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Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

[Regulation 22]

Banyan Capital Advisors LLP

D-51, Ground Floor, Gulmohar Park, New Delhi – 110049, India

Tele/Fax: +91-11-46066687 ; email: info@banyan-capital.com

We confirm that:

- i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Manager.
- iii) The Disclosure Document has been duly certified on 4<sup>th</sup> March, 2025 by Ashish Arunkumar Shah Partner of Shah Kapadia & Associates Chartered Accountants having membership no. 129598 and office at 328, 3rd floor, Champaklal Industrial Estate, Plot No. 105, Sion Koliwada Road, Sion East, Mumbai 400022, Phone No-022-49741224.

Please find enclosed a copy of the chartered accountants' certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision.

For and on behalf of

**Banyan Capital Advisors LLP**  
**For Banyan Capital Advisors LLP**

  
**Authorised Signatory**

Mr. V.P. Rajesh, Principal Officer

D-51, Ground Floor, Gulmohar Park, New Delhi – 110049, India

Date: 4<sup>th</sup> Mar, 2025

Place: New Delhi



# SHAH KAPADIA & ASSOCIATES

## CHARTERED ACCOUNTANTS

Office No. 328, 3<sup>rd</sup> floor, Champaklal Industrial Estate, Plot No. 105,  
Sion Koliwada Road, Sion East, Mumbai 400022.

Tel No: 022-49741224 | Web: [www.theSKA.in](http://www.theSKA.in) | Email: [SKA@theSKA.in](mailto:SKA@theSKA.in)

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### CERTIFICATE

The Management,

**Banyan Capital Advisors LLP.**

D-51, Ground Floor,

Gulmohar Park,

New Delhi - **110049.**

1. You have requested to us to provide a certificate on the Disclosure document for Portfolio Management services ("the Disclosure Document") of Banyan Capital Advisors LLP ("the Firm"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").
2. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the SEBI Regulation") and the Guidelines issued by SEBI dated February 13, 2020 is the responsibility of the management of the firm. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
3. In respect of the information given in the Disclosure document, we state that:
  - i. The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the firm.
  - ii. The key personnels' qualification, experience, ownership details are as declared by them and have been accepted without further verification.
  - iii. We have relied on the representations given by the management of the firm about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
  - iv. We have relied on the representation made by the management regarding the Assets under management of Rs. 596.46 crores (discretionary) as on 31<sup>st</sup> December 2024.
  - v. With regard to TWRR calculation method, we have been informed by the management that the TWRR has been calculated by their software as per the logic specified by SEBI.
  - vi. Our certification is based on the audited Balance sheet of the firm for the year ended March 31, 2024, audited by Statutory Auditor KSA & Co., Chartered Accountants Firm no 083399 and examination of other records, data made available and information & explanations provided to us.



**SHAH KAPADIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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Sion Koliwada Road, Sion East, Mumbai 400022.

Tel No: 022-49741224 | Web: [www.theSKA.in](http://www.theSKA.in) | Email: [SKA@theSKA.in](mailto:SKA@theSKA.in)

4. Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated February 28, 2025 are true and fair in accordance with the disclosure requirements laid down in Regulation 22 read with Schedule V to the SEBI Regulations. A management certified copy of the disclosure document is enclosed herewith.
5. This certificate is intended solely for the use of the management of the firm for the purpose of providing essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.

**SHAH KAPADIA & ASSOCIATES**

**Chartered Accountant**

**ASHISH  
ARUNKUMAR  
SHAH**

Digitally signed by  
ASHISH ARUNKUMAR  
SHAH  
Date: 2025.03.07  
10:58:04 +05'30'

**CA Ashish A. Shah  
(Partner)**

**Membership no. 129598**

**Place: Mumbai**

**Date: 4<sup>th</sup> March, 2025**

**UDIN: 25129598BMMBLD1045**

## DISCLOSURE DOCUMENT

(As per Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020)

