



# **A K SARAWGI & Co.** *Chartered Accountants*

A 1206, Bhoomi Gardenia 2, Plot-10, Sector-20, Kalmaboli Link Road, Roadpali, Navi Mumbai -410218

## **CERTIFICATE**

We have verified the Disclosure Document (“the Document”) for Portfolio Management Services prepared by M/s. MAXIMAL CAPITAL PRIVATE LIMITED, a Portfolio Manager to be registered with SEBI under the SEBI (Portfolio Managers) Regulations, 2020 (SEBI Reg. No. INP000007313), dated September 30, 2024, having its Registered Office at B1001, Kanakia Wall Street, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra, 400069.

The disclosure made in the document is made on the model disclosure document as stated in Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020.

Our certification is based on the examination of records, data made available and information & explanations provided to us.

Based on such examination we certify that:

- a. The Disclosure made in the document is true, fair and correct and
- b. The information provided in the Disclosure Document is adequate to enable the investors to make well-informed decisions.

The enclosed document is stamped and initialed / signed by us for the purpose of identification

**For A K Sarawgi & Co.**  
**Chartered Accountant**  
**Firm Registration no. 145517W**

.....  
**CA Amit Kumar Sarawgi**  
**Proprietor**  
**M. No. 177664**  
**UDIN: 24177664BKKEEPQ5715**  
**Date: 30-09-2024**



# MAXIMAL

C A P I T A L

**MAXIMAL CAPITAL PRIVATE LIMITED**



**PORTFOLIO MANAGEMENT SERVICES**

**DISCLOSURE DOCUMENT**

**FORM C**

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

Maximal Capital Private Limited  
409, Nirman Kendra, Off Dr EM Road, Mahalakshmi West, Mumbai - 400011  
Telephone No: 022 4603 6351

We confirm that:

- (i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- (ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management Scheme;
- (iii) the Disclosure Document has been duly certified by an Independent Chartered Accountants, a copy of Chartered Accountant certificate is enclosed
- (iv) the Disclosure Document has been duly certified by an independent Chartered Accountant, as on September 30, 2024, a copy of Chartered Accountant certificate is enclosed. The details of the Chartered Accountants are as follows:



Name of the Firm:	A K Sarawgi & Co.
Registration Number:	177664
Proprietor:	Mr. Amit Kumar Sarawgi
Membership Number:	177664
Address:	Office no. 12, Grow More Tower, near Kharghar Railway Station, Navi Mumbai- 410210

Date: **September 30, 2024**

Place: Mumbai

Name	:	<b>Sarvesh Gupta</b>
Designation	:	<b>Principal Officer</b>
Address	:	<b>409, Nirman Kendra, Off Dr EM Road, Mahalakshmi West, Mumbai – 400 011</b>

### Key Information

- This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020.
- The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decisions for engaging Maximal Capital Private Limited as a Portfolio Manager.
- This disclosure document sets forth concisely the necessary information about Maximal Capital Private Limited that is required by a prospective investor before investing.
- All the intermediaries involved in the scheme are registered with SEBI as on date of the document.
- The investor should carefully read the entire disclosure document prior to making a decision to avail of the Portfolio Management Services and should retain this



Principal Officer	Portfolio Manager
<p><b>Mr. Sarvesh Gupta</b> 409, Nirman Kendra, Off Dr EM Road, Mahalakshmi West, Mumbai – 400 011</p> <p>Email: sarvesh@maximalcapital.com Tel no: 022 4603 6351</p>	<p><b>Maximal Capital Private Limited</b> 409, Nirman Kendra, Off Dr EM Road, Mahalakshmi West, Mumbai – 400 011</p> <p>Email: sarvesh@maximalcapital.com Tel no: 022 4603 6351</p>

The Disclosure Document is dated **September 30, 2024**

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## 1. Disclaimer Clause

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 as amended till date 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.

