CERTIFICATE

The Board of Directors,

Money Grow Asset Private Limited
B 1202 Vivarea Sane Guruji Marg,
Mahalaxmi, Mumbai, Maharashtra, 400011

Dear Sir / Madam,

You have requested us to provide a certificate on the Disclosure document for Portfolio Management services ("the Disclosure Document") of **Money Grow Asset Private Limited** ("the Company"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").

1. The Perpetration of 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 company. 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.

2. 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 company.

   ii. The Promoters and director's 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 company 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. 81.14 Crore as on October 31, 2023.

3 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 November 22, 2023 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.

This certificate is intended solely for the use of the management of the company for the purpose as specified in paragraph 1 above.

For Aneel Lasod and Associates

Chartered Accountants

Firm Regn.No.124609W

Aneel Lasod

Digitally signed by Aneel Lasod
Date: 2023.11.22 15:35:55 +05'30'

Aneel Lasod

(Partner)

Membership No.040117

Place: Mumbai

Date: 22-November-2023

UDIN: 23040117BGXAGS7232

MONEYGROW ASSET PRIVATE LIMITED

DISCLOSURE DOCUMENT

As required under Regulation 22(3) of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

DECLARATION

The Disclosure Document (hereinafter referred as the **"Document"**) has been filed with the Securities and Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (**"Regulations"**).

The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging "MONEYGROW ASSET PRIVATE LIMITED" (hereinafter referred as the **("Portfolio Manager")** as the portfolio manager.

The Document contains the necessary information about the Portfolio Manager required by an investor before investing. The investor may also be advised to retain the Document for future reference.

The following are the Details of the Portfolio Manager:

Name	MONEYGROW ASSET PRIVATE LIMITED
SEBI Registration Number	INP000007915
Registered Address	B-1202, Vivarea, Sane Guruji Marg, Mahalaxmi, Mumbai 400011. Maharashtra. India
Correspondence Address	804, Lodha Supremus, 2 Senapati Bapat Marg, Lower Parel (West), Mumbai 400013. Maharashtra. India.

The following are the Details of the Principal Officer:

Name	MANISH GUPTA
Email	manish.gupta@moneygrowindia.com
Phone	+91 98202 60200

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1. Disclaimer

1.1. The particulars of this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020, as amended till date and filed with SEBI.

1.2. 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

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

2.1. **Agreement:** means the portfolio management services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.

2.2. **Applicable Law/s:** means any applicable statute, law, ordinance, regulation including the 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.

2.3. **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.

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

2.5. **Client / Investor:** means domestic Indian resident individuals, Non-Resident Indians, body corporate, partnership firms, trusts, societies, 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.

2.6. **Disclosure Document or Document:** means this document issued by the Portfolio Manager.

2.7. **Financial Year:** means a **financial** year shall be the period of 12 months commencing on 1st of April and ending on the 31st March of the succeeding year.

2.8. **Fixed Fee**: means fixed fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

2.9. **Non-Resident Indian or NRI:** means a person resident outside of India who is a citizen of India.

2.10. **Performance Fee:** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

2.11. **Person:** means **and** includes any individual, partnership, limited liability partnership, corporation, company, body corporate, unincorporated organization or association, trust or other entity whether incorporated or otherwise.

2.12. **Portfolio or Client Portfolio:** means the total holdings of all investments, Securities and funds belonging to the Client in accordance with the Agreement.

2.13. **Portfolio Entity/ies:** means companies, enterprises, entities, bodies corporate, venture capital funds, trusts, limited liability partnerships, partnership firms or any other entities in the Securities of which the monies of the Portfolio are invested subject to Applicable Law/s.

2.14. **Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the clients under the PMS from time to time.

2.15. **Portfolio Management Fee:** means the portfolio management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

2.16. **Portfolio Manager:** means Moneygrow Asset Private Limited having its registered office B-1202, Vivarea, Sane Guruji Marg, Mahalaxmi, Mumbai- 400011,who pursuant to a contract or arrangement with a Client / Investor, advises or directs or undertakes on behalf of the Client / Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client / Investor, as the case may be.

2.17. **Principal Officer:** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

2.18. **PMS:** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement and in accordance with the terms of this Document.

2.19. **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.

2.20. **Product:** means the investment approaches with the respective investment strategy/ features, introduced by the Portfolio Manager from time to time.

2.21. **Regulations:** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.