- 1) The Document shall be filed with the Securities and Exchange Board of India (SEBI) Board along with a certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- 2) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner that assists and enables the investors in making informed decision for engaging a Portfolio Manager.
- 3) The document provides the necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.
- 4) All the intermediaries involved in the scheme are registered with SEBI as on date of the document.
- 5) This disclosure document is dated **February 28, 2025**.
- 6) The Principal Officer designated by the Portfolio Manager is:

Name: Mr. V. P. RAJESH

Address: D-51, Ground Floor, Gulmohar Park, New Delhi - 110049, India

Phone No: 011-46066687

E-mail ID: [vpr@banyan-capital.com](mailto:vpr@banyan-capital.com)

For Banyan Capital Advisors LLP

  
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**1) Disclaimer clause:**

The 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 the Document.

**2) Definitions:**

BSE	BSE shall mean The Bombay Stock Exchange.
Document	Refers to the Disclosure Document.
Banyan	Banyan shall mean Banyan Capital Advisors LLP.
HUF	HUF shall mean the Hindu Undivided Family as defined in section 2(31) of the Income Tax Act, 1961.
NRI	NRI shall mean Non-Resident Indian as defined in Section 2(30) of the Income Tax Act, 1961.
NAV	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.
NSE	NSE shall mean The National Stock Exchange.
OCB	OCB shall mean Overseas Corporate Bodies.
PMS	PMS shall mean Portfolio Management Services offered by Banyan.
PMS Agreement	Agreement between a Client and the Portfolio Manager.
Portfolio	Portfolio shall mean all Cash and Securities of the Client that are managed by the Portfolio Manager under Banyan India Portfolio, Banyan Yield Plus Portfolio, Banyan Edhas Portfolio and Banyan Leaders Portfolio on the Client's behalf as per the Agreement.
RBI	RBI shall mean the Reserve Bank of India.
SEBI	SEBI shall mean The Securities and Exchange Board of India.

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### 3) Description:

#### 3.1) History, Present Business and Background of the Portfolio Manager:

Banyan Capital Advisors LLP was established (as Banyan Capital Advisors Pvt. Ltd.) in September 2011 to address the growing need of the high net worth investors all over the world to invest in the Indian capital markets on a long-term, sustainable basis.

#### 3.2) Promoters and Partners:

##### A. Mr. V. P. Rajesh, Designated Partner and Principal Officer:

Mr. Rajesh has 15 years of fund management experience and 10 years of investment banking experience in the US. Prior to founding Banyan in 2011, he was a senior M&A banker with Thomas Weisel Partners (TWP), a San Francisco based investment bank focused on the growth sectors of the US economy. Before joining TWP, he was a Principal and Head of Piper Jaffray's M&A practice in the Internet sector. Between 2000 and 2003, Mr. Rajesh was a Vice President in the technology M&A group at Deutsche Bank in San Francisco. Mr. Rajesh started his investment banking career in 1997 as a generalist in the M&A group of J. P. Morgan Chase in New York.

Mr. Rajesh has received his B.E. degree from Birla Institute of Technology & Science (BITS), Pilani, India with honors in Electrical and Electronics Engineering in 1991 and MBA from the University of Michigan's Ross School of Business with distinction. In addition, Mr. Rajesh has passed NISM Level X-A, X-B and has completed NISM Series XXI-B Portfolio Manager Continuing Professional Education (CPE) program.

##### B. Mr H.P. Gupta, Designated Partner:

Professor Har Prasad Gupta is a very well-known educationist, social worker and philanthropist of Western Uttar Pradesh. He has worked with top ranking Indian business houses such as Modi and Dalmia and held senior leadership positions. He established the Institute of Management Education (IME) in 1996 and over the last twenty six years, IME has been consistently rated a top educational institute in UP. He has an L.L.B. degree from Meerut University and M.Com. degree from Agra University.

#### 3.3) Key Management Personnel:

##### A. Saurabh Basrar, Portfolio Manager

Mr. Saurabh Basrar has over two decades of experience in the financial services industry. He has been an investor in the Indian equity markets since the last 15+ years. He is based out of New Delhi and is a portfolio manager with Banyan Capital Advisors managing a Multicap PMS. He also mentors investors including family offices on investing framework in public market investments. He is the co-author of the bestseller "Masterclass with Super-investors". He has previously worked with Fidelity Investments and A T Kearney. He is a CFA charter holder (CFA Institute, USA) and also holds the membership of Institute of Chartered Accountants of India.

