

Date: 21 January 2026

Investment Management Department  
Securities & Exchange Board of India  
SEBI Bhavan,  
Plot No C -4A, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai -400051

Dear Madam Sir,

Ref: SEBI Registration No: INP000004961 - Portfolio Manager

**Sub: Disclosure Document**

Please find attached copy of Disclosure Document dated 20 January 2026 along with the following documents.

- 1) Form C
- 2) Net worth certificate certified copy as on 31/03/2025
- 3) Certificate issued by chartered Accountants M/S Kamdar Desai And Patel LLP

Kindly acknowledge the receipt of the same.

Sincerely,

Solidarity Advisors Private Limited

Digitally signed by  
NAARAH MYRON PEREIRA  
Date: 2026.01.21 15:15:37  
+05'30'

**Naarah Myron Pereira**  
**Compliance Officer**

**Form C**

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

**Name of the Portfolio Manager:**  
**Solidarity Advisors Private Limited**  
101, Buena Vista, St Alexius Road, Off Turner Road,  
Bandra (West), Mumbai - 400050  
Tel: 91 9819 517614

**Ref: SEBI Registration No: INP000004961 - Portfolio Manager**

**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 documents are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us /investment in the Portfolio Management.
- III)** The Disclosure Document has been duly certified by an independent chartered accountant Kamdar Desai & Patel LLP, Chartered Accountants. Registered Office: Sumati Smruti CHS, 296 Cadell Road, Dadar(W) Mumbai-400028, India. Phone +91 22 2447 5000; Membership No: 178498

**MANISH** Digitally signed  
by **MANISH**  
**GUPTA**  
Date: 2026.01.21  
19:23:15 +05'30'

**Manish Gupta**  
**Principal Officer**  
**Solidarity Advisors Private Limited**

**Mumbai**  
**Date: 21 January 2026**

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**SOLIDARITY ADVISORS PRIVATE LIMITED**

Regd. Office: 101, Buena Vista, St. Alexius Road, Bandra West, Mumbai 400050  
Corporate Office: 702, 704 & 205, Balarama, E-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051. t +91 22 49714275  
www.solidarity.in SEBI Registration No: INP000004961 CIN U67190MH2011PTC224651

# AMAN BANSAL & CO

Chartered Accountants

Plot No. 112, 2nd Floor, Udyog Vihar Phase 1,

Udyog Vihar, Gurugram, Haryana 122016

Mob: 8708833735 E-mail ID: aman.bansal@caaman.in

To,

Board of Directors,  
Solidarity Advisors Private Limited  
101, Buena Vista, St. Alexius Road,  
Off. Turner Road, Bandra(W), Mumbai-400050

## NET WORTH CERTIFICATE

This is to certify that M/s **Solidarity Advisors Private Limited**, having registered office address at 101, Buena Vista, ST. Alexius Road, Off Turner Road, Bandra (W), Mumbai – 400050, has a Net worth of Rs **40,09,35,181/-** (Rupees Forty crores, nine lakhs, thirty five thousand, one hundred eighty one only) as on March 31, 2025, based on the unaudited financial statements provided to us by the company.

The above certificate is based on the specific request of M/s Solidarity Advisors Private Limited and is based on documents and records produced before us.

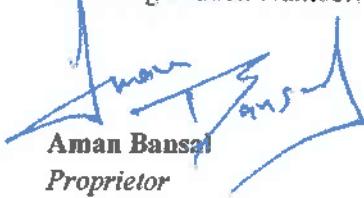
Statement of the net worth of Solidarity Advisors Pvt Ltd. based on unaudited accounts as on March 31, 2025

Particulars	Amount in Rs.
Paid up Equity Capital	1,45,00,000
Add: Free reserves (excluding reserves created out of revaluation)	38,64,35,181
Less: Accumulated Losses	-
Less: Deferred expenditure not written off (including miscellaneous expenses not written off)	-
Less: Minimum Capital Adequacy/Net worth requirement for any other activity undertaken under other SEBI Regulations	-
<b>Net worth as on March 31, 2025</b>	<b>40,09,35,181</b>

For Aman Bansal & Co.

Chartered Accountants

Firm Registration Number: 036885N

  
Aman Bansal  
Proprietor

Membership No.: 555807

Place: Gurgaon, Haryana

Date: May 05, 2025

UDIN: 25555807BMOYMH1102



### Explanatory Note:

*The above certificate is based upon recorded transactions in the financial statements provided to us by the company. Any unrecorded transactions/accrued income/accrued expenses, if any, up to the date of this certificate have not been considered for the purpose of this certificate.*

## CERTIFICATE

To,  
 Solidarity Advisors Private Limited,  
 101 Buena Vista, St. Alexius Road, Bandra West,  
 Mumbai 400 050

We have examined the Disclosure Document dated **January 20<sup>th</sup>, 2026** for portfolio management produced before us, and prepared by the management of Solidarity Advisors Private Limited - ("the company") in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations 2020 (updated time to time); having PMS Registration No: INP000004961 and its registered office, 101 Buena Vista, St. Alexius Road, Bandra West, Mumbai 400 050

Based on the information and details produced before us, we certify that the disclosures made in the attached Disclosure Document for portfolio management are generally true, fair, and adequate to enable the investors to make a well-informed decision except the following:

1. The list of persons classified as Associates or Group companies and the transactions with related parties are relied upon as provided by the company.
2. The Promoters, Partners & Key Managerial Personnel's qualification, experience, ownership details are as declared by them and have been accepted without further verification.
3. We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
4. We have relied on the representation made by the management regarding the Assets under management of **1686.35 crores** as on **December 31<sup>th</sup>, 2025**

This certificate has been issued solely for submission to the Securities and Exchange Board of India for the sole purpose of certifying the contents of the Disclosure Document for the portfolio management and should not be used or referred to for any other purpose without our prior written consent.

For Kamdar Desai & Patel LLP  
*Chartered Accountants*  
 FRN No.: 104664W/W100805



Place: Mumbai  
 Date: 21<sup>st</sup> January, 2026  
 UDIN: 26178498AWPUWZ3063

Harsh Sanghvi  
*Partner*  
 M. No. 178498

**DISCLOSURE DOCUMENT  
PORTFOLIO MANAGEMENT SERVICES  
OFFERED BY**

**SOLIDARITY**  
INVESTMENT MANAGERS

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## SOLIDARITY ADVISORS PRIVATE LIMITED

### DISCLOSURE DOCUMENT TO PMS CLIENTS

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

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#### I. Declaration:

- a) The Disclosure Document (hereinafter referred as the “**Document**”) has been filed with the Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (“**Regulations**”).
- b) The purpose of this document is to provide essential information about the PMS services offered by Solidarity Advisors Private Limited, in a manner to assist and enable investors and/or their nominees in making informed decisions for engaging Solidarity Advisors Private Limited as a Portfolio Manager.
- c) The document provides the necessary information about Solidarity Advisors Private Limited required by an investor before investing and the investor may also be advised to retain the Document for future reference.
- d) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

PRINCIPAL OFFICER	PORTFOLIO MANAGER
<b>Name:</b> Mr. Manish Gupta	Solidarity Advisors Private Limited
<b>Phone No:</b> + 91 22 4971 4275	<b>Registered Address:</b> 101, Buena Vista St. Alexius Road, Off Turner Road, Bandra West, Mumbai 400050
<b>E-mail:</b> <a href="mailto:mg@solidarity.in">mg@solidarity.in</a>	<b>Correspondence Address:</b> 704 & 705, Balarama, E-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051

## **1. DISCLAIMER CLAUSE**

- a. This document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI.
- b. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.
- c. The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions.

