

DISCLOSURE DOCUMENT

(As per the requirement of Fifth Schedule and Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulation, 2020)

1. The Document has been filed with the Board along with the certificate in the prescribed format in terms of the SEBI (Portfolio Managers) Regulations, 2020
2. The purpose of the Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making informed decision for engaging us as Portfolio Managers.
3. The Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing and hence, the investor may be advised to retain the document for future reference.

The following are the details of the Portfolio Manager:

| | |
|--------------------------------------|---|
| Name of the Portfolio Manager | Globe Capital Market Limited |
| SEBI Registration Number | INP000002361 |
| Registered Office Address | 609, Ansal Bhawan, 16 K.G. Marg, Connaught Place, New Delhi-110001 |
| Phone | 01130412345 |
| Website | https://www.globecapital.com/ |

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

| | |
|--------------------------------------|--|
| Name of the Principal Officer | Mr. Parashuram Prasad |
| Phone | 011-30412345 |
| Email | parashuramparsad@globecapital.com |
| Registered Office Address | 609, Ansal Bhawan, 16 K.G. Marg, Connaught Place, New Delhi-110001 |

TABLE OF CONTENT

Part-I Static Section:

| Sl.No. | Parameter | Page no. |
|---------------|---|-----------------|
| 1 | Disclaimer Clause | 3 |
| 2 | Definitions | 4 |
| 3 | Description | 9 |
| 4 | Penalties, pending litigation or proceedings, findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority | 14 |
| 5 | Services Offered | 15 |
| 6 | Risk factors | 18 |
| 7 | Nature of Expenses | 23 |
| 8 | Taxation | 24 |
| 9 | Accounting Policies | 31 |
| 10 | Investors Services | 34 |
| 11 | Details of diversification policy of the portfolio manager | 35 |

Part-II Dynamic Section:

| Sl.No. | Parameter | Page no. |
|---------------|--|-----------------|
| 12 | Client Representation | 36 |
| 13 | Financial performance | 37 |
| 14 | Performance of Portfolio Manager | 38 |
| 15 | Audit observation (of the preceding 3 years) | 39 |
| 16 | Details of investments in the securities of related parties of the portfolio manager | 40 |

Part I – Static Section

1. Disclaimer:

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

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

2. **Definitions:**

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

1. **“Act”** means the Securities and Exchange Board of India Act, 1992.
2. **“Accreditation Agency”** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
3. **“Accredited Investor”** means any person who is granted a certificate of accreditation by an accreditation agency who:
 - i) in case of an individual, HUF, family trust or sole proprietorship has:
 - (a) annual income of at least two crore rupees; or
 - (b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
 - (c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
 - ii) in case of a body corporate, has net worth of at least fifty crore rupees;
 - iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;
 - iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

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

4. **“Advisory Services”** means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
5. **“Agreement”** or **“Portfolio Management Services Agreement”** or **“PMS Agreement”** means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached

thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.

6. **“Applicable Law/s”** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
7. **“Assets Under Management”** or **“AUM”** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
8. **“Associate”** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
11. **“Business Day”** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **“Client(s)”** / **“Investor(s)”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

17. **"Disclosure Document"** or **"Document"** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **"Distributor"** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **"Eligible Investors"** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **"Fair Market Value"** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
21. **"Foreign Portfolio Investors"** or **"FPI"** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **"Financial Year"** means the year starting from April 1 and ending on March 31 in the following year.
23. **"Funds"** or **"Capital Contribution"** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
24. **"Group Company"** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
25. **"HUF"** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
26. **"Investment Approach"** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. **"IT Act"** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
28. **"Large Value Accredited Investor"** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.

29. **“Non-resident Investors” or “NRI(s)”** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.
34. **“Portfolio Manager”** means Globe Capital Market Limited, a company incorporated under the Companies Act, 1956, registered with SEBI as a portfolio manager bearing registration number INP000002361 and having its registered office at 609, Ansal Bhawan, 16 K.G. Marg, Connaught Place, New Delhi – 110001.
35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for: (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and (ii) all other operations of the Portfolio Manager.
36. **“Regulations” or “SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
37. **“Related Party”** means –
- i) a director, partner or his relative;
 - ii) a key managerial personnel or his relative;
 - iii) a firm, in which a director, partner, manager or his relative is a partner;
 - iv) a private company in which a director, partner or manager or his relative is a member or director;
 - v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
 - vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;

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

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

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

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

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

Provided that,

a. any person or entity forming a part of the promotor or promotor group of the listed company; or

b. any person or any entity, holding equity shares:

i. of twenty per cent or more; or

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

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

3. Description

i) **History, Present Business and Background of the Portfolio Manager:**

Globe Capital Market Limited is a company incorporated on June 27, 1985 under the Companies Act 1956, with the registrar of companies, NCT of Delhi and Haryana and has its registered office at 609, Ansal Bhawan, 16 K.G. Marg, New Delhi-110001. It commenced its business on the 28th Day of June, 1985.

Globe is a well-diversified company dealing in financial services such as securities, derivatives, currency derivatives, commodities, depository, portfolio management, interest rate derivatives and clearing operations. The company started its operations in the Capital Market Segment in the year 1995. Globe, is a member of various exchanges and depositories such as: -

| Exchange/ Depository/ Other Services | Membership Details |
|---|---|
| ❖ National Stock Exchange of India Limited (NSE) | SEBI Regn. No. INZ000177137 dated 25.04.2018 for Capital Market, F&O, Currency Derivative and Commodity Segment. |
| ❖ BSE Limited | SEBI Regn. No. INZ000177137 dated 25.04.2018 for Capital Market, F&O, Currency Derivative and Commodity Segment. |
| ❖ Metropolitan Stock Exchange of India Limited (MSEI) | SEBI Regn. No. INZ000177137 dated 25.04.2018, for Capital Market, F&O and Currency derivative segment respectively. |
| ❖ Multi Commodity Exchange of India (MCX) | SEBI Regn. No. INZ000177137, Membership since September 19,2019 |
| ❖ National Commodity & Derivatives Exchange Limited (NCDEX) | SEBI Regn. No. INZ000177137, Membership since November 27,2019 |
| ❖ Permanent Registration Number of depositories (NSDL & CDSL) | SEBI Regn. No. IN-DP-614-2021 |
| ❖ Portfolio Management Services | SEBI Regn. No. INP000002361 dated 22.10.2007 |
| ❖ Research Analyst | SEBI Regn No. INH100001187 |

Globe Capital Market Limited has its corporate office at 609, Ansal Bhawan, 16 K.G Marg, New Delhi-110001, Depository division is at 804, Ansal Bhawan, 16 K.G Marg, New Delhi-110001 and PMS division at 704, Ansal Bhawan, 16 K.G Marg, New Delhi- 110001.