## 2. Definitions

In this disclosure document, the following words and expressions shall have the meanings specified herein, unless the context otherwise requires:

- 2.1 “Agreement”** means the contract entered between the Portfolio Manager and the client for the management of funds or securities of the client.
- 2.2 “Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992)
- 2.3 “Assets”** means (i) the portfolio and/or (ii) the Funds
- 2.4 “Bank Account”** means one or more accounts opened maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client
- 2.5 “Custodian”** means any Indian based Custodian who is registered with SEBI as a Custodian and holds a valid license to operate as a Custodian of securities in India
- 2.6 “Depository Account”** means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996
- 2.7 “Disclosure Document”** means this document issued by Maximal Capital Private Limited for offering Portfolio Management Services, prepared in terms of Regulations 22 of SEBI (Portfolio Managers) Regulations, 2020
- 2.8 “Funds”** means the monies managed by the Portfolio Manager on behalf of the client pursuant to an Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to an Agreement, the proceeds of the 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
- 2.9 “Net Asset Value” (NAV)** means the market value of assets in portfolio consisting of equity, debt, index derivatives, cash & cash equivalents
- 2.10** The Client and the Portfolio Manager here-in-after are individually referred to as “Party” and collectively referred to as “Parties”
- 2.11 “Person”** includes any individual, partners in partnership, central or state government, company, body corporate, co-operative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not
- 2.12 “Portfolio”** means the total holdings of funds/securities belonging to any person / investor
- 2.13 “Portfolio Manager”** means Maximal Capital Private Limited who obtained a certificate of registration from SEBI to act as a Portfolio Manager vide Registration No. INP000007313
- 2.14 “Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended from time to time
- 2.15 “Scheduled Commercial Bank”** means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934)
- 2.16 “SEBI”** means Securities and Exchange Board of India established under time to time of the Securities and Exchange Board of India Act, 1992 as amended from time to time





**2.17 “Securities”** shall mean and include all marketable securities including equity shares, quasi equity shares, preference shares, debentures, convertible securities, depository receipts, bonds, secured premium notes, government, pass-through certificates, treasury bills, units, derivatives, equity linked product, debt, hybrid debt products, commercial papers, notes, and any other instrumental included within the definition of ‘security’ under section 2(h) of the Securities Contract (Regulation) Act, 1956

**2.18 “Stock Exchange”** shall have the meaning assigned to it under Securities Contract (Regulation) Act, 1956

**2.19 “Applicable Laws”** means any applicable Indian statute, law, ordinance, regulation including the SEBI Regulations, rule, order, by law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.

**2.20 “Capital Contribution”** means the amounts contributed by the Client for investments in accordance with the terms of the Agreement from time to time during the Term.

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

**2.22 “Client / Investor”** means domestic resident Indian individuals, company/body corporate, partnership firm, trust, society, association of persons, limited liability partnership, and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.

**2.23 “Financial Year”** shall be the period of 12 months commencing on 1<sup>st</sup> of April and ending on the 31<sup>st</sup> March of the succeeding year or such other year as may be prescribed by Applicable Law from time to time.

**2.24 “Management Fee”** means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

**2.25 “Performance Fee”** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this document.

**2.26 “Portfolio Entity”** means companies, enterprises, entities, bodies corporate, venture capital funds, trusts, limited liability partnerships, partnership firms or any other entities in the Securities in which the monies of the Portfolio are invested subject to Applicable Laws.

**2.27 “Principal Officer”** means an employee of the Portfolio Manager who is designated as the Principal Officer under Regulations by the Portfolio Manager.

**2.28 “PMS”** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement entered with its Client/Investor and in accordance with the terms of this Document.

**2.29 “PML Laws”** means the Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.

**2.30 “Product / Option”** means the investment products/options with the respective investment strategy/features, introduced by the Portfolio Manager from time to time.

**2.31 “Entry Fee”** means a fee payable by the Client (only if applicable under the terms of the Agreement) in accordance with the terms of the Agreement and this Document.

**2.32 “Term”** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

**2.33 “Termination Fee”** means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.



### 3. Description

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

Maximal Capital Private Limited is engaged in the business of rendering portfolio management services to funds, alternative investment funds, individuals, corporates, institutions, and all such classes of investors. Maximal Capital Private Limited has received approval from SEBI for rendering Portfolio Management Services on 21<sup>st</sup> January 2022 vide registration number INP000007313.

**(ii) Designated Directors of the Portfolio Manager and their background**

- Name** : Sarvesh Gupta
- Address** : 409, Nirman Kendra,  
Off Dr EM Road,  
Mahalakshmi West,  
Mumbai – 400 011
- Qualification** : Sarvesh is a B. Tech with Honors (ranked 2<sup>nd</sup> in his department) from the Indian Institute of Technology, Kharagpur and an MBA from the Indian Institute of Management, Ahmedabad (ranked amongst Top 10% of students).
- Experience** : Sarvesh has been investing in equities with nearly 15 years of experience of being a full time professional investor across the listed and unlisted space.

