee linked to performance fees is paid annually in April, following the close of the financial year.

## 3. Disclosure of Related Party and Conflict of Interest

- **Related Party Status:** This document discloses, in accordance with SEBI's Portfolio Manager Regulations and Circulars governing related party transactions and conflicts of interest that the promoter director Mr. Achin Agarwal of the technology consultant, Algo One is from 1<sup>st</sup> April, 2025 also a serving director on the board of the Portfolio Manager, FGFPL.

## 4. Confidentiality and Data Protection

- FGFPL and Algo One are bound by strict confidentiality obligations to protect all proprietary and non-public information, including investment strategies, trade secrets, and client data, exchanged during this engagement.
- Both entities are required to hold all Confidential Information in strict confidence for a period of 20 years from the date of its disclosure.
- The shared information must be utilized exclusively for the defined purposes of the technology consulting arrangement.
- Access to confidential data is strictly restricted to employees and advisors who require it on a "need-to-know" basis to fulfill the objectives of the agreement.
- Upon the termination of the agreement, or at any time upon request, the receiving party is obligated to surrender, destroy, or delete all documents and materials containing Confidential Information.
- To further safeguard proprietary data, the agreement explicitly entitles the disclosing party to seek injunctive relief in the event of a breach or unauthorized disclosure.





## 5. Management of Conflict of Interest

- **Arm's-Length Transactions:** To mitigate the conflict of interest arising from the common directorship, the Portfolio Manager ensures that all transactions and engagements with Algo One are conducted strictly on an arm's-length basis.
- **Fair Commercial Terms:** The commercial terms, including the revenue-sharing arrangement, have been evaluated to ensure they are fair, reasonable, and commensurate with the specialized artificial intelligence and machine learning technology solutions provided.
- **Recusal Protocol:** The common director recuses himself from any board-level deliberations, decisions, or voting pertaining to the approval, renewal, modification, or termination of this specific consulting engagement.
- **Fiduciary Oversight:** The Portfolio Manager maintains robust internal controls, and the fund management team independently evaluates the portfolio models generated by the technology tools. The final portfolio construction is always done by the FGFPL fund management team and is consistently driven by the best interests of the clients and in strict adherence to the Portfolio Manager's fiduciary duties.

FGFPL certifies that this engagement does not violate SEBI's prohibition on outsourcing of core investment-related activities, and that all fiduciary functions, client-facing obligations, and investment discretion remain with SEBI-registered personnel of FGFPL.





### 13. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

The following exhibit states the key financial data pertaining to the Portfolio Manager as per the audited financial statements:

Summarized Financial Statement – Profit & Loss A/c	For the year ended 31st March, 2025	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income	9,18,47,902.73	13,26,18,532.90	5,64,67,692.51
Total expenses (other than Depreciation)	8,67,71,641.41	12,67,64,084.00	5,42,12,887.51
Profit before Depreciation and Tax	50,76,261.32	58,54,448.90	22,54,805.00
Depreciation	60,381.00	21,083.00	17,347.00
Profit Before Tax	50,15,880.32	58,33,365.90	22,37,458.00
Less: Provision for Tax	12,56,962.00	13,76,757.00	3,49,045.00
Less: Deferred Tax	30,439.00	38,292.00	43,137.00
Profit after tax	37,28,479.32	44,18,316.90	18,45,276.00
<b>Summarized Financial</b>	<b>As at 31st March, 2025</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
Shareholder's funds	22,11,58,894.99	21,74,30,415.67	21,21,37,223.27
Loan Funds	9,51,552.17	9,71,552.17	4,97,79,386.70
Net Fixed Assets	33,72,883.00	30,07,165.00	28,95,798.00
Investments	9,24,51,500.00	9,24,51,500.00	12,74,51,500.00
Long Term Loans & Advances	1,32,87,305.00	1,32,03,769.00	3,35,97,553.43
Current Assets	16,23,86,016.25	21,06,12,187.67	16,20,16,752.68

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Less: Current Liabilities and Provisions	4,90,00,124.09	10,05,15,959.83	6,37,26,592.14
Net Current Assets	11,33,85,892.16	11,00,96,227.84	9,82,90,160.54
Deferred Tax Liability	3,87,133.00	3,56,694.00	3,18,402.00





#### 14. Performance of Portfolio Manager

Investment Approach wise performance of the Portfolio Manager against the respective benchmark for the last 3 years. For Discretionary Portfolio Services with performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

The past performance of the portfolio manager does not indicate its future performance.

Sr. No.	Portfolio	Period April 1, 2022 to March 31, 2023
1	IMAAP	0.14
	Nifty Multi Asset Index as benchmark	1.73
2	IS50	-3.03
	Benchmark-NSE 50	-2.26

Sr. No.	Portfolio	Period April 1, 2023 to March 31, 2024
1	IMAAP	30.09
	Benchmark CRISIL Moderate Hybrid Index Nifty Multi Asset Index as benchmark	23.73
2	IS50	38.05
	Benchmark-NSE 50	30.08

Portfolio	Period April 1, 2024 to March 31, 2025
IMAAP	3.26%
Nifty Multi Asset Index as benchmark	7.42%
IS50	-0.38%
BSE 500 TRI benchmark	5.96%

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Portfolio	Period April 1, 2025 to March 31, 2026
IMAAP	1.43
Nifty Multi Asset Index as benchmark	3.79
IS50	-7.52
BSE 500 TRI benchmark	-3.12
IFIP	-7.90
Nifty Multi Asset Index as benchmark	-6.14

*Shankar*





15. AUDIT OBSERVATIONS

**Internal Audit observation for the period** ended March 31, 2023 was NIL.

**Internal Audit observation for the period** ended March 31, 2024 was NIL.

**Internal Audit observation for the period** ended March 31, 2025 was NIL.





**16. Details of investments in the securities of related parties of the portfolio manager**

We are not making any investments in the securities of related parties or association. Therefore, there is nothing to disclosure in this regard.

*Devina Mehra*

**Ms. Devina Mehra**  
Chairperson and Director



*Neeraj Khanna*

**Mr. Neeraj Khanna**  
Director and Principal Officer



**Date: Mumbai**

**Place: 14<sup>th</sup> May, 2026**

*Shankar*