## 2. DEFINITIONS

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

1. **Act:** means the Securities and Exchange Board of India Act, 1992 as amended from time to time.
2. **Accreditation Agency:** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
3. **Accredited Investor:** means any person who is granted a certificate of accreditation by an accreditation agency who:
  - (i) in case of an individual, HUF, family trust or sole proprietorship has:
    - (a) annual income of at least two crore rupees; or
    - (b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
    - (c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
  - (ii) in case of a body corporate, has net worth of at least fifty crore rupees;
  - (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;
  - (iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.
4. **Advisory Services:** means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.
5. **Agreement:** means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
6. **Applicable Laws:** means any applicable Indian statute, law, ordinance, regulation including the Regulations, rule, order, byelaw, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.

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

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

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

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

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

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

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

**14. Capital Contribution:** means the sum of money or Securities or combination thereof, contributed by the Client simultaneously upon execution of the Agreement or any time thereafter, subject to a minimum of INR 50,00,000 (Indian Rupees Fifty Lakhs) or such other higher amount as may be specified by the Portfolio Manager in compliance with Applicable Laws.

**15. Cash Account or Bank Account:** shall mean one or more bank accounts opened, maintained and operated by the Portfolio Manager in the name of the Client or a pool account in the name of the Portfolio Manager to keep the Funds of all clients.

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

**17. Client(s) / Investor(s):** means any person / entity that enter into an agreement/ arrangement for availing the Portfolio Management Services with the Portfolio Manager by executing the Agreement.

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

**19. Depository Account or DP Account:** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.

**20. 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.

**21. Disclosure Document or Document:** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations

**22. Discretionary Portfolio Management Services:** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager exercises its sole and absolute discretion with respect to investments or management of the Assets of the Client, entirely at the Client's risk, in such manner as the Portfolio Manager may deem fit.

**23. 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).

**24. Eligible Investor:** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.

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

**26. 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.

**27. Financial Year:** means the year starting from April 1 and ending on March 31 in the following year.

**28. 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.

**29. Financial Planning:** shall include analysis of clients' current financial situation, identification of their financial goals, and developing and recommending financial strategies to realise such goals.

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

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

**32. Investment Advice:** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and may include financial planning.

**33. 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 by the Portfolio Manager, from time to time.

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

**35. 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.

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

**37. 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

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

**39. 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.

**40. Portfolio** means the total holdings of all investments, Securities and Funds belonging to the Client.

**41. Portfolio Manager** means Solidarity Advisors Private Limited a company incorporated under companies Act, 1956 registered with SEBI as a portfolio manager bearing registration number INP000004961 and having registered office at 101, Buena Vista St. Alexius Road, Off Turner Road, Bandra West, Mumbai 400050, who pursuant to a contract or arrangement or agreement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client/Investor, as the case may be.

**42. 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

**43. Portfolio Management Fees** means fees payable by the Client to the Portfolio Manager as specified in the Agreement, for the Portfolio Management Services.

**44. Portfolio Management Services:** means the portfolio management services rendered to the Client by the Portfolio Manager, on the terms and conditions contained in the Agreement and in accordance with the Rules and Regulations (whether as a discretionary portfolio manager or otherwise), with respect to investments or management of the Portfolio of Securities and the Funds of the Client.

**45. Product:** means the investment products with the respective Investment Approach/features, introduced by the Portfolio Manager from time to time.

**46. 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

**47. Related Party** means –

- (i) a director, partner or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, partner, manager or his relative is a partner;
- (iv) a private company in which a director, partner or manager or his relative is a member or director;

(v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;

(vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;

(vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;

(ix) a related party as defined under the applicable accounting standards;

(x) such other person as may be specified by the Board:

Provided that,

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

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

**48. SEBI:** means the Securities & Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

**49. 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. It shall mean and include securities/instruments of portfolio entities, all marketable securities including equity shares, quasi equity shares, preference shares, debentures (whether convertible or non-convertible and whether secured or unsecured and whether listed or unlisted), convertible securities, depository receipts, bonds, secured premium notes, government securities, pass-through certificates, treasury bills, units, derivatives, equity linked products, debt, hybrid debt products, mortgage-backed securities, commercial debt papers, notes, units of a trust and any other instrument falling within the definition of 'security' under section 2(h) of the Securities Contract (Regulation) Act, 1956

**50. Securities Valuation Policy** means the policy of the Portfolio Manager, from time to time, for valuation of the Securities forming part of the Assets.

### **3. DESCRIPTION**

#### **(i) History, present Business and Background of the Portfolio Manager**

We commenced our operations in 2014. We are an independent, partner-centric Investment management firm investing in Indian public equities.

Solidarity Advisors Private Limited formally obtained its “Portfolio Managers” License from SEBI bearing Registration No. INP000004961 from 17/12/2015.

The Portfolio Manager was incorporated to offer investment management, portfolio management, and advisory services to High-Net-worth Individuals (HNIs), institutional clients, corporates and other permissible class of investors.

#### **(ii) Promoters of the Portfolio Manager, Directors and their background**

Promoters of Solidarity Advisors Private Limited are Manish Gupta and Kanika Gupta.

##### **A. Manish Gupta Director, Principal Officer and Chief Investment Officer**

###### **Qualification:**

MBA IIM Ahmedabad, 1997

B.Eng. (Chem.) Birla Institute of Technology and Science, Pilani, India (1995)

###### **Experience:**

Manish graduated in Chemical Engineering from BITS Pilani in 1995. He completed his MBA from IIM Ahmedabad in 1997 with a focus on Finance. He then joined The Boston Consulting Group where he worked from 1997 – 2004 on various strategic, financial and operating issues across many companies. He worked briefly with Steelcase and Honeywell International between 2004 – 2006, before joining Rakesh Jhunjhunwala’s family office, RARE Enterprises, in 2006.

He worked at RARE Enterprises for eight years, the last 4 of which he was MD of Private Equity. At RARE Enterprises, Manish got the opportunity to learn investing from one of the masters in the investing business. He invested across various product classes including listed equities, venture capital and Private Equity. He also worked closely with many investee companies and learned first- hand the challenges in scaling a business.

Manish is on the Board of Directors of the following companies:

- 1. Solidarity Advisors Private Limited**

He is also a Designated partner of Gutz Feel Film Productions LLP.

**B. Kanika Gupta  
Director**

**Qualification:**

Bachelor of Arts, Lady Shriram College, New Delhi  
Masters in Fashion Technology, Pearl Academy of Fashion  
MA in Psychology

Kanika Gupta is a promoter director, her involvement in Solidarity Advisors Private Limited is limited to Administration and HR.

**(iii) Top 10 Group companies/firms of the portfolio manager on turnover basis (latest audited financial statements may be used for this purpose)**

We do not have any group companies.

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

We have two business activities at present:

- a) **PMS:** under “Discretionary”- Customized investment solutions for High Net worth Individuals
- b) **Consulting:** Advice to HNI’s who have invested in start-ups or early-stage companies and provide business building support to them.