#### 3.4) Top 10 Group companies/firms of the Portfolio Manager in India on turnover basis:

H.P. Gupta & Son Advisory Pvt. Ltd.; Turnover: **Rs. 4.78 Crores** as on 31/03/2024 (audited).  
For Banyan Capital Advisors LLP

### 3.5) Details of Services being offered:

The LLP will provide discretionary portfolio management, non- discretionary portfolio management and advisory 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:

- 4.1) All case of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under. Penalties imposed for any economic offence and/ or for violation of any securities laws. – **None**
- 4.2) The nature of penalty/direction - **Not applicable. There is no penalty incurre**
- 4.3) Penalties/fines imposed for any economic offence and/or for violation of securities laws - **None**
- 4.4) Any pending material litigation/legal proceedings against the portfolio manager/ key personnel with separate disclosure regarding pending criminal cases, if any. – **None**
- 4.5) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency. – **None**
- 4.6) Any enquiry/adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under. – **None**

### 5) Services Offered:

#### 5.1) Discretionary Services:

- A. Under the Discretionary portfolio management services, the Portfolio Manager will have the sole and absolute discretion to deploy the assets brought in by a client (the "Client") in any type of security as per the PMS Agreement and make such changes in the investments and invest some or all of the Client's account in such manner as it deems fit, subject to the investment objectives and other restrictions laid down in the Client-member agreement and / or in this Disclosure Document.
- B. The securities invested / disinvested by the Portfolio Manager for Client in the same Portfolio product may differ from Client to Client.
- C. The management of the portfolio is of a discretionary nature, although the Client would be allowed to request reasonable restrictions; however, the final decision will rest with the Portfolio Manager.
- D. The decision of the Portfolio Manager (with due care and in good faith) in the deployment of the Clients' Portfolio is absolute and final and cannot be called in question or be open to review at any time during the course of the agreement or any time thereafter except on the ground of conflict of interest, fraud, malafide intent, or gross negligence by the Portfolio Manager.

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**E. Investment profile and Investment Objective**

- **Banyan India Portfolio:** This is our core equity portfolio strategy that has a mix of mostly small-cap and mid-cap stocks along with a select large-cap stocks, special situations and fixed income securities. The objective is to provide high absolute rate of return over a business cycle while minimizing risk of capital loss. The strategy is to buy businesses run with strong management team at valuations below intrinsic value that are likely to result in substantial gain over a three to five years period. Profits are booked selectively in accordance with valuation multiple ranges keeping tax implications in mind.
- **Banyan Yield Plus Portfolio:** This is our special situations strategy that invest in companies that are undergoing corporate events (such as tender offers, demergers, mergers, delisting, special dividends, etc.) referred to as special situations. The objective is to outperform the leading stock index with minimal loss of capital. The strategy is to buy a concentrated portfolio of special situations where the allocation can vary from 0% to 100% based on the valuable opportunity set and similarly, the fixed income allocation can vary from 0% to 100%. To minimize the credit risk, we diversify across different issuers and fixed income instruments of different time horizons.
- **Banyan Edhas Portfolio:** This strategy is market capitalisation agnostic but the preference is for small and mid-cap stocks. It focuses on an absolute return with the aim to invest in good to great risk reward opportunities across the public market spectrum. Target investments are those, across the market capitalization spectrum, that offer high underlying business growth at reasonable valuations and deep value opportunities with identified value unlocking triggers.
- **Banyan Leaders Portfolio:** This is our large-and-midcap strategy where we are primarily (anywhere from 0% to 100% allocation) investing in the top 250 market capitalization stocks. Upto 30% of the portfolio can be invested in the companies whose market capitalization is below that of the top 250 listed companies, typically referred as small cap segment. The objective is to outperform NIFTY50 TRI over a long term through a careful selection of companies that are leaders or emerging leaders in their respective sectors. These companies will be selected based on certain proprietary valuation and financial criteria. Based on the stock market conditions, we may also raise significant cash in this strategy or invest upto 30% in special situations.