2.22. **Related Party:** means (i) a director, partner or his relative; (ii) a key managerial personnel or his relative, (iii) a firm, in which a director, partner, manager or his relative is a partner; (iv) a private company in which a director, partner or manager or his relative is a member or director; (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two percent of its paid-up share capital;, (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager; (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) an body corporate which is a (a) a holding, subsidiary or an associate company of the portfolio manager; or (b) a subsidiary of a holding company to which the portfolio manager is also a subsidiary; (c) an investing company or the venturer of the portfolio manager; Explanation – For the purpose of this clause, “investing company or the venturer of a portfolio manager” means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate. (ix) a related party as defined under the applicable accounting standards; (x) such other person as may be specified by the Board provided that, (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or (b) any person or any entity, holding equity shares: (i) of twenty per cent or more; or (ii) of ten percent of more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party;

2.23. **SEBI:** mean the Securities and Exchange Board of India.

2.24. **Securities:** means and includes securities/instruments of Portfolio Entities including equity shares, quasi equity shares, preference shares, debentures (whether convertible or non-convertible and whether secured or unsecured), convertible securities, depository receipts, bonds, secured premium notes, government securities, pass-through certificates, treasury bills, units, derivatives, equity linked products, debt, hybrid debt products, mortgage-backed securities, commercial debt papers, notes, units of a trust, units of a mutual fund, units of alternative investment fund and any other instrument falling within the definition of 'security' under section 2(h) of the Securities Contract (Regulation) Act, 1956.

2.25. **Term:** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

2.26. any term used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.

3. Description

3.1. History, Present Business and Background of the Portfolio Manager

The Portfolio Manager has been incorporated on 14 January 2022 at Mumbai. The Portfolio Manager is registered with SEBI bearing registration number INP000007915. It provides portfolio management and advisory services to High Networth Individuals (HNIs), institutional clients, corporates and other permissible class of investors.

3.2. Promoters of the Portfolio Manager, Directors and their background

The promoters and directors of the Portfolio Manager and their brief background is given below:

3.2.1. Mr. Manish Gupta

Manish has done Five-year Integrated M.Tech from IIT Delhi, PGDM from IIM Ahmedabad and holds the CFA charter from the CFA Institute, USA.

Manish Gupta was part of the senior leadership team at CLSA's Institutional Equities business in Mumbai and New York. During his 17-years at CLSA, Manish was involved in identifying and evaluating potential investment opportunities in Indian equity market and advising leading FPIs, insurance companies, mutual funds, private equity funds and sovereign wealth funds on the identified investments. He was involved in numerous IPOs, QIPs, equity placements, block trades during his tenure.

3.2.2. Mrs. Pooja Gupta

Pooja is a B.A. (Hons) from Delhi University and holds PGDBA, (K.J. Somaiya Institute of Management Studies and Research). Pooja has worked with ICICI Bank Limited for 5 years as a senior manager in the Credit Card operations and was part of the team that was responsible for smooth issuance and running of credit card business.

3.3. Top 10 Group companies/firms of the Portfolio Manager on turnover basis

The promoters of the Portfolio Manager are also founders/partners of partnership firm 'Girik Enterprises'. Girik Enterprises is engaged in proprietary investments and consultancy.

3.4. Details of the services being offered: Discretionary Portfolio Management, Non-Discretionary Portfolio Management and Investment Advisory services

The Portfolio Manager proposes to primarily carry-on discretionary portfolio management services, non-discretionary portfolio management services and investment advisory services. All clients will have the option to be onboarded directly to avail these services, without intermediation of persons engaged in distribution services. The key features of all the said service is provided as follows:

3.4.1. Discretionary Services:

Under the discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question except on the ground of fraud, malafide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Law/s in force from time to time, including the Regulations. Periodical statements in respect of the Client's assets under management shall be sent to the respective Clients.

3.4.2. Non - Discretionary Services:

Under the non-discretionary PMS, the assets of the client are managed in consultation with the Client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment. The Portfolio Manager inter alia manages transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the Client.

3.4.3. Investment Advisory services:

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Clients and agreed upon in the Client agreement. The Portfolio Manager will render the best possible advice to the Client having regard to the Client's needs and the environment, the same will be non-binding in nature in accordance with the terms mentioned in the Agreement. For such services, the Portfolio Manager shall charge the Client a fee for services rendered as mentioned in the Agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry / exit timing, execution and settlement are solely the Client's responsibility.