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

a)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder.	None
b)	The nature of penalty/direction	None
c)	Penalties imposed for any economic offence and/or for violation of any securities laws.	None
d)	Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	Elaborated below
e)	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency	None
f)	Any enquiry/adjudication proceedings initiated by the Board against the Portfolio Manager or its Directors, Principal Officer or employee or any person directly or indirectly connected with the Portfolio Manager or its	None

	Directors, Principal Officer or employee, under the Act or Rules or Regulations made thereunder.	
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No enquiry/ adjudication proceedings has been initiated by the Board against the portfolio manager or its directors, principal officer or employee under the Act or Rules or Regulations made there under. However, Mr. Manish Gupta, Director & Chief Investment Officer of Solidarity Advisors Private Limited, whose name was arrayed as a party to the below matter.

Mr. Manish Gupta was a Non- Executive Director of Pegasus Assets Reconstruction Private Limited (“Pegasus”) from 3 September 2007 till 16 October 2024 and his capacity as Non-Executive Director of Pegasus, he was not involved in the day-to-day affairs of the Company.

Pegasus Assets Reconstruction Private Limited (**Pegasus**) acquired the financial assistance granted to M/s Incab Industries from Axis Bank vide an assignment agreement dated 29th March 2016 as per section 5 of the SARFAESI Act 2002.

An FIR was filed before the Golmuri Police station against various stakeholders of Incab Industries including Pegasus and its two directors. The police department refused to register the same. So, a complaint was filed before the Judicial Magistrate 1st Class in Jamshedpur. The court also refused to take cognizance of the offence against Pegasus and its directors. Against the said order a revision petition was filed before the session court. The session court set aside the lower court order and remitted back the matter to conduct further enquiry.

As a part of the enquiry, Judicial First-Class Magistrate issued notice dated 9<sup>th</sup> June 2025 to parties to appear before the court. It is clarified that, at this stage, only a notice for enquiry has been issued and no charges have been framed against any of the accused..

Since Pegasus or its directors were not part of any of the allegations and they were not involved in the day today affairs of the company, a petition was filed under section 482 Criminal Procedure Code before the High Court of Jharkhand for quashing the compliant against the directors of Pegasus. After hearing the Hon'ble High Court issued notice to the other side. The matter was presently listed for hearing on 30 October 2025.

As on the date of preparation of this disclosure document, there is no further update in the above matter.

## **5. SERVICES OFFERED BY THE PORTFOLIO MANAGER (under the ambit of PMS License)**

### **I. Investment objectives and policies**

The primary objective is to generate long-term capital appreciation by investing predominantly in **equity and equity-related instruments**, following a **long-only** investment approach. The strategy focuses on identifying businesses with strong growth potential and attractive valuations, blending **growth and value investing principles** to capture opportunities across market cycles. A major portion of the portfolio will be allocated to **equities**, while the remainder may be parked in **liquid funds or cash equivalents** for liquidity management and tactical flexibility. The portfolio is constructed through a disciplined, research-driven investment process aimed at delivering superior risk-adjusted returns over the long term, in alignment with the client's investment horizon and risk profile, and in full compliance with SEBI regulations.

#### **a) Discretionary Portfolio Management Services**

Under the Discretionary Portfolio Management Services, the Portfolio Manager shall deploy Assets brought in by a Client by investing or divesting suitably in the capital markets as per the Act and Regulations. The Portfolio Manager shall be acting in a fiduciary capacity, as a trustee, with regard to the Client's account consisting of investments, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value).

Discretionary Portfolio Management Services shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the client in any type of security as per executed Agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit. The Portfolio Manager's 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 any time during the tenure 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.

### **b) Advisory Portfolio Management Services**

The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment Advice and may include advice relating to financial planning/asset allocation, investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client.

Investment Advice shall be for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk; to all eligible categories of investors who can invest in Indian market including NRIs, FPIs, etc.

The Portfolio Manager shall be solely acting as an advisor to the client without full discretion to make investment decisions. The Portfolio Manager shall not be responsible for the execution of decisions or administrative activities on the client's portfolio, unless requested to do so by the client via a Power of Attorney.

The Portfolio Manager shall act in a fiduciary capacity towards its Client and shall maintain arm's length relationship with its other activities. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the Client, from time to time, in this regard.

Under both options, the Portfolio Manager will not be liable for losses incurred based on our advice.

## **II. INVESTMENT APPROACH/ PRODUCTS OFFERED (DISCRETIONARY PMS)**

### **Investment Approach and Investment Objective**

Mr. Manish Gupta will be the dedicated, qualified portfolio manager.

Our investment approach is elucidated below. We look for:

#### **1. Earnings Growth**

- In the long run, stock prices track earnings growth of a company.
- Hence, a business we would look to invest in should be scalable which means there should be a large and growing market opportunity.
- We have a bias to look for themes which have structural tailwinds in place which ensures we are buying into compounding stories.

## 2. Moat/Right to win

- The industry should have a favorable structure – ideally few players and high barriers to entry.
- Companies we invest in have or are investing to develop a competitive advantage which translates into a strong moat.
- Focus – do one thing well rather than diversify into multiple, unrelated businesses.
- Management team should have a good track record of capital allocation and must be fair to minority interests

It must be noted that most smaller companies will have Moats that are emerging and not well developed.

## 3. Broadly fair Valuation

- We are happy to pay a fair value (if not lower) for the businesses we shortlist using the above aspects because well-run companies are seldom cheap.
- Fair valuation is a function of
  - Growth outlook, return on capital, cash flow
  - Terminal value: strategic dominance
  - Predictability, consistency of growth
  - Option value in the business model
- In addition to the earnings power of a business, fair valuation is also determined in context a function of the following two things:
  - Where are we in earnings cycle?
  - What is the time horizon for the investment?
- Finally, we strive to pay a valuation where we feel the probability of capital loss over 3-5 years is close to zero.

## 4. Risks

- While taking an investment decision, we try to be cognizant about all key risks associated with the given business model which could invalidate our investment thesis.
- A key source of our edge is to buy positions in smaller companies where our peers who manage larger Assets may not compete.
- We broadly think about risks in the following terms e.g., as an illustration (not an exhaustive list)
  - Earnings risk from collapse in volume or margins
  - Multiple risk from reduction in earnings growth
  - Capital allocation and governance risks.
  - Political/regulatory risks
  - Risks associated with leverage in the business.
- We don't invest in industries/companies that are too complex to understand and that have poor corporate governance.

- Smaller companies are relatively illiquid. Hence, these may be more volatile. We mitigate risks by keeping a constant vigil- We track progress of Financial and Operating variables, their Capital allocation decisions of surplus cash flow & their valuations.
- We manage risk by position sizing. We reduce our exposure to a company in case our views change or when we encounter evidence that our analysis is wrong. We exit/trim during euphoria i.e. in cases where the price is at least 30% above our estimate of fair value thus granting us the ability to re-allocate capital to a significantly better opportunity

### **Portfolio Construction**

While our fundamental bedrock is investing in Quality companies, one must be cognizant of the fact that Quality companies are seldom cheap. Hence, one must be flexible when one sees companies which are not pristine quality but are getting there (Small and Mid-Caps) or companies undergoing transformation because of mistakes being corrected. Hence, we keep some allocations for Special Situations.