**5.2) Non-Discretionary services:** Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client and in accordance with the instructions of the Client. Under this service, the Assets will be managed as per express prior instructions issued by the Client from time to time. The Client will have complete discretion to decide on the investment (Stock Quantity and Price or amount). In this case, the Portfolio Manager shall be responsible for *inter alia* managing transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

**5.3) Advisory services:** The Portfolio Manager will also provide advisory services as is envisaged under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time. The Portfolio Manager's responsibility includes advising on the portfolio strategy and investment and divestment of individual securities (both listed and unlisted), AIFs, MFs, ETFs, overseas securities and instruments like stocks, bonds, mutual funds, debt, PE/VC/hedge funds, and other financial instruments in the Clients' portfolio, for an agreed fee structure and a period hereinafter described, entirely at the Client's risk.

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#### 5.4) Type of Securities where investments may be made by the Portfolio Manager:

##### A) Equity & Equity Related Instruments:

- Equity and Equity related instruments including convertible bonds, convertible debentures, warrants, convertible preference shares, etc.
- Equity or indices linked instruments such as ETFs
- Equity Derivatives including Futures and Options

##### B) Debt & Money Market Instruments:

- Certificate of Deposits (CDs)
- Fixed Deposits with Banks
- Commercial Papers (CPs)
- Treasury Bills (T-Bills)
- Collateralised Borrowing and Lending Obligations (CBLO)
- Government Securities
- Non-Convertible Debentures as well as bonds or securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies
- Floating rate debt instruments
- Repo (Repurchase Agreement) or Reverse Repo
- Securitised Debt including Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS)
- Pass Through Certificate (PTC)
- Bills Rediscounting
- Negotiable instruments
- Debt derivative instruments including Interest Rate Swaps and Forward Rate Agreement

##### C) Units of Schemes of mutual funds registered with SEBI.

##### D) Any other eligible mode of investment within the meaning of the Regulations issued by SEBI and amended thereto from time to time.

##### E) The portfolio manager may lend the securities through an approved intermediary, for interest.

#### 5.5) Minimum Investment Amount:

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

#### 5.6) Policy for investment in Associates/Group Companies of the Portfolio Manager:

Portfolio Manager, before investing in the securities of its associate / group companies, will evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio.

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### 5.7) Transactions with Associates/Group Companies:

The Portfolio manager may conduct its business with associate companies/ group companies on commercial terms and on arm's length basis and to the extent permissible under the regulations.

### 6) Risk factors:

#### 6.1) General Risk Factors:

- A. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS agreement will be achieved.
- B. The Portfolio Manager does not offer any guarantee / assured returns. The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of securities, market closure, relatively small number of stocks accounting for a large proportion of the trading volume.
- C. Past performance of the Portfolio Manager does not indicate the future performance of the same Portfolio or the performance of any other future portfolio(s) of the Portfolio Manager. The Portfolio Manager has no previous experience or track record. However, persons in the employment of the Portfolio Manager have investment management experience.
- D. Investment decisions made by the Portfolio Manager may not always be profitable.
- E. Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- F. The Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document before entering into this Agreement.
- G. Prospective investors should review / study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their portfolio, acquisition, holding, capitalisation, disposal (sale, transfer or conversion into money) of portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.
- H. The tax benefits described in this Disclosure Document are as available under the present taxation laws and are available subject to conditions. The information given is included for general purposes only and is based on advice received by the Portfolio Manager regarding the law and practice in force in India and the

For Banyan Capital Advisors LLP

investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each investor is advised to consult his/ her own professional tax advisor.