Prior to launching Maximal Capital PMS, Sarvesh was a SEBI registered investment adviser during 2017-21 (registration number INA000007960) where he advised portfolios of HNIs, CXOs, NRIs, and family offices across listed equities and high yield debt strategies, generating double digit alpha for clients during this tenure. He has also been invited as a speaker and instructor at multiple conferences during this period to share some of his ideas and/or investment philosophy with the participants.

Before founding Maximal, Sarvesh was the fund manager at Trivantage Capital during 2016-17, a SEBI registered PMS fund (registration number INP000004656). Sarvesh was instrumental in setting the fund from ground zero to reach multi hundred crores in assets driven by his strong performance wherein he created returns in the range of 37 to 73% across strategies. At Trivantage Capital, Sarvesh has managed both – a diversified fund as well as a BFSI focused sectoral fund.

Preceding that, Sarvesh was Principal with Gaja Capital, one of India's leading private equity firm focused on investing in sectors across financial services, consumer products and services, education amongst others. At Gaja, he participated and often led the investment process including deal screening, promoter/intermediary meetings, company visits, financial/strategic/business diligence and research. He was the youngest at Gaja to be inducted in the top decision-making core investment team, having being promoted twice in a span of 3 years.





**Name** : N K Gupta

**Address** : 409, Nirman Kendra,  
Off Dr EM Road,  
Mahalakshmi West,  
Mumbai – 400 011

**Qualification** : N K Gupta is a B.E (Bachelor in Engineering) in Metallurgy (Silver Medalist) and LLB (Gold Medalist)

**Experience** : N K Gupta, Sarvesh Gupta's father is the other director of the company. He is an authority in the field of roll pass design in steel mills, having written and published the multiple famous books in the area such as *Steel Rolling – Principle, Process and Application*. Currently, he is an advisor to multiple national and international clients on the same subject matter. Prior to this he finished an illustrious career of around 35 years with SAIL (Steel Authority of India) during which he headed various departments and functions.

**(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis**

Not applicable

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

Maximal Capital Private Limited provides Discretionary Portfolio Management and Advisory services. Kindly refer to Point 5 for more details.

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

(i)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under	Nil
(ii)	The nature of the penalty/direction	Not Applicable
(iii)	Penalties imposed for any economic offence and/or for violation of any securities laws	Nil
(iv)	Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any	Nil
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency	Nil
(vi)	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	Nil

**5. Services Offered**

### DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES

Under the Discretionary Portfolio Management Services, the Portfolio Manager will have the sole and absolute discretion to deploy assets brought in by a client in any type of security as per the Agreement. This may include the responsibility of managing and reshuffling the portfolio, buying and selling securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

The Portfolio Manager shall have full and absolute discretion to make investment decisions on the client's behalf in any type of security as per executed Agreement. The Portfolio Manager's decision in deployment of the Clients account is absolute and final and can never be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except in the ground of conflict of interest, fraud, malafide intent or gross negligence by the Portfolio Manager. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Act, rules and regulations, guidelines and notifications in force from time to time.

The portfolio of a client may differ from that of another client in the same scheme as per the discretion of the Portfolio Manager.

#### Investment Approach

The Portfolio Manager currently offers two distinct investment approaches, as follows:

(1)	Maximal Pathfinder Value Fund
(2)	Maximal Income Fund



#### (1) Maximal Pathfinder Value Fund

Name of Investment approach	Maximal Pathfinder Value Fund
Investment Objective	The investment objective of the Portfolio Manager under this investment approach is to generate long-term capital appreciation on a risk-adjusted basis. Being long-only in nature, the endeavor is to beat the relevant benchmark over the relevant time horizon.
Description of types of securities e.g., equity or debt, listed or unlisted, convertible instruments, etc.	Equity - listed equity securities on the NSE & BSE, mutual funds, ETFs.
Allocation of portfolio across types of securities	0-100% may be invested in equity securities across large, mid, and small market capitalizations. Remaining may be deployed in any other investable securities depending on the discretion of the portfolio manager or cash or cash like instruments.
Basis for selection of securities	The portfolio manager shall make investments after undertaking detailed fundamental research on companies with a bottom-up investment framework across market caps.
Strategy	Equity
Appropriate benchmark to compare performance	S&P BSE 500 TRI
Basis for choice of benchmark	Since the portfolio manager expects to invest across market caps depending on the market cycles, the S&P BSE 500 TRI index has



	been selected as a benchmark. Over the long term, an excess performance of the scheme against the benchmark would give a good sense to the investor of the manager's skill.
Indicative tenure or investment horizon	3+ years
Risk associated with the investment approach	Refer to Point 6 – Risk Factors