The company is fully equipped with all modern infrastructures to carry on its activities. Its offices are well connected through the VSATs, Lease line, telephone lines and a wide network of computers connected through LAN and CTCL Network facilities. All of its operations are computerized to give a minimum response time to its clients to confirm their trades. It has a complete set up to do online trading and confirmation efficiently.

The company has strong presence in India due to the high contacts and ethical dealing of the promoters who are dedicated to Indian Capital Market and has a large network of clients at various locations all over India.

Besides our promoters, the company is having its full-fledged teams headed by young, dynamic and motivated professionals like Chartered Accountants, Company Secretaries, MBAs, IT professionals etc. who are having rich experience in Fund management, Equity research, Compliance and back office operations.

With its ability to evolve with the changing environment the Company has been able to put itself in the forefront of stock broking and allied activities. With its network spreading across India, it has made a distinct mark among the stock broking houses and high net worth individuals as well as corporates.

ii) **Promoters of the portfolio manager, directors and their background:**

Mr. ASHOK KUMAR AGARWAL

Mr. Ashok Kumar Agarwal is the Chairman and Promoter of Globe Capital Market Limited, one of the largest financial services company in India. Globe Capital Market is one of the largest Clearing Member across various Exchanges in India. He is a Fellow member of Institute of Chartered Accountants and has a vast experience of more than 40 Years (8 years in the field of practicing chartered accountant & 32 years in the field of financial services).

Accolades:

In 1996: Awarded with the “National Citizenship Award- 1993” by Rev. Mother Teresa for outstanding contribution in the development of Indian Capital Market.

In 2000: Recipient of “Vyapar Shree Award - 2000” from The Delhi Stock Exchange Association Ltd. for the outstanding contribution in the growth of business of the Exchange.

In 2001: Conferred a special award by the Northern India Regional Council of The Institute of Chartered Accountant of India, New Delhi for exemplary contribution and services rendered to the cause of profession especially in the Capital Market.

In 2014: He was awarded the Editors’ Choice Award in commodities by Zee Business.

Leadership Position held in the Industry/country/world:

- He was elected as the youngest ever President of The Delhi Stock Exchange Association Ltd. in the year 1993 and was president for two consecutive terms and again re-elected as president in 1999.
- He was a member of NSE Executive Committee in 2008 and in 2012 and at present he is Member of National Advisory Committee of NSE, BSE, MCX-SX Clearing Corporation and MCX Stock Exchange Ltd.

- He is a member of advisory committees of NSE International Exchange (NSEIX).
- In the year 1996 he was elected as chairman of Federation of Indian Stock Exchanges (a federation representing 20 Stock Exchanges).
- He had been a member of various committees on capital market of various bodies i.e. ICAI, PHD Chamber of Commerce and Industry and FICCI.
- He has also been invited by “The United States Information Agency, USA” on behalf of USA Government to attend their International Visitor Programme held at Washington D.C., which focused on issues related to US Financial Market Operations, Project Finance, and Privatization of provisions to assist the Development of Capital Market of various developing countries.
- He was unanimously elected as the chief mentor of Commodity Participants Association of India (CPAI), in 2015, a body representing the commodity brokers in India and continues to be so.

Mr. YASHPAL MENDIRATTA

Mr. Yashpal Mendiratta is Managing Director and is also a Promoter of the Company. He is a Fellow member of Institute of Chartered Accountants of India having vast experience of more than 40 years in financial sector. He has multifold experience in the field of Finance/taxation/legal and Capital Market. He initially started his career as a practicing Chartered Accountant and with his experience and expertise started his own venture in stock market.

Apart from the above Mr. Mendiratta is also an active member of Depository Participant Association of India and Association of National Exchange Members of India. He was also member of clearing Committee of United Stock Exchange.

Mr. HARI DAS KHUNTETA

Mr. Hari Das Khunteta is an Independent Director of the Company. He is a Fellow member of the Institute of Chartered Accountants of India having an experience of around 45 years. He has a rich experience in the finance and management. He has sound knowledge in the areas of financial management, investor servicing and corporate governance.

Mr. RATAN SINGHANIA

Mr. Ratan Singhania is an Independent Director of the Company. He is a Fellow member of the Institute of Chartered Accountants of India. He has vast experience of around 35 years in the field of Finance and management. He has served varied sectors with his expertise and vast knowledge in the fields of investment and finance.

Ms. ALKA AGARWAL

Ms. Alka Agarwal is a non-executive director of the Company. She is a graduate having experience in the field of the Commodity broking business. She is serving the board of Globe Commodities Limited as an executive director.

Ms. ALKA MENDIRATTA

Ms. Alka Mendiratta is a non-executive director of the Company. She is a post graduate having experience in the field of the Commodity broking business. She is serving the board of Globe Commodities Limited as an executive director.

iii) Top 10 Group companies/ firm of the portfolio manager on the basis of turnover for the financial year 2024-2025:

| Sr. No | Name of the Company | Category | Activities Carried out |
|--------|---|--------------------------|---|
| 1 | Globe Fincap Limited | Wholly owned Subsidiary | NBFC |
| 2 | AY Securities and Commodities Limited | Wholly owned Subsidiary | Member of NCDEX, MCX, ICEX and Professional Clearing Member of ICCL |
| 3 | Globe Derivatives and Securities Limited | Wholly owned Subsidiary | Professional Clearing member |
| 4 | Globe Capital (IFSC) Ltd | Wholly owned Subsidiary | Member of India INX, NSE(IFSC) Ltd and IIBX |
| 5 | M.Agarwal Stock Brokers Pvt.Ltd | Associate/Group Company | NBFC |
| 6 | Lakshya Impex Pvt. Ltd | Associate/ Group Company | NBFC |
| 7 | Bolt synthetics pvt Ltd | Associate/ Group Company | NBFC |
| 8 | AtoZ Finstock Private Limited (Earlier known as Rolex Finvest Private Ltd) | Associate/ Group Company | Trading in securities and commodities |
| 9 | A to Z Venture Capital Private Limited | Associate/ Group Company | Trading in securities and commodities |
| 10 | A to Z Consultants Private Limited | Associate/ Group Company | Others |

iv) Details of the services being offered:

The Portfolio Manager broadly offers services under the following categories:

Discretionary Services: Under these services the choice as well as the timing of the investment decisions rest solely with the Portfolio Manager. Thus the portfolio manager's decision taken in good faith in deployment of the Clients fund is absolute and final and cannot be called in question or open to review at anytime during the prevalence of the agreement or anytime thereafter.