**We hence organize the portfolio around 3 buckets to give us maximum flexibility.**

Subcategory	Description	Minimum IRR expectation over 5 years
Clear Leaders Secular	<ul style="list-style-type: none"> <li>• Leader in growing market</li> <li>• Robust business model</li> </ul>	12-18%
Emerging Leaders	<ul style="list-style-type: none"> <li>• Small and mid-caps that are on the path to become Clear Leaders</li> </ul>	12-25%
Special Situations	<ul style="list-style-type: none"> <li>• Strong underlying franchise undergoing temporary challenges</li> </ul>	> 25%

**Portfolio construction – difference between the investment approaches “Prudence” and “Emerging Leaders”**

#### **“Prudence”**

- Follows a Multicap/Flexicap approach where the corpus is deployed across Large/Mid and Small caps.
- Prudence does not permit us to take very large exposures across Small caps due to the need for risk management as Small caps can be very illiquid.

#### **“Emerging Leaders”**

- We deploy capital primarily in Small and Micro caps.

The key differences between the two investment approaches are outlined below

	Prudence	Emerging Leaders
Position sizing	Small caps don't exceed 5% per position	Each position could be as much as 20% of the portfolio
Composition	1. Clear Leaders  2. Emerging Leaders  3. Special Situations	1. Emerging Leaders only
Liquidity risk	A consideration in stock selection and position sizing	Not a consideration as we assume partners will adhere to the 5 years implicit lock-in we are asking for
Number of Scrips/Stocks	15-20	5-10
Minimum family commitment	2.5 Cr	2 Cr per family, 1 Cr minimum per account.
Exit Load	For Variable & Semi-Variable fee-NIL fee  For Completely fixed fee option- Exit load as under-  3% in Year 1, 2% in Year 2, 1% in Year 3 or at such limits as prescribed under SEBI Regulations from time to time.	3% in Year 1, 2% in Year 2, 1% in Year 3 or at such limits as prescribed under SEBI Regulations from time to time
Suitable for	Clients who understand the risk of investing in Equity markets and want customized portfolios	Clients who can tolerate higher drawdowns.  Willing to embrace illiquidity risks.

		We will not recommend this investment approach to clients unless they have invested with us in Prudence
MIS to be shared with clients	Every month  Quarterly Letter by Investment team	Every quarter  Yearly Letter by Investment team discussing company progress

### **Other considerations**

1. Keep at least a 5 yr. perspective.
2. Don't invest in equities if you cannot handle volatility or see mark downs of up to 25% on the portfolio.
3. Clients should appreciate that no one approach works all the time and hence Solidarity would need some flexibility to deviate from the above approach.
4. We may choose not to be fully invested and will park surplus funds in Liquid Mutual funds, Liquid ETF's (Exchange Traded Funds) or hold them in cash.
5. No fund manager/approach will outperform in every time frame.
6. Choose an approach that works for you and then give it time.
7. Avoid changing an investment approach mid cycle.
8. Measure returns delivered post-advisor/management/performance fees. A good outcome would be returns which are 1.5% above the BSE500 TRI over 5 years for Prudence & Emerging Leaders.
9. We may sign up families as clients who have a listed business in which we make investments on behalf of other clients.
10. We do not invest in derivative products.

### **Eligibility**

- Initial investment of Rs.2.5 Crores for each account opened with us under Prudence or Rs 2 Crores for each account opened with us under Emerging Leaders or as may be specified by Portfolio Manager in accordance with the Regulations for the eligible investor.
- For Family Accounts – Minimum starting AUM is Rs. 2.5 crores across family accounts subject to a minimum of Rs 50 lakhs per account in accordance with the SEBI PMS Regulations.
- We reserve the right to make exceptions with respect to the minimum ticket size & fee structure.

**Description of types of securities e.g., equity or debt, listed or unlisted, convertible instruments, etc.**

Listed equity and equity related securities of Indian Companies & units of Mutual Funds and other instruments as approved by SEBI from time to time.

**Basis of selection of such types of securities as part of the investment approach**

The Portfolio Manager aims to adopt an approach of stringent stock selection process and a disciplined investing approach with a long-term focus. Holdings and the sectors will be tracked on a constant basis and rebalancing wherever necessary based on revised prospects and valuations will be undertaken.

**Allocation of portfolio across types of securities**

Underlying asset class will be equity. Securities shall be chosen from a wide spectrum of market capitalizations. Investment in liquid funds/fixed term papers will be made for liquidity purposes. However, from time to time on an opportunistically basis, may also choose to invest in units of mutual funds, ETFs or other permissible securities/products in accordance with the Applicable Laws.

**Benchmark**

Prudence is benchmarked against BSE500TRI index as per the SEBI circular relating to benchmarking.

Emerging Leaders is benchmarked against BSE500TRI index as per the SEBI circular relating to benchmarking.

**Basis of choice of benchmark**

Prudence invests across the market cap spectrum. BSE500TRI index has been selected as the benchmark for comparing performance in accordance with the SEBI circular relating to benchmarking.

Emerging Leaders will invest primarily in Small and Micro Caps. BSE500TRI index has been selected as the benchmark for comparing performance in accordance with the SEBI circular relating to benchmarking.

**Indicative tenure or investment horizon**

We do not recommend investing with us unless one has a minimum 5-year time horizon.

**Risk associated with the Investment approach.**

Risk as stated above in the Investment approach.

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

The Portfolio manager does not have any associate or group company.

There have been no investments made by the Portfolio Manager in any securities issued by its related parties or associates.

**IV. Distributors:** The Portfolio Manager may appoint channel partners/distributors to onboard the Client. Further, fees or commission paid to the Distributors shall be only from the fees received by the Portfolio Manager from the client and not added over and above the fees mentioned in clause 7- Nature of Expenses of the Disclosure Document.

**V. Direct Option Facility:** The Portfolio Manager provides an option for Clients to invest directly with the Portfolio Manager and avail services of the Portfolio Manager. Such investments can be made without any intermediary or distribution agent.

## **6. RISK FACTORS**

### **A. General Risks Factors**

- (1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
- (2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
- (3) Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager.
- (4) The names of the Investment Approach do not in any manner indicate their prospects or returns.
- (5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
- (6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
- (7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
- (8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- (9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

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

Solidarity Advisors Private Ltd. does not give any assurance or guarantee that the intended investment objectives of capital appreciation will be achieved as investment in Securities (Equities, Gold equivalents, debt) are subject to market or other risks that could result in loss of capital. Clients should invest in Equities through Solidarity Advisors Private Limited only if they have both the ability and willingness to take risks (tolerate loss of capital).

We strongly believe that the behavior of an investor impacts the returns more than anything else as people tend to take wrong decisions at both extremes – optimism and pessimism.

- History suggests that the probability of Capital loss is as high as 50% if a client's time horizon is one year or less. Hence, clients should NOT invest with us if their time horizon is less than 5 years.
- According to us volatility is a part of long-term investing and anyone who can't see markdowns of 25% on the portfolio is not suited for investing in equities.
- Solidarity Advisors Private Limited does not guarantee or assure any return on investment, either of principal or appreciation on the portfolio or preservation of capital.

Examples of the kind of risks your investments are exposed to, are detailed below.

- The past performance of the Portfolio Manager does not indicate his/her future performance.
- Risk arising from the investment approach, investment objective, investment strategy and asset allocation
- The PMS is subject to risk arising out of non-diversification at times, portfolios of individual Clients may be concentrated in certain companies / industries. The

performance of the portfolios would depend on the performance of such companies / industries / sectors of the economy.