- I. In addition to the factors that affect the value of the individual securities, the value of the Portfolio can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital markets in general, such as, but not limited to, price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws and political, economic, natural or other developments which may have an adverse bearing on individual securities, a specific sector or sectors.
- J. Any policy change / technology change / obsolescence of technology would affect the investments made in a particular industry.
- K. Acts of State, or sovereign actions, acts of nature, acts of war, civil disturbances, etc. are extraneous factors which can impact the Portfolio.
- L. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolio. The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of securities. Transfer risk may arise due to the process involved in registering the shares, physical and demat.
- M. Performance of the Portfolio may be impacted as a result of specific investment restrictions provided by the Client.
- N. The benchmark index/indices may not be truly representative of the PMS offering due to the unique nature of the product wherein *inter alia*: (a) the number of securities may be lower in comparison to the benchmark index/indices; (b) the securities may be very different from those used in the benchmark index/indices; and (c) the weightages of individual stocks and securities may vary from weightages in the benchmark index/indices.

## 6.2) Risk associated with Equity and Equity Related Securities:

- A. Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct.

Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. 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 portfolio to miss certain investment opportunities. Similarly, the inability to sell securities held in the portfolio would result at times, in potential losses to the client, should there be a subsequent decline in

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SEBI Registration Number: INP000004243

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the value of securities held in the portfolio. Also, the value of the portfolio investments may be affected by interest rates, currency exchange rates, overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary and/or fiscal policies, changes in government policies and regulations with regard to various factors including industry, exports and taxation may have direct or indirect impact on the investments, and consequently on the growth of the Portfolio.

- B. Investments in equity and equity related securities involve a degree of risk and the clients should not invest in the equity portfolio unless they can afford to take the risk of losing their investment.
- C. **Liquidity Risk:** Liquidity of investments or securities is often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While securities that are listed on a stock exchange generally carry a low liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the portfolio until such securities are finally sold. Even upon termination of the PMS Agreement, the Client may receive illiquid securities and finding a buyer for such securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in the settlement of transactions could result in temporary periods when the assets of the PMS are uninvested and no return is earned thereon. The inability of the Portfolio Manager to make intended securities purchases, due to settlement problems, could cause Portfolio to miss certain investment opportunities.
- D. **Unlisted Securities:** Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The portfolio manager may choose to invest in unlisted securities that offer attractive yields within the regulatory limit. This may however increase the risk of the portfolio. Additionally, the liquidity and valuation of the portfolio due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

### 6.3) Risk associated with Fixed Income and Money Market Securities:

- A. **Interest Rate Risk:** It is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments in fixed income securities will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon.
- B. **Re-investment Risk:** The risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. With respect to bonds, this is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon the prevailing market rates at the time the coupons are received.
- C. **Basis Risk:** The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.

For Banyan Capital Advisors LLP

- D. **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
- E. **Liquidity Risk:** The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to a loss in the value of the portfolio.
- F. **Credit Risk:** Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.
- G. **Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the portfolio investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.
- H. **Settlement Risk:** Fixed income securities run the risk of settlement which can adversely affect the ability of the Portfolio Manager to swiftly execute trading strategies which can lead to adverse movements in the value of the portfolio.

#### 6.4) Risks associated with Investing in Derivatives:

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 client. 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 the decision of the 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. 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 the 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.

#### 6.5) Risks associated with Securities Lending:

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case, the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Portfolio Manager and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Portfolio Manager may not be able to sell such lent securities and this can lead to temporary illiquidity.

For Banyan Capital Advisors LLP

### 6.6) Risks associated with investments in Mutual Funds:

The Portfolio Manager may invest in schemes of Mutual Funds. Hence scheme specific risk factors of each such underlying scheme will be applicable to the portfolios. In addition, events like changes in the fund manager of the scheme, take over, mergers and other changes in the status and constitution of mutual funds, foreclosure of schemes or plans, and changes in government policies could affect the performance of the investment in mutual fund units.