Non-Discretionary services: Under this service Portfolio Manager manages the funds in accordance with the directions of the client.

Advisory Services: Under this Portfolio Manager advises the client about the various investments options keeping in view the investment profile of the client.

The client has an option to be on-boarded directly, without intermediation of persons engaged in distribution services.

4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.

| Name of the Entity / Person Against Whom Action Taken / Initiated by SEBI | Details / Description of the Action Taken / Initiated by SEBI | Corrective Steps Taken |
|---|--|--|
| 1 Globe Capital Market Limited | Adjudication Proceeding was initiated against us as a Member NSE for Inspection. The Adjudication Officer had levied a monetary penalty of Rs. 2.25 lakhs vide order dated Oct. 18, 2004. | We appointed Concurrent Auditor to check maintenance of records and documents as statutorily required. We have also upgraded our back office software as part of risk management measures. |
| 2 Globe Capital Market Limited | Enquiry proceedings, Adjudication proceedings and Proceeding u/s 11 & 11B of SEBI Act. 1992 were initiated against us as a broker in the matter of investigation into May 17, 2004. The said proceedings were settled through a consent order by SEBI. | We have strengthened our risk management system to better monitor the trading on real time basis. |
| 3 Globe Capital Market Limited | Pursuant to our inspection as a Depository Participant of NSDL by SEBI, a letter was issued to us on Nov. 27, 2006 to be careful in future in ensuring strict compliance to the SEBI Act, rules, regulations and circulars. | We had taken corrective action on the contents of the inspection report and reported compliance to SEBI. |
| 4 Ashok Kumar Agarwal | Adjudication proceedings were conducted for alleged violation of the provisions of Regulations 7(1), 7(1A) read with 7(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and Regulation 13(1), 13(3) read with 13(5) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 against Mr. Ashok Kumar Agarwal. Subsequently said proceedings were settled by Mr. Ashok Kumar Agarwal through a consent order dated 19/10/2011 by SEBI. | Matter settled by way of a consent order. |

5. **Services Offered:**

I The Portfolio Manager currently offers following Services:

1. **Portfolio:**

- A. **Globe Value:** Globe value portfolio aims at investing in stocks that have good value & future growth prospects, can benefit from earnings growth, re-rating of business or sector and changes in macro & micro fundamentals. It is a multicap strategy with active management and use of various derivatives like future & options on the underlying / index with a view to optimize the yield of the portfolio. The strategy also identifies various special situations in the market and tries to profit from them using a strategy which is market neutral.
- B. **Globe Arbitrage:** Globe Arbitrage Strategy aims at investing in low risk strategies based on arbitrage opportunities. It also aims at investing in stocks from a long term prospective based on fundamentals. Also it invests in special situations in the market, based on corporate events and actions, which offer unique opportunities. The strategy would also make use of equity and derivatives to augment returns in a relatively lower risk manner and to hedge against abnormal markets movements.
- C. **Globe Minerva India Undervalued:** Globe Minerva Funds aims at building a concentrated portfolio of limited stocks of our high conviction stock ideas. The strategy primarily aims at creating capital appreciation through investing in companies that are relative as well as absolute bargains. The selection would be made from the whole 'workable' universe of listed companies in BSE/NSE to diversify industry and market cap risk. It is most suitable for investors with a longer term horizon that seek to capitalize on value (ideally through definitely identifiable catalysts).
- D. **Globe Minerva India Underserved:** Our Underserved strategy screens companies that have, in our view, the largest real business upside within listed equities i.e. these companies lie within categories where consumption is at least a linear function of income. These companies, in our view, are once with the most sustainable business models. Many of the constituents under this strategy will be discretionary in nature and may exhibit cyclicity like any other cyclical name. However, more often than prior cycles. This strategy is targeted at investors who are investing for longer term and seek to outperform broader markets over longer periods, when cash flow growth is a key determinant of outperformance.
- E. **Globe Dynamic:** The strategy endeavors to deliver returns by investing in fundamentally sound companies. Globe Dynamic invests in equities and equity derivatives of scrip's across market capitalizations but largely in stocks constituting the CNX 500. The strategy invests with a short to medium term horizon and is suitable for clients seeking medium to high returns with moderate to high risk profile.
- F. **Globe Generational Wealth Creator (Globe-GWC):** Globe-GWC endeavors to build a portfolio of equity investments that would create sustainable wealth over a long period. The

strategy invests with long term horizon and is aimed at investors seeking to build their investment portfolio with a view to create wealth.

- G. **Globe Economic and Business Cycle (Globe-EBC)** Globe –EBC aims to invest in a basket of stocks that are likely to benefit from the change in economic and business cycle. The Strategy focuses on selecting companies from across sector that would benefit from bottoming of business and economic cycle due to their fundamental strengths like operating leverage; financial leverage; cost advantage; location advantage; access to market, technology or products.
- H. **Globe Leaders in Economic cycles (Globe-LEC)** Globe LEC aims to invest in a basket of stocks that are likely to benefit from the change in Economic and business cycle with exposure in the sectors that is/are leading the cyclical economic or business recovery. The strategy relies on selecting companies that would potentially benefit most from bottoming of business and economic cycle due to their fundamental strengths.
- I. **Globe Trading the Market Cycle (Globe-TMC)** Globe TMC aims to actively take trading position in indices and frontline stocks based on technical analysis of the market cycle. The universe of stocks would predominantly comprise of fundamentally strong and liquid stocks preferably on which derivatives contracts are available. The nature of investment is entirely short term with the objective of trading gains.
- J. **Globe Activa:** Globe Activa is an actively managed, nimble strategy that uses variety of concepts to generate alpha returns. Apart from buy and hold, the strategy would adept to changes in economic and business cycle, exploit arbitrage opportunities and special situations. The strategy would make use of equity and index derivatives to augment returns. The selection of scrips would be a combination of quality large caps, midcaps and small caps. The strategy is suitable for clients having moderate to high risk profile, seeking medium to high returns.