- If there will be any transactions of purchase and/or sale of securities by Portfolio Manager and employees who are directly involved in investment operations that conflicts with transactions in any of the Client Portfolio, the same shall be disclosed to the Client.
- There are no group companies of Portfolio Manager, therefore, disclosure of related services offered by Group companies is not applicable.
- The Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the portfolio Products.
- We may at times have a conflict of interest where we have invested in companies whose ownership or management control (promoters, key management personnel, related parties, etc) is with a client of Solidarity Advisors Private Limited. In order to protect client confidentiality, we may not be at liberty to disclose this conflict of interest to you.
- The liquidity of the portfolio investment is inherently restricted by trading volumes in the Securities in which it invests.
- Investments in general and in the Product / Services/Investment Approach which the Clients / Investors have opted are subject to wide range of risks. Some of the risks arising from the investment objectives, investment approach and asset allocation are stated as under which inter alia also include:
  - a) Economic slowdown.
  - b) Volatility and illiquidity of the stocks.
  - c) Poor corporate performance, economic policies, change of Government and its policies.
  - d) Acts of God, acts of war, civil disturbance, sovereign action and such other acts
  - e) Geopolitical risks.
- Other risks including cancellation and postponement of settlements, default, legal actions, third party non-performance, misjudgement / incapacitation of the Portfolio Manager.
- The valuation of the Portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. There will be no prior intimation

or prior indication given to the Client when the composition / asset allocation pattern changes.

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Portfolio. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well-developed and liquid secondary market for debt securities would result, at times, in potential losses to the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.
- Interest Rate Risk: As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.
- Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.

## 7. NATURE OF EXPENSES

Portfolio Management fees for the PRUDENCE scheme is elucidated below:

AUM		2.5 to 5 Cr	5 to 10 Cr	10 to 25 Cr	25 to 50 Cr
Fixed	On AUM	2%	1.75%	1.5%	1.25%
Semi Variable (profit share drawn after 3 yrs.)	Fixed fee on AUM	1%	1%	1%	1%
	Hurdle rate pre tax	12%	12%	12%	12%
	Profit share above hurdle rate	20%	17.5%	15%	12%
Brokerage/GST/Incidental charges levied by the Custodian are at actuals. Additional 2bps for Custody & Fund accounting. Fixed fee is calculated on the basis of daily average AUM & charged quarterly.					

Portfolio Management fees for the EMERGING LEADERS scheme is elucidated below:

AUM		2 Cr & above
Semi Variable (profit share drawn after 5 yrs)	Fixed fee on AUM	1%
	Hurdle rate pre tax	12.5%
	Profit share above hurdle rate	20%
Unlike Prudence, exit loads apply. Brokerage/GST/Incidental charges levied by the Custodian are at actuals. Additional 2bps for Custody & Fund accounting. Fixed fee is calculated on the basis of daily average AUM & charged quarterly		

#### Other considerations

- a) Management fees will be charged based on the average daily AUM
- b) No lock-in period
- c) Taxes will be extra as per Government rates
- d) Fee structure may vary for specific clients based on their request for alternative options
- e) No exit-load for Prudence- Variable & Semi-variable fee structures
- f) Exit load for Prudence- Fixed fee & Emerging Leaders scheme as per SEBI Regulations is 3% for 1<sup>st</sup> Year, 2% for 2<sup>nd</sup> Year and 1% for 3<sup>rd</sup> Year on the amount redeemed. The GST applicable will be over & above the exit load fees.
- g) For clients who opt for a variable fee plan, we keep hurdles rates of 12% under the semi variable plan and 8% under the variable plan
- h) Our goal is to be measured in risk taking. We will be entitled for a performance share if we beat the hurdles rates -as defined in the above respective investment approaches, irrespective if the BSE500 TRI has performed better than the above hurdle rates. This is linked to our strategy of running a marathon and not focusing on short time horizons.
- i) To execute a redemption request, we will sell at prevailing market prices which could mean liquidation would be at a materially lower than the prevailing market prices in companies where liquidity is poor.
- j) Our billing cycle for performance fee is every three years for partners invested in the Prudence scheme & every five years for partners invested in the Emerging Leaders scheme.
- k) For clients invested in the **Prudence scheme** on a **fully variable fee**, a performance fee is charged **only if the portfolio return exceeds the hurdle rate over the cycle**.
- l) For clients in the **Prudence scheme** on a **semi-variable fee**, the performance fee is applicable **if both the hurdle rate and the benchmark are exceeded** during the cycle.
- m) For clients invested in the Emerging Leaders scheme on a **semi-variable fee**, a performance fee is charged **if returns exceed both the hurdle rate and the benchmark over the cycle**.
- n) Additionally, for clients invested in either scheme with a performance fee component in their fee structure, a performance fee will be levied upon termination of the agreement, provided the portfolio return exceeds the hurdle rate.

#### Other Expenses charged by Service providers

**Brokerage:** Up to a maximum of 0.10% brokerage to resident clients and 0.18% brokerage to NRI clients will be charged on every transaction by the broker (Kotak, Ambit, Equirus, Spark Family Office, Spark Capital Advisors, ICICI Securities, Incred Capital & Systematix) based on prevailing brokerage rates. For illiquid scrips, the brokerage can be up to 0.22%. The buy/sell price will be shown net of cost. All applicable taxes will be additional.

**Custodian & Fund Accounting:** Custodial services expenses would be charged at 1 bps of month end portfolio value and fund accounting expenses would be charged at 1 bps of average daily AUM. These charges are excluding taxes.

**Event Fees:**

These charges relate to the charges payable at the time of entering into and/ or exit from the investments of a particular product. E.g. Purchase of Mutual funds (Specific service providers), Charges relating to any corporate actions undertaken on behalf of the client, etc which are charged at actuals.

**Depository charges:**

These charges relate to opening and maintenance of Depository Accounts (wherever required), dematerialization of scrips and their transfer charges in connection with the operation and management of the Client's Portfolio account. (Specific service providers).

**Registrar and transfer agent fee:**

Fees payable to the Registrar and Transfer Agents for effecting transfer of Securities at actuals wherever applicable.

The Portfolio Manager shall deduct directly from the Cash Account of the Client all the fees/ costs specified above or require the Client to make the payments separately to the Portfolio Manager, at the option of the Portfolio Manager. Other expenses which could be attributable to the Portfolio Management Services would also be directly deducted and the Client would be provided details of the same.

## **8. TAXATION**

As per the taxation laws in force as at the date of the Disclosure document, the tax implications to the clients under the Portfolio Management service are stated herein below. The information so stated is based on the Company's understanding of such tax laws in force as on date of the Disclosure document.

The following information is provided only for general information purposes. The tax laws mentioned are subject to change from time to time. In view of the individual nature of tax consequences, each Client is advised to consult his/her tax advisor with respect to the specific tax consequences to him/her of participation in the Portfolio Management Services. The clients are best advised to take independent opinion from their respective tax advisors / experts for any income earned from such investments. The Portfolio Manager shall not be responsible for assisting in or completing the fulfilment of the Client's tax obligations. The provisions of the Income Tax Act, 1961 shall apply to the client and the Portfolio Manager in respect of their individual income. The Portfolio Manager will provide adequate statements with regards to the accounts of the client with the portfolio manager for accounting and taxation purposes. It shall be the Client's responsibility to meet the obligation on account of advance tax instalments payable on the due dates under the Income Tax Act, 1961.