## (2) Maximal Income Fund

Name of Investment approach	Maximal Income Fund
Investment Objective	The investment objective of the Portfolio Manager under this investment approach is to generate consistent income through dividends and interest, with the potential upside of capital appreciation. Over the long term, the scheme should give a total return more than its benchmark through better selection of securities. This scheme is meant for those investors who want to be invested through long cycles and ideally be invested for not less than 4-5 years.
Description of types of securities e.g., equity or debt, listed or unlisted, convertible instruments, etc.	Equity - listed equity securities on the NSE & BSE, equity mutual funds, equity ETFs. Debt - listed & unlisted debt instruments, debt mutual funds, debt ETFs. INVIT and REIT's – listed units of the same
Allocation of portfolio across types of securities	Equity – 0-100% may be invested in the securities mentioned above Debt – 0-100% may be invested in the securities mentioned above Other Investable Securities – 0 to 100%
Basis for selection of securities	The portfolio manager shall make investments after undertaking detailed fundamental research on the probable portfolio constituents and the sponsors.
Strategy	Debt
Appropriate benchmark to compare performance	Nifty Medium to Long Duration Debt Index
Basis for choice of benchmark	The above benchmark considers the appreciation and depreciation due to change in interest rates in the economy which impact all interest-bearing securities. Also, this indicates what an investor can earn on his own without needing a manager. Hence a net of fees performance of the scheme against this benchmark would give a good sense of portfolio manager's skill.
Indicative tenure or investment horizon	3+ years
Risk associated with the investment approach	Refer to Point 6 – Risk Factors





#### ADVISORY SERVICES

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations, 2020. The Portfolio Manager's responsibility shall include advising on the portfolio strategy, sectoral allocation and investment and divestment of individual securities on the client portfolio, for an agreed fee structure, entirely at the Client's risk

The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the investment/divestment of securities and/or administrative activities on the client's portfolio.

#### MINIMUM INVESTMENT AMOUNT

The Client shall deposit with the Portfolio Manager, an Initial Corpus consisting of securities and/or funds of an amount prescribed by the Portfolio Manager for a specific portfolio, subject to a minimum amount as specified under SEBI Regulations, as amended from time to time. Currently, the minimum investment amount is **INR 50 lakhs**. The client may on one or more occasions or on a continual basis, make further placement of funds under the service.

#### POLICY FOR INVESTMENT IN ASSOCIATE/GROUP COMPANIES

The Portfolio Manager will not invest in its subsidiary or associate companies.

#### DIRECT ONBOARDING OPTION

Investors have the option to invest directly with us without an intermediary.

#### 6. Risk Factors

- Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of investments will be achieved.
- Past performance of the Portfolio Manager is not indicative of its future performance.
- Investors are not being offered any guaranteed or assured return/s i.e., either of Principal or appreciation on the portfolio.
- Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.
- The liquidity of the portfolio's investments is inherently restricted by trading volumes in the securities in which it invests.
- The valuation of the portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. There will be no prior intimation or prior indication given to the Clients when the composition/asset allocation pattern changes.
- Risk Arising from Investment Objective, Investment Strategy and Asset Allocation Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the portfolio. Different segments of the financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchases due to settlement problems could cause the portfolio to miss certain investment opportunities.