2. Services – Advisory

Globe PMS provides advisory to the investors to rebalance, reconstruct and protect the portfolio keeping in view the investment profile of the client.

Asset classes generally considered for deployment of Investment Amount

- Equity and equity related securities, convertible stock and preference shares of Indian Companies.
- Debentures (Convertible and Non-Convertible), Bonds and Secure Premium Notes, Swaps etc.
- Derivatives both equity and fixed income as permitted under the regulations.
- Options, Futures, Securitized Debt, tax exempt bonds of Indian Companies and Corporations.
- Government Securities.
- Units and other instruments of Mutual Funds.

- Bank Deposit.
- Treasury Bills, Commercial Papers, Certificates of Deposit and other similar money Market Instruments.

“Schedule I” may be referred to for proper understanding of use of derivatives by the portfolio manager for its various Portfolio Management Services.

II Investment Philosophy and Methodology

- Globe Capital Market Limited aims at maximizing risk adjusted returns under its various PMS Services.
- It aims at making right investment decisions at appropriate time based on extensive research of various companies, industries and economy at large.
- It endeavors at formulating investment strategy considering current and expected market trends with due focus on risk diversification.
- Investment in all the Services will be only as per the SEBI regulations on PMS.
- The Portfolio Manager with the consent of the Client may lend the securities through an approved intermediary for interest.
- The Portfolio Manager will not invest any of the funds of the client in the shares, mutual funds, debt, deposits and other financial instruments of associates/ group companies of the Portfolio Manager.

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 endeavor to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

B. Risk associated with equity and equity related instruments

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

C. Risk associated with debt and money market securities

(13) Interest Rate Risk

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

(14) Liquidity or Marketability Risk

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

(15) Credit Risk

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

(16) Reinvestment Risk

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

D. Risk associated with derivatives instruments

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

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

E. Risk associated with investments in mutual fund schemes

(19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment,

changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

- (20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- (21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- (22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.
- (23) The Portfolio Manager shall not be responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- (24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- (25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- (26) The scheme-specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of Non-diversification

- (27) The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from

the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

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

- (28) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- (29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
- (30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

7. Nature of expenses

- **Investment management and advisory fees:** Professional fee in relation to Portfolio Management Services offered to clients. Management and advisory fees, may be a fixed fee or a return based fee or a combination of both. Details of Portfolio Management Fees is provided in the schedule attached to the agreement and consent from the client is taken to pay the Portfolio Management Fees to the Portfolio Manager at the rates agreed in the agreement.
- **Custodian fee/Depository fees:** The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for share, bonds and units, dematerialization, dematerializations and other charges in connection with the opening and management of the depository accounts. Custodian fees will be charged at the rate as will be mutually decided by the parties in the client agreement.
- **Registrar and transfer agent fee:** Charges payable to registrars and transfer agents in connection with effecting transfer of securities, including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges, etc.
- **Brokerage and transaction cost:** The investments under the Portfolio Management would be done through registered members of stock exchange who charge brokerage up to maximum of 1% of the contract value. Brokerage fees will be charged at the rate as will be mutually decided by the parties in the client agreement.

In addition to brokerage, transaction costs like network charges, turnover charges, stamp duty, turnover tax, securities transaction tax, or any other tax levied by statutory authorities, foreign transaction charges, if any and any other charges on purchase and sale of securities.

- i. **GST :** As applicable from time to time
- ii. **Certification and Professional charges:** Charges payable for outsourced professional services like legal services, notarization etc. for certification, attestation required by bankers, intermediaries and regulatory authorities.
- iii. **Incidental charges:** Courier charges, stamp duty, service tax, postal stamps, charges relating to opening and operations of bank accounts.
- iv. **Exit Load:** As may be mutually agreed to between client and the portfolio manager.

8. Taxation

A. General

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

B. Tax Deducted at Source

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

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

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

C. Long Term Capital Gain

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

Period of Holding

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

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

• **Definition of Specified Mutual Fund:**

Before 1st April, 2025:

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

On and after 1st April, 2025:

“Specified Mutual Fund” means, -

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

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

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

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

- **Definition of Market Linked Debenture:**

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

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

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

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

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

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

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the “indexed

COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of 16 transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

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

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

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

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

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 198 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

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

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

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

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

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

D. Short term capital gains

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

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

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

E. Profit and gains of business or profession

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

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

F. Losses under the head capital gains/business income

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

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

G. General Anti Avoidance Rules (GAAR)

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

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

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

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

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

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

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB) in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

H. FATCA Guidelines

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

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

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

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

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

9. **Accounting Policies**

Following accounting policies are followed for the portfolio investment of the clients:

A. Client Accounting

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

B. Recognition of portfolio investments and accrual of income

- (7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- (8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.

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

C. Valuation of portfolio investments

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

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

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

10. Investor Services

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

| | |
|--------------------|--|
| Name of the person | Mr. Gautam Gupta |
| Designation | Compliance Officer |
| Address | 609, Ansal Bhawan, 16 KG Marg, Connaught Place, New Delhi – 110001 |
| Email | gautamgupta@globecapital.com |
| Telephone | 011-30412345 |

- ii) **Grievance redressal and dispute settlement mechanism**

The Portfolio Manager has a separately designated investor grievances email id investor_pms@globecapital.com on which the client or investor may lodge a complaint. The designated email-id is displayed on the website of the Company i.e. www.globecapital.com and on the Notice Boards at the Head Office. The company has a Legal & Compliance Department at its corporate office with requisite staff strength comprising of Legal Head and Compliance Officer and teams working under them. The staffs bear requisite qualification, certification, and experience and well conversant with byelaw, rule and regulations and circular formulated therein.

Grievance, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Manager) Regulations 2020, and any amendments made thereto from time to time.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/ or their respective representatives shall be settled in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Delhi.