The tax implications in the hands of investors on different income streams are discussed below:

### **A. Dividend Income**

Till FY 2019-20, dividends declared by Indian companies were exempt from tax in the hands of the Investors under section 10(34) of the Income Tax Act, 1961. Indian companies would be liable to pay Dividend Distribution Tax (DDT) at the effective rate of 20.56% for F.Y.2019-20 of the dividends at the time of distributing dividends to the investors. However, Finance Act 2020 has shifted the burden of taxation on the recipients and accordingly they will be taxed at the applicable income slab rates at an individual level from FY 2020-21 onwards. Further, as per Finance Act, 2025 such dividends received by a recipient will also attract tax deduction at source (TDS) by the dividend declaring company as per the applicable rates issued from time to time, if the dividend amount exceeds INR 10,000 in a financial year.

Further, dividends declared by all mutual funds are also taxable in the hands of Investors in the same manner. Dividend income earned by non- resident Indian ('NRI') are taxable at 20% plus applicable surcharge and cess.

### **B. Interest Income**

Any income in the nature of interest income would be subject to tax at the applicable income slab rates.

Investments made by non- resident Indian ('NRI') individual investors are entitled to be governed by the special tax provisions under Chapter XII-A of the Income Tax Act, 1961 and if the NRI investors opt to be governed by these provisions under the Income Tax Act, 1961, the interest income from specified assets (which includes debentures issued by public companies) would be taxable at the rate of 28.496%(20+37%+4%) under old regime or 26% (20%+25%+4%) under new regime on gross basis.

### C. Capital Gains

Type of instrument	Period of holding	Characterisation
Listed securities, / Unit of equity-oriented fund / Zero Coupon Bonds, Units of Business Trust	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset
Any assets other than those specified above (including immovable property being land or building) (Refer Note 1, Note 2 and Note 3 below)	More than 24 months	Long Term Capital Asset
	24 months or less	Short Term Capital Asset

Note 1: Gains from unlisted bonds and debentures transferred, redeemed or maturing on or after 23rd July 2024 will be treated as Short-term Capital Gains (STCG) irrespective of the holding period.

Note 2: Gains from debt oriented mutual funds transferred, redeemed or maturing on or after 1st April 2023 will be treated as Short-term Capital Gains (STCG) irrespective of the holding period.

Note 3: Gains from Market Linked Debentures (MLD) will be treated as Short-term Capital Gains (STCG) irrespective of the holding period

- Short term Capital Gains:**

In case the listed securities, units of business trust, are sold within 12 months from the date of purchase/ acquisition, the resultant gains are termed as short-term capital gains. Short Term Capital gains made on sale or transfer of equity shares or units in equity oriented mutual fund, is chargeable at a concessional tax rate of 20% (plus surcharges and cess as applicable), if the securities are sold on a recognized stock exchange in India (in case of equity shares) and on which Securities Transaction Tax has been paid. Failing this, the gains will be taxed at the rate applicable depending on the status (i.e Individual, Corporate, HUF, etc) and income level of client (plus surcharges and cess as applicable)

Note: Units held in equity-oriented schemes for a period of more than 12 months is considered as Long-Term Capital Gains and for a period of 12 months or less is considered as Short-Term Capital Gains. Further as per Sec 50AA Specified MF, Market Linked Debentures, Unlisted Debentures and Unlisted Bonds will be treated as STCG irrespective of Holding Period.

- **Long term Capital Gains:**

**(i) Resident Individuals and Hindu Undivided Families:**

Long term capital gains in respect of investments held for a period of more than 12 months will be chargeable under section 112A of the Income Tax Act, 1961 at the rate of 12.5% plus surcharge and cess (without indexation benefit) on gains exceeding INR 1.25 Lakh provided transfer of such equity shares or units in equity-oriented schemes or units of business trust is subject to Securities Transaction Tax (STT).

Section 10(38) inter alia, provides for exemption from tax on the income arising from the transfer a long-term capital asset (being an equity share in a company or a unit of an equity-oriented fund) subject to certain conditions. However, the exemption under section 10 (38) will not be available if equity shares / units are transferred on or after April 1, 2018. Tax on long term capital gains which arises on transfer of listed equity shares or units of equity oriented mutual funds or units of business trust on or after April 1, 2018 will be calculated as per special provisions in Section 112A. If section 112A is not applicable, then tax will be calculated under the existing provision of Section 112. As per Section 112, any long-term capital gain on capital assets which are not covered u/s 112A are taxable at 12.5% plus applicable surcharge and health and education cess (without any indexation benefit).

Further, any asset other than listed securities, equity oriented mutual fund and units of business trust will be classified as long term capital asset if they are held for more than 24 months. Upon insertion of this new section, with effect from April 1, 2018, both Capital gains tax and STT will be levied on the gains arising in in a particular fiscal year. A short-term relief has been given for the investors that the current exemption under section 10(38) would continue on appreciation in value till 31st January 2018 and only the gains that would arise after such date will be taxable.

**(ii) Partnership firms, Indian companies and other Residents:**

Long term capital gains from all the capital assets are taxable at 12.5% plus applicable surcharge and health and education cess (without indexation benefit). However, long term capital gain with respect to listed equity shares, units in equity oriented mutual fund or units of business trust are exempt upto Rs 1.25 lakhs provided STT is paid. As per Sec 50AA Gain arising with respect to Debt oriented Schemes / Money Market and Liquid Schemes will be treated as STCG irrespective of period of holding hence will be taxed at applicable rate.

**(iii) Non-Resident and Foreign companies:**

Long term capital gains from all the capital assets are taxable at 12.5% plus applicable surcharge and health and education cess (without indexation benefit). However, long term capital gain with respect to listed equity shares, units in equity oriented mutual fund or units of business trust are exempt upto Rs 1.25 lakhs provided STT is paid. As per Sec 50AA Gain arising with respect to Debt oriented Schemes / Money Market and Liquid Schemes will be treated as STCG irrespective of period of holding hence will be taxed at applicable rate.

**(iv) Non-Resident Indians (NRI):**

Under Section 115E of the Income Tax Act, 1961, for Non-Resident Indians, any income from investment or income from long term capital gains of an asset other than a specified asset is chargeable at the rate of 20% without providing indexation benefit and 12.5% for long term capital gains plus applicable surcharge plus Health and Education Cess as applicable on such tax respectively without providing indexation benefit. However, long term capital gain with respect to listed equity shares, units in equity oriented mutual fund or units of business trust are exempt upto Rs 1.25 lakhs provided STT is paid. As per Sec 50AA Gain arising with respect to Debt oriented Schemes / Money Market and Liquid Schemes will be treated as STCG irrespective of period of holding hence will be taxed at applicable rate.

Further, in the case of Non-Resident Indian (Individual or HUF), LTCG cannot be adjusted against the basic exemption limit. Therefore, in the case of NRI even if the taxable income is Nil and has booked long term capital gains against the capital asset, the NRI has to pay Long term capital gains tax at the rate depending on the asset class.