### 6.7) Non-Diversification Risk:

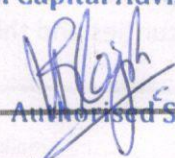
The investment according to the investment objective of a Portfolio may result in the concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with an investment objective to invest in a specific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

## 7) Client Representation:

### 7.1) Client representation data:

Category of Clients	No. of Clients	Funds Managed (Rs. crores)	Discretionary/ Non-Discretionary/Advisory
<b>Associate/Group Companies</b>			
As of December 31, 2024	1	2.31	Discretionary
	1	0.07	Advisory
As of March 31, 2024	1	1.6	Discretionary
	1	0.34	Advisory
As of March 31, 2023	1	0.95	Discretionary
	1	0.07	Advisory
As of March 31, 2022	1	1.35	Discretionary
<b>Others</b>			
As of December 31, 2024	94	594.15	Discretionary
	23	395.36	Advisory
As of March 31, 2024	75	395.57	Discretionary
	5	6.93	Non-Discretionary
	20	390.38	Advisory
As of March 31, 2023	45	175.72	Discretionary
	7	15.97	Non-Discretionary
	14	170.35	Advisory
As of March 31, 2022	36	155.8	Discretionary
	7	23	Non-Discretionary
	11	72.62	Advisory

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**7.2) Disclosure in respect of transactions with related parties:**

**A. Following are the related parties:**

Name of the Related Party	Relationship
Mrs. Gireeja Seth	Spouse of Key Management Personnel (KMP)
Mrs. Mridula Seth	Relative of KMP
M/s H.P. Gupta & Son Advisory Pvt Ltd	Associate Company

**B. Related party Transactions during the calendar year ended 31<sup>st</sup> December, 2024 (showing the latest data):**

Nature of Transaction	Spouse of KMP		Relative of KMP			Associate Company		Total
	Banyan India Portfolio	Advisory	Banyan India Portfolio	Banyan Leaders Portfolio	Advisory	Banyan Yield Plus	Advisory	
AUM as on 01 <sup>st</sup> Jan 2024	6,06,76,774	55,29,087	1,35,74,086	-	1,97,54,099	1,63,55,989	33,49,386	11,92,39,421
Investment/ Redemption During the Year	(1,00,00,000)	85,00,000	(35,00,000)	79,87,433	(55,24,590)	-	(27,00,000)	(52,37,157)
AUM as on 31 <sup>st</sup> Dec 2024	7,25,41,707	2,25,67,071	1,44,00,929	94,28,084	1,32,41,495	2,31,36,299	7,18,164	15,60,33,749
Fees Paid to Banyan Capital Advisors LLP	23,72,628	4,157	11,39,008	86,957	61,390	2,41,388	535	39,06,063

**8) Financial Performance of the Portfolio Manager (based on audited financial statement):**

Particulars	Year ended 31-Mar-2024 (in Rs. Cr.)	Year ended 31-Mar-2023 (in Rs. Cr.)	Year ended 31-Mar-2022 (in Rs. Cr.)
Total Income	32.52	3.48	16.52
Profit/(Loss) for the year	21.11	1.22	11.50
Partner'capital (net of reserves and surplus)	27.03	13.67	12.45

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## 9) Portfolio Management Performance of the Portfolio Manager:

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

Investment Approach	01-04-2024 to 31-12-2024	FY 2024	FY 2023	FY 2022	As on 31-12-2024			
					3 Years	5 Years	10 Years	Since Inception*
Banyan India Portfolio (BIP)	37.47%	54.41%	4.44%	56.13%	29.59%	42.32%	20.22%	20.34%
Benchmark Performance (%) S&P BSE 500 TRI	10.83%	40.16%	-0.91%	22.26%	15.36%	19.07%	14.05%	15.54%
Banyan Yield Plus Portfolio (BYP)	37.55%	56.75%	6.69%	25.81%	30.08%	N/A	N/A	32.74%
Benchmark Performance (%) NIFTY 50 TRI	6.96%	30.08%	0.59%	20.26%	12.17%	N/A	N/A	14.87%
Banyan Edhas (Edhas) Portfolio	14.73%	23.24%	N/A	N/A	N/A	N/A	N/A	24.24%
Benchmark Performance (%) S&P BSE 500 TRI	10.83%	29.77%	N/A	N/A	N/A	N/A	N/A	25.57%
Banyan Leaders Portfolio (BLP)	16.95%	2.61%	N/A	N/A	N/A	N/A	N/A	20.0%
Benchmark Performance (%) NIFTY 50 TRI	6.96%	2.33%	N/A	N/A	N/A	N/A	N/A	9.46%

\*The inception dates of BIP, BYP, Edhas and BLP are 24<sup>th</sup> April, 2012, 01<sup>st</sup> April, 2021, 29<sup>th</sup> May, 2023, & 20<sup>th</sup> March, 2024 respectively.