In case the investor is not satisfied with the redressal by the Portfolio Manager, the investor may lodge a complaint on <http://scores.gov.in>. SCORES is a web based centralized grievance redressal system of SEBI. SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website from anywhere. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form at any of the offices of SEBI.

Investor may also lodge complaint through SEBI Smart ODR as per SEBI Circular Ref No SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31st 2023 w.r.t Online Resolution of Disputes in the Indian Securities Market. The Smart ODR link has been provided on our website: www.globecapital.com >> Useful Links >> External Links >> Smart ODR.

11. Details of diversification policy of the portfolio manager

The Portfolio Manager invests in a well-diversified, sector agnostic portfolio of equity & other securities as permitted under the Securities Contract Regulation Act and Rules thereunder, including but not limited to Money Market instruments, Mutual Funds as per the discretion and decision of the Portfolio Manager.

Part-II- Dynamic Section

12. Client Representation:

i) Details of client serviced:

| Category of Clients | No. of Clients | Fund managed (Rs in Crores) | Discretionary/ Non Discretionary /Advisory |
|---|-----------------------|--|---|
| Associates / Group companies /Related party (Last 3 Years) | | | |
| As on March 31 2025 | 19 | 330.47 | Discretionary |
| As on March 31 2024 | 19 | 349.14 | Discretionary |
| As on March 31 2023 | 16 | 195.63 | Discretionary |
| Others | | | |
| As on March 31 2025 | 408 | 956.18 | Discretionary |
| As on March 31 2024 | 327 | 753.99 | Discretionary |
| As on March 31 2023 | 171 | 257.78 | Discretionary |

ii) Transactions with related parties: (Refer annexure 1)

13. **Financial performance of the Portfolio Manager: (Based on audited financial statements)**

| | Year ended 31 st March 2025 (In Lacs) | Year ended 31 st March 2024 (In Lacs) | Year ended 31 st March 2023 (In Lacs) | |
|----------------------------------|--|--|--|-------------------|
| Balance Sheet Summary | | | | |
| Sources of Funds | | | | |
| a. | Paid-Up Capital | 2,625.00 | 2,625.00 | 2,625.00 |
| b. | Free Reserves (excluding Revaluation reserves) | 218,666.25 | 184,228.00 | 137,163.47 |
| c. | Loans | 64,718.12 | 27,927.00 | 194,028.33 |
| d. | Deferred Tax Liability | - | - | - |
| e. | Total (a+b+c+d) | 286,009.37 | 214,780.00 | 333,816.80 |
| Application of Funds | | | | |
| a. | Furniture & Fixtures | 18.01 | 18.27 | 13.97 |
| b. | Plant & Machinery and Office Equipments & Other Fixes Assets | 2,267.26 | 1,905.17 | 802.81 |
| c. | Investments | 29,580.89 | 22,956.34 | 20,270.67 |
| d. | Others (Net) | 254,143.21 | 189,900.00 | 312,743.32 |
| e. | Total (a+b+c+d) | 286,009.37 | 214,780.00 | 333,830.77 |
| Profit & Loss Summary | | | | |
| a. | Total Income | 132,716.33 | 142,493.30 | 89,529.05 |
| b. | Total Expenses before Depreciation | 88,437.01 | 82,003.52 | 58,575.10 |
| c. | Profit before depreciation and tax | 44,279.32 | 60,489.77 | 30,953.95 |
| d. | Depreciation | 415.32 | 419.13 | 125.20 |
| e. | Profit before tax | 43,864.00 | 60,070.64 | 30,828.75 |
| f. | Provision for tax | 11,208.41 | 15,156.97 | 7,979.49 |
| g. | Profit after tax | 32,655.59 | 44,913.67 | 22,849.26 |

14. Portfolio Management performance of the portfolio manager for the last three years:

Investment Approach: Across sectors for long term returns with active management using buy and hold, special situations and derivatives.

| Particular | | Year- (01-04-2024 to 31-03- 2025)% | Year- (01-04- 2023 to 31-03- 2024)% | Year- (01-04-2022 to 31-03- 2023)% |
|------------------------------|--|---|---|---|
| Portfolio Name | Globe Arbitrage | -3.44 | 38.45 | 6.42 |
| Benchmark for this portfolio | BSE 500 TRI | 3.26 | 40.16 | -2.26 |
| Portfolio Name | Globe Value | -6.21 | 61.58 | 7.16 |
| Benchmark for this portfolio | BSE 500 TRI | 4.07 | 40.16 | -4.24 |
| Portfolio Name | Globe Generational Wealth Creator | 0.55 | 80.12 | -6.38 |
| Benchmark for this portfolio | BSE 500 TRI | 4.96 | 40.16 | -2.26 |
| Portfolio Name | Globe Economic and Business Cycle | 1.90 | 85.14 | -4.72 |
| Benchmark for this portfolio | BSE 500 TRI | 4.69 | 40.16 | -2.26 |
| Portfolio Name | Globe Dynamic | -2.39 | 59.78 | -15.64 |
| Benchmark for this portfolio | BSE 500 TRI | 4.93 | 40.16 | -2.26 |
| Portfolio Name | Globe Activa | -13.41 | 56.54 | -0.31 |
| Benchmark for this portfolio | BSE 500 TRI | 4.91 | 40.16 | -2.26 |

15. Audit Observations: No Internal Audit Observation for the preceding three Financial Year.

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

Annexure 1 - Related party disclosure (as per audited balance sheet for the year ended 31.03.2025)

a) List of the related parties:

Subsidiary companies/ body corporate (where control exists)

- a) AY Securities and Commodities Ltd. (formerly known as Globe Commodities Ltd.)
- b) Globe Fincap Limited (India)
- c) Globe Derivatives and Securities Limited
- d) Globe Capital (IFSC) Limited (w.e.f. 9 December 2016) (India)

Key management personnel #

- | | |
|------------------------|--------------------|
| a) Yash Pal Mendiratta | Managing director |
| b) Ashok Kumar Agarwal | Executive Chairman |
| c) Alka Mendiratta | Director |
| d) Alka Agarwal | Director |