**D. Deemed sale consideration on sale of unquoted shares**

**Gains arising on buy-back of shares by company**

For buybacks that are carried out before 1st October 2024, as per the section 10(34A) of the IT Act, gains arising on buy-back of shares (including shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a tax at the rate of 20% (plus applicable surcharge and health and education cess) is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

Note: For buy-backs that are carried out on or after 1 October 2024, the amount paid by a domestic company on buy-back of shares should be taxed as deemed dividend in the hands of the shareholders. The cost of acquisition of the bought back shares should be treated as Capital Loss in the hands of the shareholder. The shareholder will be eligible to set off the capital loss (equivalent to the cost of acquisition of shares)

**E. Deemed income on investment in shares / securities of unlisted companies in India**

As per section 56(2)(x) of the IT Act, as inserted by Finance Act 2017, where any person receives any property, including shares and securities from any person for a consideration which is lower than the FMV by more INR 50,000, then difference between the FMV and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("Other Income"). The rules for determining the FMV of shares and securities have been prescribed under the IT Rules.

Accordingly, such Other Income would be chargeable to tax as follows:

Particulars	For resident investors	For offshore investors
In case of companies	30% for F.Y. 2025-26	35% for F.Y. 2025-26
In case of individuals / HUFs / AOPs / BOIs	Applicable tax rates for F.Y. 2025-26	Applicable tax rates for F.Y. 2025-26
In case of other investors	30% for F.Y. 2025-26	30% for F.Y. 2025-26

#### **F. Issue of shares at a premium by a private company**

In case, a resident subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the face value of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as income from other sources. The same would be subject to tax in the hands of the investee companies under section 56(2) (viib) of the IT Act.

For the above purposes, the FMV of shares would be determined as per detailed rules prescribed or as may be substantiated by the Company to the satisfaction of the tax officer based on the value of assets and liabilities, whichever is higher.

#### **G. Securities Transaction Tax**

Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @ 0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange. STT is levied on the seller @ 0.025% on the sale of equity share in a company or unit of an equity oriented mutual fund for transaction executed in recognised stock exchange, settled otherwise than by actual delivery.

#### **H. Bonus Stripping**

In case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus units) and sold/transferred/redeemed within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be deemed as cost of acquisition of such bonus units.

#### **I. General Anti Avoidance Rule (“GAAR”)**

The Finance Act, 2013 introduced the amended GAAR provisions to be effective from FY 2015-16. However, the Finance Act, 2015 deferred the GAAR provisions by 2 years and it shall now be applicable to the income of FY 2017-18 and subsequent years. Further, investments made up to March 31, 2017 would be grandfathered and GAAR would apply prospectively only to investments made after April 1, 2017. 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) tests

mentioned below:

- a) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- b) It results in direct / indirect misuse or abuse of the Income Tax Act;
- c) It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- d) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

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

- a) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- b) Ignoring the arrangement for the purpose of taxation law;
- c) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- d) Looking through the arrangement by disregarding any corporate structure;
- e) Relocating and re-characterizing equity into debt, capital into revenue, etc.
- f) Disregarding or treating any accommodating party and other party as one and the same person;
- g) Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The above terms should be read in the context of the definitions provided under the IT Act. Any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

The GAAR provisions would override the provisions of a Tax 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 IT Rules. The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 30 million.

Further, recently on January 27, 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations.

- Carry forward of losses and other provisions (applicable to both equity products irrespective of the residential status)

As per the Income Tax Act, 1961, 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.

#### **J. Goods and Service Tax**

From July 1, 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST shall be applicable on services provided by the Portfolio Manager. GST rate on such services is currently 18%. Accordingly, GST at the rate of 18% would be levied on fees/charges payable (if any) to the Portfolio Manager.

#### **K. Tax Treaty Benefits for non-resident investors**

As per Section 90(2) of the Income Tax Act, 1961, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ('Treaty') between India and the country of residence of the non-resident investor (subject to General Anti-Avoidance Rule (GAAR) provisions and to the extent of availability of Treaty benefits to the non-resident investors). However, no assurance can be provided that the Treaty benefits will be available to the non-resident investor or the terms of the Treaty will not be subject to amendment or reinterpretation in the future.

The taxability of such income of the non-resident investor, in the absence of Treaty benefits or from a country with which India has no Treaty, would be as per the provisions of the Income Tax Act, 1961.

#### **L. Tax Residency Certificate**

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.

The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee;
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- Assessee's Tax Identification number in the country or specified territory of resident and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- Period for which the residential status, as mentioned in the TRC, is applicable, and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The additional information prescribed above may not be required to be provided if it already forms a part of the TRC.

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

Tax regulations require us to collect information about each investor's tax residency. If you have

any questions about your tax residency, please consult your tax advisor. Foreign account tax compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010. Applicants (including joint holders, Guardian, POA holder) are required to refer and mandatorily fill/ sign off a separate "FATCA declaration form". Applications without this information will be deemed incomplete and are liable to be rejected. Investors are requested to note that the contents of the information to be provided in the application form may undergo a change on receipt of communication/ guidelines from SEBI.

**THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE INCOME TAX ACT, 1961. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.**

## **9. ACCOUNTING POLICIES**

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

### **A. Client Accounting**

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

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

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

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

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

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

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

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

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

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

(10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are

traded on the stock exchange on an ex-bonus basis.

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

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

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

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

(14) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

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

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

(17) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV)

**Guidelines on a semi-annual basis.**

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

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

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

Ms. Naarah Pereira  
Operations & Compliance  
Solidarity Advisors Private Limited  
101, Buena Vista, St. Alexius Road, Off Turner Road,  
Bandra West, Mumbai 400 050  
Email: [clientservice@solidarity.in](mailto:clientservice@solidarity.in)  
Contact: 022 4971 4275

- **Grievance redressal and dispute settlement mechanism**

The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle client complaints. The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the client. Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. Quick action- As soon as the grievance arises, it would be identified and resolved. This will lower the detrimental effects of grievance.
2. Acknowledging grievance- The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
3. Gathering facts- The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
4. Examining the causes of grievance- The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
5. Decision-making - After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analyzed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
6. Review - After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Any unresolved dispute between Solidarity Advisors Private Limited and the client shall be settled through arbitration using the online dispute resolution mechanism as notified by SEBI from time to time. The number of arbitrators to be appointed, the seat of arbitration and the language to be used for arbitration and the costs and expenses of arbitration would be as prescribed under the notifications and circulars issued in this regard from time to time.

- **SEBI SCORES platform**

SEBI has launched a centralized web-based complaints redress system (**SCORES**), which enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form. However, such complaints would be scanned and uploaded in SCORES for processing.

- **SMART ODR**

The Securities Market Approach for Resolution Through ODR Portal (SMART ODR Portal) harnesses online conciliation and online arbitration for resolution of disputes. Please click on [this link](#) to register the dispute with the ODR portal and register as an investor for lodging the dispute.

### **Prevention of Money Laundering**

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

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

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

The Portfolio Manager will not seek fresh KYC from the Clients who are already KYC Registration Agency (KRA) compliant except the information required under any new KYC requirement. The Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The Portfolio Manager, and its partners, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client's account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy and/or where the Portfolio

Manager believes that transaction is suspicious in nature within the purview of the PML Laws and/or for reporting the same to FIU-IND.

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

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

Our Portfolio Management Services (PMS) aim to balance growth and risk by spreading investments across companies and sectors. Diversification helps reduce the impact of poor performance in any single stock or sector on your overall portfolio.

The details of this policy have been outlined under Risk factors- Section 6 of this disclosure document.