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

S No	Description	Penalty
(i)	All cases of penalties imposed by SEBI or the directions issued by SEBI under Applicable Law/s.	None
(ii)	The nature of the penalty/direction	None
(iii)	Penalties imposed for any economic offence and/ or for violation of any securities laws.	None
(iv)	Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.	None
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency.	None

(vi)	Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its partners, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer or employee, under Applicable Law/s.	None

5. Services Offered

The Portfolio Manager is presently offering the following Investment Approaches

5.1. Investment Approach: Flexicap Portfolio

5.1.1. **Fund Manager**: Manish Gupta

5.1.2. **Investment objective:** To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.

5.1.3. **Description of types of securities:** Under Flexicap Portfolio, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of liquid funds or money market funds and some part might be retained as bank balance in bank account.

5.1.4. **Basis of selection of such types of securities:** The Flexicap Portfolio is based on generating returns by investing in participating instruments of companies where we have confidence in the quality of the management, and we expect a 15-25% CAGR growth in the underlying business over the next 3-5 years. Various quantitative parameters like revenue growth, free cash flow generation, return on capital employed etc will be considered to select the actual investments. Under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in the form of bank balance.

5.1.5. **Allocation of portfolio across types of securities**:

Type of security	Allocation in portfolio
Equity and equity linked instruments	>= 70%
Money market funds/ Liquid Funds/ Bank balance	Up to 30%

5.1.6. **Strategy:** Equity

5.1.7. **Appropriate benchmark to compare performance:** S&P BSE 500 Total Return Index

5.1.8. **Basis for choice of benchmark:** Since the investment approach will be investing in large-cap, mid-cap and small-cap companies, it is prudent to benchmark the performance to an index that has representation from all the 3 categories. Hence S&P BSE 500 TRI Index has been selected as the benchmark for comparing performance.

5.1.9. **Minimum investment:** The minimum value of investment which will be accepted towards initial corpus would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time.

5.1.10. **Indicative tenure or investment horizon:** 3-5 years

5.1.11. **Lock-in Period:** Nil

5.1.12. **Exit load:** Exit load on withdrawal of monies/securities being managed under Flexicap Portfolio shall be agreed upon with each client and specified in more detail in the Agreement.

5.1.13. **Redemption/Partial withdrawals:** Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in sub-clause 5.1.7 above.

5.1.14. **Use of derivatives:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then the client can mention Derivatives as negative security in the Agreement and the Portfolio Manager will be barred from using derivatives in the client's portfolio.

5.1.15. **Risks associated with the investment approach:** Please refer the 'Clause 6 - Risk Factors' below.

5.2. Investment Approach: Bespoke Portfolio (Earlier known as "Customized Portfolio")

5.2.1. **Fund Manager:** Manish Gupta

5.2.2. **Investment objective:** Bespoke Portfolio strategy is designed to meet the specific investment requirements of investors based on risk and investment profile of the investor. To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.

5.2.3. **Description of types of securities:** Under Bespoke Portfolio approach, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of liquid funds or money market funds and some part might be retained as bank balance in bank account.

5.2.4. **Basis of selection of such types of securities:** The Bespoke Portfolio approach is based on generating returns by investing in participating instruments of companies where we have confidence in the quality of the management, and we expect a 15-25% CAGR growth in the underlying business over the next 3-5 years. Various quantitative parameters like revenue growth, free cash flow generation, return on capital employed etc will be considered to select the actual investments. Under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in the form of bank balance.

5.2.5. **Allocation of portfolio across types of securities**:

Type of security	Allocation in portfolio
Equity and equity linked instruments	>= 50%
Money market funds/ Liquid Funds/ Bank balance	Up to 50%

5.2.6. **Strategy:** Equity

5.2.7. **Appropriate benchmark to compare performance**: S&P BSE 500 Total Return Index

5.2.8. **Basis for choice of benchmark**: Since the investment approach will be investing in large-cap, mid-cap and small-cap companies, it is prudent to benchmark the performance to an index that has representation from all the 3 categories. Hence S&P BSE 500 TRI Index has been selected as the benchmark for comparing performance.

5.2.9. **Minimum investment**: The minimum value of investment which will be accepted towards initial corpus would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time.

5.2.10. **Indicative tenure or investment horizon**: 3-5 years

5.2.11. **Lock-in Period**: Nil

5.2.12. **Exit load**: Exit load on withdrawal of monies/securities being managed under Bespoke Portfolio shall be agreed upon with each client and specified in more detail in the Agreement.

5.2.13. **Redemption/Partial withdrawals**: Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in sub-clause 5.2.7 above.