Relatives of key management personnel

- | | |
|---------------------|--|
| a) Arpit Agarwal | Son of Ashok Kumar Agarwal |
| b) Ankit Agarwal | Son of Ashok Kumar Agarwal |
| c) Sahil Mendiratta | Son of Yash Pal Mendiratta |
| d) Nidhi Aggarwal | Daughter of Yash Pal Mendiratta |
| e) Sanya Mendiratta | Daughter's in Law of Yash Pal Mendiratta |
| f) Pooja Agarwal | Daughter's in Law of Ashok Kumar Agarwal |
| g) Harshita Agarwal | Daughter's in Law of Ashok Kumar Agarwal |

Enterprises in which key management personnel and/ or their relatives have significant influence:

- a) A To Z Venture Capital Limited
- b) M. Agarwal Stock Brokers Private Ltd
- c) Bolt Synthetic Private Limited
- d) Price Ponder Private Limited
- e) A.M. Share Brokers Private Limited
- f) Globe Capital Foundation
- g) A to Z Finstock Private Limited
- h) A to Z Consultants Private Limited
- i) Lakshya Impex Private Limited
- j) Yash Pal Mendiratta (HUF)*
- k) Ashok Kumar Agarwal (HUF)*

The above parties are also shareholders of the Company

Step Down Subsidiary Companies:-

- a) Mahanve Properties Private Limited (A wholly owned subsidiary of Globe Fincap Limited)
- b) Vishwanetra Developer Private Limited. (A wholly owned subsidiary of Globe Fincap Limited)

Summary of Transactions with Related Parties for the year ended 31.03.2025

(Currency: Rs. in Lakh)

| Particulars | Subsidiaries | Key management personnel | Relatives of key management personnel | Enterprises in which key management personnel and/ or their relatives have significant influence |
|--|---------------------|---------------------------------|--|---|
| AY Securities and Commodities Limited | | | | |
| Brokerage earned | 35.75 | | | |
| Income from depository services | 2.82 | | | |
| Interest Paid on Margin | 2.05 | | | |
| Income from portfolio services | 122.66 | | | |
| Globe Fincap Limited | | | | |
| Brokerage earned | 0.87 | | | |
| Interest income on loan | 899.73 | | | |
| Interest income on debentures | 1000.00 | | | |
| Interest Paid on Margin | 0.62 | | | |
| Income from portfolio management services | 38.67 | | | |
| Reimbursement of expenses | 3.50 | | | |
| Globe Derivatives and Securities Limited | | | | |
| Brokerage earned | Nil | | | |
| Income from depository services | 7.06 | | | |
| Interest Paid on Margin | 1.87 | | | |
| Income from portfolio management services | 36.44 | | | |
| Interest income on compounded financial instrument | Nil | | | |
| Interest earned on Inter-Corporate Deposit | 156.06 | | | |
| Globe Capital Foundation | | | | |
| Contribution towards corporate social responsibility | | | | 753.40 |
| M.Agarwal Stock Brokers Private Limited | | | | |
| Income from portfolio management services | | | | 35.92 |
| Depository Income | | | | 0.07 |

| Particulars | Subsidiaries | Key management personnel | Relatives of key management personnel | Enterprises in which key management personnel and/ or their relatives have significant influence |
|---|--------------|--------------------------|---------------------------------------|--|
| Price Ponder Private Limited | | | | |
| Commission Paid | | | | Nil |
| Lakshya Impex Private Limited | | | | |
| Depository Income | | | | 0.01 |
| Brokerage Income | | | | 0.02 |
| A to Z Finstock Private Limited | | | | |
| Brokerage Income | | | | 0.25 |
| Rent | | | | 8.76 |
| A to Z consultants private Limited | | | | |
| Rent | | | | 5.88 |
| AM Share Brokers Private Limited | | | | |
| Depository Income | | | | 0.02 |
| Bolt Synthetic Private Limited | | | | |
| Depository Income | | | | 0.01 |
| Yash Pal Mendiratta | | | | |
| Employee Benefit Expenses (Salary) | | 2072.00 | | |
| Yash Pal Mendiratta (HUF) | | | | |
| Rent | | | 7.46 | |
| Ashok Kumar Agarwal | | | | |
| Employee Benefit Expenses (Salary) | | 2072.00 | | |
| Ashok kumar Agarwal (HUF) | | | | |
| Rent | | | 7.46 | |
| Ankit Agarwal | | | | |
| Income from portfolio management services | | | 24.84 | |
| Arpit Agarwal | | | | |
| Income from portfolio management | | | 14.17 | |

| Particulars | Subsidiaries | Key management personnel | Relatives of key management personnel | Enterprises in which key management personnel and/ or their relatives have significant influence |
|---|--------------|--------------------------|---------------------------------------|--|
| Alka Mendiratta | | | | |
| Rent | | | 1.50 | |
| Sanya Mendiratta | | | | |
| Income from Portfolio Management Services | | | 1.64 | |
| Depository Income | | | 0.02 | |
| Alka Agarwal | | | | |
| Rent | | | 1.50 | |
| Nidhi Agarwal | | | | |
| Depository Income | | | 0.01 | |
| Income from Portfolio Management Services | | | 0.56 | |
| Pooja Agarwal | | | | |
| Income from Portfolio Management Services | | | 0.16 | |
| Harshita Agarwal | | | | |
| Income from Portfolio Management Services | | | 1.21 | |

Schedule I

(Referred to Clause 5 of the Disclosure Document)

USE OF DERIVATIVES

SEBI in terms of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020, has permitted all the Portfolio Managers to invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing, provided leveraging of portfolio is not permitted in respect of trading in derivatives.

Accordingly, the Portfolio Manager may use derivatives instruments like Stock Index Futures, Options on Stocks and Stock Indices, Interest Rate Swaps, Forward Rate Agreements or other such derivative instruments as may be introduced from time to time, as permitted by SEBI.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Portfolio Manager and the benefits and risks attached there with.

Illustrations on Use of derivatives:

A. Index Futures:

Benefits

- (a) Investment in Stock Index Futures can give exposure to the Index without directly buying the individual stocks. Appreciation in Index stocks can be effectively captured through investment in Stock Index Futures.
- (b) The Portfolio Manger can sell futures to hedge against market movements effectively without actually selling the stocks it holds.

Illustration:

Every portfolio has exposure to the market index. Hence the portfolio manager may choose to sell index futures, or buy index put options, in order to reduce the losses that would take place in the event that the market index drops.