## 12. CLIENT REPRESENTATION

FY26*	No of clients	Funds managed (Rs. Crs)	Discretionary/ Non-discretionary
Associate/ Group companies	2	37.88	Discretionary
Others	226	1648.48	Discretionary
<b>Total</b>	<b>228</b>	<b>1686.35</b>	
FY25	No of clients	Funds managed (Rs. Crs)	Discretionary/ Non-discretionary
Associate/ Group companies	2	35.91	Discretionary
Others	246	1544.38	Discretionary
<b>Total</b>	<b>248</b>	<b>1580.29</b>	
FY24	No of clients	Funds managed (Rs. Crs)	Discretionary/ Non-discretionary
Associate/ Group companies	2	35.68	Discretionary
Others	333	1638.26	Discretionary
<b>Total</b>	<b>334</b>	<b>1673.94</b>	
FY23	No of clients	Funds managed (Rs. Crs)	Discretionary/ non-discretionary
Associate/ Group companies	1	26.94	Discretionary
Others	334	1421.63	Discretionary
<b>Total</b>	<b>335</b>	<b>1448.57</b>	

### Notes

- Data for FY23, FY24 & FY25 has been updated up to 31 March of the respective financial year.
- Data for FY26 has been updated up to 31 Dec 2025
- The account classified under Associate / Group companies refers to the own investment made by the Portfolio Manager (Solidarity Advisors Private Limited). It has accounts under both schemes- Prudence & Emerging Leaders. The combined AUM under both schemes has been reported under the head 'Associate / Group companies'.
- The Portfolio Manager does not have any associates or group company.

### Persons/ Companies/ Bodies Corporate considered to be Related Party:

S No	Name	Nature of Relationship
1	Manish Gupta	Director of the Company
2	Kanika Gupta	Director of the Company
3	Manish Gupta HUF	HUF of Director of the Company
4	Solidarity Advisors Private Limited	Company itself
8	Manju Gupta	Relative of the Director
9	Gaurav Gupta	Relative of the Director
10	GGA India Private Ltd	Company of relative of Director of the Company

**RELATED PARTY DISCLOSURES AS PER THE STANDARDS SPECIFIED BY THE INSTITUTE OF  
CHARTERED ACCOUNTANTS OF INDIA**

**(A) Related parties where control exists:**

Manish Gupta	Director
Kanika Gupta	Director

**(B) Related parties with whom transactions have taken place during the period:**

Key Management Personnel

Manish Gupta	Director
Kanika Gupta	Director

**(C) Transactions during the period:**

Particulars	For the period ended 31 March 2025	For the period ended 31 March 2024
<b>Manish Gupta</b>		
Managerial remuneration	2,28,44,020	1,92,94,860
Reimbursement of expenses	2,02,617	2,34,808
<b>Manish Gupta HUF</b>		
Receipt for Management fee and Custody & fund accounting charges for PMS services (excluding service tax/ GST)	7,435	5,748
<b>Kanika Gupta</b>		
Managerial remuneration	1,25,05,983	1,32,05,140
Receipt for Management fee and Custody & fund accounting charges for PMS services (excluding service tax/ GST)	21,473	19,392
<b>Gaurav Gupta</b>		
Receipt for Management fee and Custody & fund accounting charges for PMS services (excluding service tax/ GST)	14,891	14,875
<b>Manju Gupta</b>		
Receipt for Management fee and Custody & fund accounting charges for PMS services (excluding service tax/ GST)	19,273	16,645
<b>GGA India Pvt. Ltd.</b>		

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Receipt for Management fee and Custody & fund accounting charges for PMS services (excluding service tax/ GST)	28,904	19,031
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**(D) Outstanding balances as at the period end**

Particulars	For the period ended 31 March 2025	For the period ended 31 March 2024
Payable to Mr. Manish Gupta for Reimbursement of expenses	1,99,617	2,30,210
Receivables from Kanika Gupta for Custody & fund accounting charges for PMS services (Including GST)	5,547	5,928
Receivables from Manish Gupta HUF for Custody & fund accounting charges for PMS services (Including GST)	2,317	1,734
Receivables from Gaurav Gupta for Custody & fund accounting charges for PMS services (Including GST)	4,078	4,338
Receivables from Manju Gupta for Custody & fund accounting charges for PMS services (Including GST)	5,591	4,862
Receivables from GGA India Pvt. Ltd. For Custody & fund accounting charges for PMS services (Including GST)	9,722	5,910

**E) Details of investments in the securities of related parties of the Portfolio Manager**

Investments in the securities of associates/related parties of Portfolio Manager

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

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### 13. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

PARTICULARS (In Rs.)	As at 31 March 2025 (Audited)	As at 31 March 2024 (Audited)	As at 31 March 2023 (Audited)
<b>Total Revenue</b>	<b>25,34,20,791</b>	<b>22,50,29,323</b>	<b>17,26,43,880</b>
<b>Total Expenses</b>	<b>13,07,08,990</b>	<b>12,59,38,401</b>	<b>10,85,82,116</b>
<b>Profit before tax</b>	<b>12,27,11,800</b>	<b>9,90,90,921</b>	<b>6,40,61,564</b>
Current tax	2,46,00,000	2,25,00,000	1,59,16,422
Deferred tax	8,24,558	(3,49,042)	(19,328)
(Excess)/deficit provision created in earlier years (net)	(74,200)	2,941	3,340
<b>Profit for the period</b>	<b>9,73,61,443</b>	<b>7,69,37,023</b>	<b>4,81,61,130</b>

## 14. PORTFOLIO PERFORMANCE OF THE PORTFOLIO MANAGER

Performance	FY23	FY24	FY25	FY26	Cumulative TWRR
<b>Prudence</b>	-8.93%	20.32%	13.94%	8.22%	16.33%
<b>BSE500 TRI</b>	-0.91%	40.16%	5.96%	12.57%	15.58%

### Notes:

- Performance for Prudence strategy & BSE500 TRI has been calculated using the TWRR method, Solidarity performance is post all fees & expenses
- BSE500 TRI returns are computed using the index value at the start and end of each accounting period
- Data for FY26 has been calculated from 1 Apr 2025 to 31 Dec 2025
- Data for Cumulative TWRR has been calculated from 11 May 2016 (date of inception of scheme) to 30 Sep 2025

Performance	FY24	FY25	FY26	Cumulative TWRR
<b>Emerging Leaders</b>	7.04%	12.43%	-2.66%	6.07%
<b>BSE500 TRI</b>	36.42%	5.96%	12.57%	19.88%

### Notes:

- Performance for Emerging Leaders strategy & BSE500 TRI has been calculated using the TWRR method, Solidarity performance is post-fees & expenses
- Data for FY24 has been calculated from 26 Apr 2023 (date of inception of scheme) to 31 Mar 2024
- Data for FY26 has been calculated from 1 Apr 2025 to 31 Dec 2025
- Data for Cumulative TWRR has been calculated from 26 Apr 2023 (date of inception of scheme) to 30 Sep 2025

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**15. AUDIT OBSERVATIONS FOR PRECEDING THREE YEARS:**

- There was no Audit Observation in the preceding 3 years.

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

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

- NIL

**For Solidarity Advisors Private Limited**

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**Manish Gupta**  
**Director & Chief Investment Officer**  
**DIN: 00604556**  
**Place: Mumbai**  
**Date: 20 January 2026**