By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well-developed and liquid secondary market for debt securities would result, at time, in potential losses to the portfolio, in case of a subsequent decline in the value of securities held in the portfolio

- The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields and/or higher capital appreciation potential. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields and/or higher capital appreciation potential. This may however increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the portfolio(s) and may lead to the investments incurring losses till the security is finally sold.
- The Portfolio Manager may, subject to authorization by the Client in writing, participate in securities lending. The Portfolio Manager may not be able to sell/lend out securities, which can lead to temporary illiquidity. There are risks inherent in 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. Such failure can result in a possible loss of rights to the collateral, the inability of the Approved Intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
- To the extent that the portfolio will be invested in securities denominated in foreign currencies, the India Rupee equivalent of the net assets, distributions and income may be adversely affected by fluctuations in foreign exchange rates caused by changes in regulations concerning exchange controls, political circumstances or other restrictions on investment.
- **Interest Rate Risk:** Changes in interest rates may affect valuation of the portfolio. Debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby of possible movements in the valuations of portfolios.
- **Liquidity or Marketability Risk:** Certain securities may become impossible to sell or not marketable due to the absence of any potential buyers. In such situations, the investment in the securities may be lost or its realization may be inordinately delayed.
- **Derivative Risk:** Derivatives are specialized instruments that require an understanding not only of the underlying interest but of derivatives itself. Schemes using derivatives/futures and Options products are affected by risks different from those associated with stock and bonds.
- Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of the derivatives and Futures and Options. Some of the risks relate to mispricing or the improper valuation of derivatives and the inability to correlate the positions with underlying assets, rates and indices, counter party risk. Also, the market for derivatives market is nascent in India.
- **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 carry lower 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





- Risks arising out of Non Diversification

Diversification of portfolio across asset classes, investment themes, sectors and securities is normally construed to be less risky for investors. It is to be noted that the portfolio is likely to be more focused on a single asset class, i.e., equities which inherently can be volatile. Further the portfolio could be subject to more risk on account of its concentration of investments into a few sectors or a limited number of securities. In addition to limited/inadequate diversification across asset classes, themes and sectors, the portfolio could be prone to higher risk on account of non-diversification across capitalizations, particularly if the portfolio has a bias towards mid-cap and small-cap companies

- Specific Risk factors pertaining to Unlisted Securities

In case of a Company's IPO, the investments maybe subject to regulatory lock in, if any, as prescribed by SEBI from time to time. Many of such investments made by the Portfolio Manager may be illiquid, and there can be no assurance that the Portfolio Manager will be able to realize value from such investments in a timely manner. Since such investment may involve a high degree of risk, poor performance by such investments could lead to adverse effects on investor portfolios.

### 7. Client Representation

Maximal Capital Private Limited does not have any interest in any other intermediation business like brokerage, depository, custody, etc. Its revenues are linked only to the portfolios that it manages.

Maximal Capital Private Limited will make best efforts to manage client accounts in the best interest of the client. Maximal Capital Private Limited shall not benefit from individual client account in any other manner apart from the management and performance linked fee charged to the client.

As the Portfolio Manager has received registration as a Portfolio Manager, under the SEBI (Portfolio Managers) Regulations, 2020 on 21<sup>st</sup> January 2022. Subsequently, PMS operations were started in May'22 and data below are for client representation as on 31<sup>st</sup> August 2024.

Category of Clients	No. of Unique Clients	Funds Managed (in Cr.)
Associate / Group Companies	0	0
PMS Discretionary	65	143.6
Advisory	4	7.5
<b>Total Client Accounts</b>	<b>69</b>	<b>151.1</b>

### Names of related party where there was transaction during the period ending 31st March 2024

Name	Relationship	AUM as on 31st March 2024 (INR)	Fees Paid to Maximal Capital (excluding GST in INR)
Mr. Sarvesh Gupta	KMP	1,03,81,329.8	0
Mr. Anubhav Mehrotra	Relative of KMP	1,00,21,148.4	1,000

### 8. Financial Performance of the Portfolio Manager

As per SEBI requirement, a Portfolio Manager is supposed to have a Net Worth of over Rs 5 Crores and Maximal Capital Private Limited satisfies this requirement. More detailed financial accounts of Maximal Capital Private Limited are attached in Annexure 1.





## 9. Portfolio Management Performance

The Portfolio Manager has received registration as a Portfolio Manager, under the SEBI (Portfolio Managers) Regulations, 2020 on 21<sup>st</sup> January 2022 and has no historic data for previous years.

SEBI reported Performance (in % terms)	FY 2024-25 <sup>^</sup>	FY 2023-24	FY 2022-23*
<b>Maximal Path finder Value Fund</b>	33.3	67.2	11.8
<b>Benchmark (S&amp;P BSE 500 TRI)</b>	17.7	40.2	5.7
<b>Maximal Income Fund</b>	10.7	31.3	6.5
<b>Benchmark (Nifty Medium to Long Duration Debt Index)</b>	3.5	8.2	6.7

\*FY2022-23 Data is since inception date (~May22 for Pathfinder Value Fund and ~June22 for Income Fund

<sup>^</sup>FY2024-25 Data is from Apr24 to end of Aug24

## 10. Audit Observations

There has been no major Audit observation.