For eg. A Rs.1 crore equity portfolio with an average beta of 1.1 can be hedged against Rs. 1.1 crore short position in index futures. Thus any fall in portfolio value on account on fall in market rates would be offset by gains in settlement of index futures.

B. Stock Futures:

Benefits

- a) Investment in stock futures can give exposure to the stock without directly buying the stocks. Appreciation in stocks can be effectively captured through investment in stock futures.
- b) The Portfolio Manager can sell stock futures to hedge against adverse movements effectively without actually selling the stocks in holds.

The risk and return payoff of the stock futures is similar to that of an index future as mentioned above.

C. Buying Options:

Benefits of buying a call option:

Buying a call option on a stock or index gives the owner the right; but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration

For example, if the Portfolio Manager buys a one-month call option on Reliance Industries at a strike of Rs. 800, the current market price being say Rs. 820. The Portfolio Manager will have to pay a premium of say Rs. 25 to buy this call. If the stock price goes below Rs. 800 during the tenure of the call, the Portfolio Manager avoids the loss it would have incurred had it straightway bought the stock instead of the call option. The Portfolio Manager gives up the premium of Rs.25 that has to be paid in order to protect the Portfolio from this probable downside. If the stock goes above Rs. 800, it can exercise its right and own Reliance Industries at a cost price of Rs. 800, thereby participating in the upside of the stock for such a transaction, the breakeven price will be the sum of strike price and the premium paid, in this case it would be $\text{Rs. } 800 + \text{Rs } 25 = \text{Rs } 825$

Benefits of buying a put option

Buying a put option on a stock originally held by the buyer gives him / her right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration

For example, if the portfolio manager owns Reliance Industries and also buys a three month put option on Reliance Industries at a strike of Rs. 820, the current market price being say Rs.830. The Portfolio Manager will have to pay a premium of say Rs. 15 to buy this put. If the stock price goes below Rs. 820 during the tenure of the put, the Portfolio Manager can still exercise the put and sell the stock at Rs. 820, avoiding therefore any downside on the stock below Rs. 820. The Portfolio Manager gives up the fixed premium of Rs. 15 that has to be paid in order to protect the Portfolio from this probable downside. If the stock goes above Rs. 820, say to Rs. 880, it will not exercise its option. The Portfolio Manager will

participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs.880.

D. Writing Options

Benefits of writing call option with underlying stock holding (Covered call writing)

Covered call writing is a strategy where a writer (say the Portfolio Manager) will hold a particular stock, and sell in the market a call option on the stock. Here the buyer of the call option now has the right to buy this stock from the writer (the Portfolio Manager) at a particular price, which is fixed by the contract (the strike price). The writer receives a premium for selling a call, but if the call option is exercised, he has to sell the underlying stock at the strike price. **This is advantageous if the strike price is the level at which the writer wants to exit his holding /book profits.** The writer effectively gains a fixed premium in exchange for the probable opportunity loss that comes from giving up any upside if the stock goes up beyond the strike price.

Illustration

Let us take for example Reliance Industries, where the Portfolio Manager holds stock, the current market price being Rs. 800. The Portfolio Manager holds the view that the stock should be sold when it reaches Rs.900. Currently the one-month Rs. 900 call option can be sold at say Rs.100. Selling this call gives the call owner the right to buy from the portfolio, Reliance Industries at Rs.900.

Now the Portfolio Manager by buying/ holding the stock and selling the call is effectively agreeing to sell Reliance Industries at Rs.900 when it crosses this price. So the Portfolio Manager is giving up any possible upside beyond Rs.900. However, the returns on the Portfolio are higher than what it would have got if it just held the stock and decided to sell it at Rs.900. This is because the Portfolio Manager by writing the covered call gets an additional Rs.100 per share of Reliance Industries. In case the price is below Rs.900 during the tenure of the call, then it will not be exercised and the Portfolio Manager will continue to hold the shares. Even in this case the returns are higher than if the Portfolio had just held the stock waiting to sell it at Rs.900.

Benefits of writing put options with adequate cash holding:

Writing put options with adequate cash holding is a strategy where the writer (say, the Portfolio Manager) will have an amount of cash and will sell put options on a stock. This will give the buyer of this put option the right to sell stock to the writer (the Portfolio Manager) at a pre-designated price (the strike price). This strategy gives the put writer a premium, but if the put is exercised, he has to buy the underlying stock at the designated strike price. In this case the writer will have to accept any downside if the stock goes below the exercise price. The writer effectively gains a fixed premium in exchange for giving up the opportunity to buy the stock at levels below the strike price. This is advantageous if the strike price is the level at which the writer wants to buy the stock.

Illustration

Let us take, for example, that the Portfolio Manager wants to buy Reliance Industries at Rs. 800, the current price being Rs.900. Currently the two-month 800 puts can be sold at say around Rs.100. Writing this put gives the put owner the right to sell to the portfolio manager, Reliance Industries at Rs.800. Now the Portfolio Manager by holding cash and selling the put is agreeing to buy Reliance Industries at Rs.800 when it goes below this price. The Portfolio Manager will take on itself any downside if the price goes below Rs.800. But the returns on the Portfolio are higher than what it would have got if it just waited till the price reached this level and bought the stock at Rs800, as per its original view. This is because the Portfolio Manager by writing the put gets an additional Rs.100 per share of Reliance Industries. In case the price stays above Rs.800 during the tenure of the put, then it will not be exercised and the Portfolio Manager will continue to hold cash. Even in this case the returns are higher than if the Portfolio had just held cash waiting to buy Reliance Industries at Rs800.

E. Cash Future Arbitrage:

The cash future arbitrage strategy can be employed when the prices of the future exceeds the price of the underlying stocks. Two simultaneous transactions are undertaken:-

- a) Buying the underlying stock
- b) Selling the futures

Consider an example of stock trading at Rs.100 while the near-month future is at Rs. 101.50. Additionally assume that the closing price of stock on expiry is Rs. 110. How will this fund work?

| Transaction | Stock | Future | Difference |
|---|-------|--------|------------|
| Initiation Arbitrage (Buy Stock – Sell Future) | 100 | 101.50 | 1.50 |
| Closing Arbitrage (Sell Stock – Buy,Future) | 110 | 110 | 0 |
| Total Gain / Loss | 10 | -8.5 | 1.50 |

F. Index Arbitrage:

Here one buys futures on an Index and sells corresponding stock futures constituting the index or vice versa to take advantage of the price – difference or the spread between them.