## 10) Audit Observations:

There are no observations by the Auditor on accounts of the preceding three years. Therefore, the audit reports for all the three years are nonqualified.

## 11) Nature of Expenses:

The following are the broad types of costs and expenses chargeable to Clients availing the Portfolio Management Services. The exact quantum of the fees / expenses relating to each of the services shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The expense charged may vary from Client to Client.

- A. **Portfolio Management Fees:** The Portfolio Management Fees relate to the Portfolio Management Services offered to the Clients. The fee may be a fixed fee or performance-based fee or a combination of both, as agreed by the client in the PMS Agreement.

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- B. **Depository/Custodian Fee:** Charges relating to custody and transfer of shares, bonds and units, opening and operation of Demat account, dematerialisation and re-materialisation, and / or any other charges in respect of the investment etc.
- C. **Registration and transfer agents' fees:** Fees payable for the Registrars and Transfer Agents in connection with effecting transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and courier charges.
- D. **Brokerage, transaction costs and other services:** The brokerage and other charges like stamp duty, transaction cost and statutory levies such as service tax, securities transaction tax, turnover fees and such other levies as may be imposed upon from time to time.
- E. **Certification charges or professional charges:** The charges payable to outsourced professional services like accounting, audit, taxation and legal services, notarization, etc. for consultancy charges, service charges, retainership fees, valuation expenses, certifications, attestations required by bankers or regulatory authorities, and such other expenses, duties, and charges incurred on behalf of the Client.
- F. **Securities lending and borrowing charges:** The charges pertaining to the lending of securities, costs of borrowings and costs associated with the transfer of securities connected with the lending and borrowing transfer operations.
- G. **Services related expenses:** Charges in connection with day-to-day operations like courier expenses, stamp duty, service tax, postal, telegraphic any other out of pocket expenses as may be incurred by the portfolio manager would be recovered.
- H. **Any other incidental and ancillary charges:** All incidental and ancillary expenses not covered above but incurred by the Portfolio Manager on behalf of the Client for Portfolio Management and expenses incurred by the Portfolio Manager in terms of the Agreement shall be charged to the Client.

## 12) Tax Provisions:

Clients will be responsible and liable for taxes under the provisions of the Income Tax Act, 1961 for any income generated out of the investment made in the portfolio management scheme including advance tax instalment obligations. If any tax is required to be withheld on account of any legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. The Portfolio Manager will provide adequate statements to the client for accounting and tax purposes. The portfolio manager shall not be responsible for assisting in or completing the fulfilment of client's tax obligation.

## 13) Accounting Policies:

### 13.1) Basis of Accounting:

- A. The Books of Account of the Client is maintained on an historical cost basis.
- B. Transactions for purchase or sale of investments shall be recognised as of the trade date. Purchases are accounted at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry

loads in case of units of mutual fund. 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. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.

- C. Portfolio received from the Clients in the form of securities will be accounted at previous day's closing price on NSE. Where the Client withdraws portfolio in the form of securities, the same will be accounted at closing price on NSE on the date of withdrawal. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, closing price on BSE will be used for aforesaid accounting purpose.
- D. Securities Transaction Tax paid on purchase/sale of securities including derivatives, during the financial year is recognized as an expense in the books of accounts.
- E. In determining the holding cost of investments and realised gains/losses on sale of investment "first in/first out (FIFO)" method would be applied.
- F. For derivatives/futures and options, unrealised gains and losses will be calculated by marking to market all the open positions.
- G. Unrealised gains/losses are the differences between the current market values/NAV and the historical cost of the securities/price at which securities are valued on the date of admitting as a corpus.
- H. All income and expenses will be accounted on accrual basis.
- I. Dividend income shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration.
- J. In respect of interest-bearing investments, income would be recorded on receipt basis.
- K. Bonus shares shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-right basis.