## 11. Nature of Expenses

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

### (a) Entry Fees

There is no entry load.

### (b) Portfolio Management Fees

Portfolio Management Fee charged may be a flat fee or a fixed fee or a return based fee or a combination of any of these. Fixed fee maybe charged upto 3% per annum, flat fee maybe charged depending on the AUM of the client, performance fee maybe charged upto 100% of the profits depending on the hurdle selected by the client. The hurdle rate maybe fixed or variable. Specifics will be as per the agreement between the client and the portfolio manager,

### (c) Termination Fees\*

Exit loads may or may not be charged to the client and will be detailed in the client agreement. Exit load will be subject to the limits as per PMS regulations (3% in first year, 2% in second year and 1% in third year).

### (d) Custodian/ Depository Participant Fee

The charges relating to opening and operation of demat accounts, custody and transfer charges of shares, bonds and units, custodian charges etc. will not be exceeding 10bps of the average daily assets under management of the client. Taxes including GST are charged on the fees as applicable.

### (e) Brokerage and transaction cost

The brokerage and other charges like Service tax, Stamp Duty, Security Transaction Tax, SEBI fees, Exchange fees, Settlement charges, Bank charges, Turnover tax, Foreign Tax, GST and other charges (if any), as per the rates existing from time to time, will be charged on actual. The investment by Portfolio Manager will be done by any SEBI Registered stock broker only and would be as per the rates negotiated between Portfolio Manager and the broker. The charges relating to brokerage will be recovered on actual by Portfolio Manager.

### (f) Registrar and transfer agent fee

Charges payable to the Registrar and Share Transfer Agents in connection with effecting transfer of securities and bonds, units, etc. including stamp charges, cost of affidavit, notary charges, postage and courier charges and other related charges will be recovered on actual.



**(g) Certification charges and Professional fees**

Any charges payable for outsourced professional services like taxation, auditing and any legal services, franking charges and notarization, etc. incurred on behalf of the client by the Portfolio Manager, will be charged to the client on actual.

**(h) Out of Pocket and Other Incidental Expenses**

Charges in connection with day to day operations like courier expenses, stamp duty, document franking charges, notary charges, service tax, other statutory levies, opening of bank, trading and demat accounts and any other out of pocket expenses incurred by the Portfolio Manager, on behalf of the client, would be recovered from the client. Any other charges and levies by the Government or other regulatory authorities, such as GST and other charges levied by third parties in connection with transactions executed by the Portfolio Manager on behalf of the client. All aforementioned expenses would be the account of the client on the basis of actual expenses.

## 12. Tax Provisions

Clients will be responsible and liable for all 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 obligations. In view of the individual nature of tax consequences on any income, capital gains or otherwise, each Client is advised to consult his/her/its tax advisor with respect to the specific tax consequences to him/her/it with respect to participation in the Portfolio Management Services.

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 fulfillment of the client's tax obligations.

### 12.1 Tax deduction at source

Tax is required to be deducted at source for non-residents by the authorized dealer under section 195 of the Income Tax Act, 1961 (the Act'). If required, tax will be withheld for non-residents. 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.

Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIIB, shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the higher of the following rates, namely:

- (i) at the rate specified in the relevant provision of this Income Tax Act; or
- (ii) at the rate or rates in force; or
- (iii) at the rate of twenty per cent. Health and Education cess @ 4% is applicable.

### 12.2 Advance tax installment obligations

It shall be the Client's responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Act.

## 13. Accounting Policies

- A. Maximal Capital Private Limited shall maintain a separate portfolio record in the name of the client to account for the assets of the client and any receipts, income and expenses in connection therewith as provided under SEBI Regulations (Portfolio Managers Regulations 2020).
- B. For every Client portfolio, Maximal Capital Private Limited shall keep and maintain proper books of accounts, records and documents, for the Client, on mercantile system of accounting, so as to explain





its transactions and to disclose at any point of time the financial position of the Client portfolio and Financial Statements and in particular give a true and fair view of the state of affairs.