Let's say current value of Nifty is 5950 and Nifty Futures is currently being traded at 5900 i.e at a discount of 50. However on the other hand cumulative value of all stock futures constituting Nifty is 6050 i.e at a premium of say Rs. 100. Thus an arbitrage opportunity arises in locking the above difference of Rs. 150, by buying Nifty Futures and selling corresponding Stock Futures.

G. Open Offer Arbitrage opportunities in case of Takeover, De-listing etc.

In open offer, the acquirer gives an offer to existing shareholders of the target company to acquire the shares at a certain price. The arbitrage opportunity arises when there is a significant price difference between the market price and the offer price.

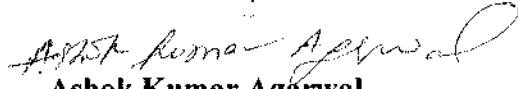
The strategy is to buy the share in market and tender it in open offer. The returns would vary depending upon the number of shares accepted and the balance shares sold back in the market.

For Example in May, 2012, ABB the leading power & automation technology group, acquired ABB Ltd India at Rs. 900 per share in order to increase its stake in the company from approx 52% to 75%. The Market Price of ABB Ltd at that time was around Rs795. Thus an arbitrage opportunity arises by buying the stock in the market and tendering the same in the open offer thus realizing the difference between the offer price and market price based on the percentage of stock held by a person, accepted in the offer.

Let's take another example on Delisting where Essar Steel Holdings Limited had fixed the delisting price of Essar Steel Limited, determined by the reverse book building process at Rs. 48 per share. Market price of the concerned stock at that time was Rs. 45. Thus an arbitrage opportunity arises by buying the stock in the market and realizing the difference between the offer price and market price.

For Globe Capital Market Ltd.


Yash pal Mendiratta
Director


Ashok Kumar Agarwal
Director

Place: New Delhi
Date: 07/01/2026



money *must* grow

Globe Capital Market Limited

Regd. Office : 609, Ansal Bhawan, 16 K.G. Marg, Connaught Place, New Delhi - 110001

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS, 2020
(Regulation 22)

GLOBE CAPITAL MARKET LIMITED
Regd. Office: 609, Ansal Bhawan, 16 KG Marg,
Connaught Place, New Delhi-110001
Tel. No. 91-11-30412345 Fax No. 91-11-23720880
www.globecapital.com

We confirm that:

- i) The Disclosure Document being forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to Globe Capital Market Limited/ investment in the Portfolio Management Strategies;
- iii) The Disclosure Document has been duly certified by an independent chartered accountant (P.C. BINDAL & Co., 101, SITA Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi-110005, Ph 45073430 (Copy enclosed)

For Globe Capital Market Limited


Parashuram Prasad

(Principal Officer)

Date: 07.01.2026
Place: New Delhi



Tel +91-11-30412345 (30 Lines) • Fax +91-11-23720883 • CIN : U74100DL1985PLC021350
E-mail : care@globecapital.com • Visit us at : www.globecapital.com

Member : NSE, BSE, MSEI, MCX, NCDEX & ICEX • Depository Participant : NSDL & CDSL • SEBI Regd. Portfolio Manager
Clearing Member: NCL, ICCL, MCCIL, MCXCCL & NCCL
Segment: Equity, Equity Derivatives, Currency Derivatives, Commodity Derivatives & EGR.

The Board of Directors
Globe Capital Market Limited
U74100DL1985PLC021350
609, Ansal Bhawan, 16 KG Marg
New Delhi-110001

Independent practitioner's report on disclosure document

1. This certificate has been issued on the specific request of Globe Capital Market Limited ("the Company") received vide mail dated 12 January 2026.
2. The accompanying statement has been prepared by the Company and contains disclosure details for the financial year 2024-25 as required pursuant to the disclosure requirements prescribed by Securities and Exchange Board of India ("SEBI") for portfolio managers vide applicable SEBI circulars as amended from time to time up to 25 September 2025. This statement will henceforth be referred to as "the Disclosure Document".

Management's responsibility

3. The management is responsible for the preparation of the Disclosure Document.
4. The management is also responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Disclosure Document and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
5. The management is also responsible to ensure that the Disclosure Document complies with the applicable SEBI circulars.

Practitioner's responsibility

6. Pursuant to the requirement of the Securities and Exchange Board of India ("SEBI") for certification of the Disclosure Document by an independent chartered accountant, it is our duty to provide a reasonable assurance about whether the contents of the Disclosure Document are free from material misstatement.
7. We hereby state that we, in the course of this engagement, have not performed any audit, however, we have perused the books of accounts and other details of the Company required to be perused for the purpose of giving this certificate. We have relied upon the audited financial statements of the Company as at and for the year ended on 31 March 2025. The auditors of the Company have issued an unmodified opinion on these financial statements vide their report dated 28 April 2025.
8. We have performed procedures in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)'. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India and plan and perform procedures to obtain a reasonable assurance on the matters specified above.
9. The procedures referred to above depend on the practitioner's judgment, having regard to the understanding of the nature of the Company and other relevant engagement circumstances.



10. We have complied with relevant applicable requirements of the Standards on Quality Control (SQC1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other assurance and related services engagements.

Other matters

11. We have relied upon the audited financial statements of the Company to verify the following details in the Disclosure Document

- Financial performance of the Portfolio Manager (Para 13)
- Related party transactions (Annexure 1 to Para 12).

Other data mentioned in the Disclosure Requirement have been relied upon on the basis of written representations received from the management of the Company.

Opinions

12. Read with "Other matters" section of this report, we are of the opinion that the contents of the Disclosure Document are free from material misstatement.

Restriction of use

13. The certificate is addressed to and provided to the Board of Directors of the Company solely for the use of the Company for the purpose of onward submission it to SEBI in order to comply with the requirement of providing a Chartered Accountant's certificate for the matters mentioned in Para 6 above and should not be used for any other purpose whatsoever. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Rohit Suri & Associates

Chartered Accountants

FRN: 012259N



CA Rohit Suri

Proprietor

Membership No: 091064

UDIN: 26091064ABCLDS9366



New Delhi, 12 January 2025