### 13.2) Portfolio Valuation:

- A. Investments in Equity or Equity Related instruments, Debt Securities/units of mutual funds listed on NSE/BSE are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE). If on a particular valuation date, a security is not traded on NSE, the value at which it is traded on The Stock Exchange, Mumbai (BSE) is used. If a particular security is not listed on the NSE, then it is valued at the last quoted closing price on the BSE on the valuation date.
- B. Non-traded/unlisted equity securities, are valued at fair value as determined in good faith by Banyan.
- C. Non-traded Fixed Income Instruments will be valued at cost plus interest accrual till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instrument.
- D. Investments in units of mutual funds, which are not listed on stock exchanges NSE/BSE), will be valued at the NAVs published by the Mutual Fund Houses on the date of the report. Where no NAV is published for a particular day, the last working day's published NAV will be taken for valuation purposes.
- E. Pending listing on BSE/NSE, securities resulting from a demerger are valued at their apportioned costs as per the ratios/ values in terms of the scheme.

The accounting policies and standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

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#### 14) Investor Services:

##### 14.1) Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints:

Name: Ms. Gireeja Seth  
Designation: Compliance Officer  
Banyan Capital Advisors LLP.  
D-51 Ground Floor, Gulmohar Park, New Delhi – 110049  
Email: [gireeja@banyan-capital.com](mailto:gireeja@banyan-capital.com)  
Phone No: +91-11-46066687/+91-11-40366007

##### 14.2) Grievance Redressal and Dispute Settlement Mechanism:

The Portfolio Manager shall offer timely and prompt redressal of any grievances or dispute with the client. Where the Client has any grievances, he should promptly notify the grievance(s) to the Portfolio Manager in writing, giving sufficient details to enable the Portfolio Manager to take necessary steps. For this purpose Ms. Gireeja Seth has been appointed and in case of any complaints and/or grievances, the Client should approach her.

##### Ms. Seth's details are given below:

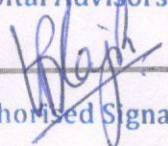
Name of Person to Contact	:	Ms. Gireeja Seth
Designation	:	Compliance Officer
Telephone No.	:	011 - 40366007
Address	:	D-51, Ground Floor, Gulmohar Park, New Delhi – 110049.
E-Mail address	:	<a href="mailto:gireeja@banyan-capital.com">gireeja@banyan-capital.com</a>

The Portfolio Manager, upon receipt of any such grievance, shall take prompt action for redressal of the grievance. The Portfolio Manager will notify the Client of any change in the officer to whom grievances should be addressed.

Any complaints so received would be endeavoured to be resolved within 7 days by the Compliance Officer. In case of the client does not get satisfactory redressal, the matter can be escalated to the Principal Officer at his email id, i.e., [vpr@banyan-capital.com](mailto:vpr@banyan-capital.com). If the Parties fail to resolve the dispute through amicable discussions within fifteen (15) working days of the date of commencement of such discussions, the dispute arbitration by a sole arbitrator is to be appointed by the Parties by mutual consent. If the Parties are unable to agree upon the appointment of the sole arbitrator for a period of fifteen (15) working days from the closure of the discussions, the sole arbitrator shall be appointed in accordance with the procedures specified in the Arbitration and Conciliation Act, 1996, as amended. Such Arbitration proceeding shall be held at New Delhi. The arbitration proceedings shall be governed by the Indian Arbitration and Conciliation Act, 1996, as amended, and shall be conducted in English. The courts of New Delhi, India shall have exclusive jurisdiction in respect of the arbitration.

The investor has to first approach the Portfolio Manager with his/her grievance for the purpose of redressal. In case the investor is not satisfied with the response provided by the Portfolio Manager, he/she may approach SEBI which takes up complaints against the various intermediaries, including Portfolio Managers, registered with it. The complaint has to be filed in SEBI Complaints REDress System (SCORES) at <http://scores.gov.in/Default.aspx>

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