- C. The following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts, records for the client.
1. For the purposes of the financial statements, Maximal Capital Private Limited shall carry all investments in the balance sheet at cost.
  2. Investments introduced by the client in his portfolio will be booked at the market value as of the date of introduction to the portfolio.
  3. Dividend income earned by a Client shall be recognized not on the date the dividend is declared, but on the date the shares are quoted on an ex-dividend basis. For investments which are not quoted on a stock exchange, dividend income shall be recognized on the date of actual receipt.
  4. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account.
  5. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
  6. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.
  7. Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that same year.
  8. Bonus shares to which the Client becomes entitled shall be recognized only after the ex-date of the bonus issuance of the original shares.
  9. Rights entitlement shall be recognized after the allotment of the new shares as per the rights entitlement.
  10. The cost of investments acquired or purchased shall include brokerage, GST, securities transaction tax, stamp duty and any other charges customarily included in the broker's contract note.
  11. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
  12. All other income & expenses shall be accounted on accrual basis.
  13. Investments in equities and exchange traded funds will be valued at the closing market prices at the stock exchange (Bombay Stock Exchange (BSE) or National Stock Exchange (NSE) as the case may be). In case any securities are not traded on the valuation date, the last available traded price shall be used for the valuation of those securities. Debt instruments will be valued at the clean price.
  14. Investments in units of Mutual Funds shall be valued at the repurchase price or the NAV 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 purpose.
  15. Open positions in derivative transactions, will be marked to market on the valuation date.
  16. Pending listing on BSE/NSE, securities relating from a demerger are valued at their apportioned costs as per the ratios/values in terms of the scheme.
  17. Private equity/Pre IPO placements will be valued at cost or at an available last deal price at which the company has placed similar securities to other inventors.





18. Unrealized gain/loss is the difference between the current market value/Net Asset Value and the historical cost of the securities.
19. The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of investments or accounting, if the same is mutually agreed between them.

#### 14. Investor Services

**i. Name, Address, and Telephone Number of the Investor Relation Officer, who shall attend to the investor queries and complaints.**

Name : Sarvesh Gupta  
 Address : 409, Nirman Kendra, Off Dr EM Road, Mahalakshmi West, Mumbai -11  
 Telephone : +91 97698 20022  
 Email : sarvesh@maximalcapital.com

**ii. Grievance redressal and dispute settlement mechanism**

The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. The Investment Relation Officer(s) shall be responsible for redressing the grievances of the Clients.

All disputes, differences, claims and questions whatsoever arising from (i) the Agreement between the Client and the Portfolio Manager and (ii) the services to be rendered by the Portfolio Manager and/or their respective representatives shall be attempted to be resolved by discussions between the parties and amicable settlement. In case the disputes remain unsettled, the same shall be referred to a sole arbitrator and such arbitration shall be in accordance with and subject to the provisions of The Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force.

Such Arbitration proceedings shall be held at Mumbai.

In addition to the above, the clients can also Login to the SEBI SCORES website [www.scores.gov.in](http://www.scores.gov.in) to register their grievances/complaints.



#### 15. Details of investments in the securities of related parties of the portfolio manager



There are no investments in the securities of related parties of the portfolio manager.

Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
NA	NA	Nil	Nil	Nil

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

The Portfolio Manager follows a comprehensive diversification policy designed to optimize risk-adjusted returns while minimizing portfolio risks. This policy includes a dynamic asset allocation strategy that distributes investments across asset classes based on investment approach.

**Name and sign of at least 2 directors of Portfolio Manager**

Name	Signature
Sarvesh Gupta	 Date: September 30, 2024 Place: Mumbai
Nand Kishore Gupta	 Date: September 30, 2024 Place: Mumbai

**Annexure 1**

**Summary of Yearly Audited Financial Statements of Portfolio Manager**

(Rounded off to nearest INR lakhs)	As on 31.03.24	As on 31.03.23
<b><u>Profit &amp; Loss Statement</u></b>		
Total Income	481	86
Profit After Tax	304	10
<b><u>Balance Sheet</u></b>		
<b><u>A. SOURCES OF FUNDS</u></b>		
1) Paid up Capital	550	550
2) Reserves and Surplus	298	(5)
3) Current Liabilities	132	7
	980	552
<b><u>B. APPLICATION OF FUNDS</u></b>		
1) Non-Current Assets	563	414
2) Current Assets	417	138
	980	552