5.2.14. **Use of derivatives**: The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then the client can mention Derivatives as negative security in the Agreement and the Portfolio Manager will be barred from using derivatives in the client's portfolio.

5.2.15. **Risks associated with the investment approach**: Please refer the 'Clause 6 - Risk Factors' below.

5.3. Investment Approach: Liquid Portfolio

5.3.1. **Fund Manager:** Manish Gupta

5.3.2. **Investment Objective**: To invest the client's capital in liquid or overnight funds.

5.3.3. **Description of Securities**: Under Liquid investment approach, client monies would primarily be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

5.3.4. **Basis of Selection of type of security**: The Liquid investment approach is based on investing money in units of liquid funds, overnight funds, debt oriented funds, money market funds or simply as bank balance.

5.3.5. **Allocation of portfolio across types of securities**:

Type of security	Allocation in portfolio
Liquid Funds, Money Market Funds, Gilt schemes, Debt oriented schemes, Bank Balance	100%

5.3.6. **Strategy:** Debt

5.3.7. **Appropriate benchmark to compare performance**: CRISIL Composite Bond Fund Index

5.3.8. **Basis for choice of benchmark**: The portfolio will consist of units of money market and liquid funds. Hence, CRISIL Composite Bond Fund Index has been selected as the benchmark for comparing performance.

5.3.9. **Minimum Investment**: The minimum value of investment which will be accepted towards initial corpus would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time.

5.3.10. **Indicative tenure or investment horizon**: Not applicable under this approach

5.3.11. **Minimum tenure**: Not applicable under this approach

5.3.12. **Lock-in period**: Nil

5.3.13. **Exit load**: Nil

5.3.14. **Redemptions / Partial withdrawals**: Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in sub-clause 5.3.7 above.

5.3.15. **Use of derivatives**: Not applicable under this approach.

5.3.16. **Risks associated with the investment approach**: Please refer the 'Clause 6 - Risk Factors' below.

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

The Portfolio Manager would currently not be making investments in associates/group companies and would disclose the same in this Document, in case it decides to make investments in future.

5.4. Investment Approach: Small & Midcap Portfolio

5.4.1. **Fund Manager:** Viraj Mahadevia

5.4.2. **Investment objective:** To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.

5.4.3. **Description of types of securities:** Under Small & Midcap Portfolio, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of liquid funds or money market funds and some part might be retained as bank balance in bank account.

5.4.4. **Basis of selection of such types of securities:** The Small & Midcap Portfolio is based on generating returns by investing in participating instruments of companies where we have confidence in the opportunity in the sector/sub-sector, in the vision and governance of the management, and we expect a 15-25% CAGR growth in the underlying business over the next 5-7 years. Various quantitative parameters like size of target addressable market, revenue growth, free cash flow generation, return on capital employed etc will be considered to select the actual investments. Under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in the form of bank balance.

5.4.5. **Allocation of portfolio across types of securities**:

Type of security	Allocation in portfolio
Equity and equity linked instruments	>= 70%
Money market funds/ Liquid Funds/ Bank balance	Up to 30%

5.4.6. **Strategy:** Equity

5.4.7. **Appropriate benchmark to compare performance:** S&P BSE 500 Total Return Index

5.4.8. **Basis for choice of benchmark:** Since the investment approach will be investing in mid-cap and small-cap companies, it is prudent to benchmark the performance to an index that has representation from all the 3 categories. Hence S&P BSE 500 TRI Index has been selected as the benchmark for comparing performance.

5.4.9. **Minimum investment:** The minimum value of investment which will be accepted towards initial corpus would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than the amount stipulated by the Regulations from time to time.

5.4.10. **Indicative tenure or investment horizon:** 3-5 years

5.4.11. **Lock-in Period:** Nil

5.4.12. **Exit load:** Exit load on withdrawal of monies/securities being managed under Small & Midcap Portfolio shall be agreed upon with each client and specified in more detail in the Agreement.

5.4.13. **Redemption/Partial withdrawals:** Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in sub-clause 5.1.7 above.

5.4.14. **Use of derivatives:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then the client can mention Derivatives as negative security in the Agreement and the Portfolio Manager will be barred from using derivatives in the client's portfolio.

5.4.15. **Risks associated with the investment approach:** Please refer the 'Clause 6 - Risk Factors' below.

6. Risk factors

6.1. General Risk:

6.1.1. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.

6.1.2. The Portfolio Manager has no prior experience/track record in the field of portfolio management services and has obtained a license to function as a portfolio manager only on 14-March-2023.

6.1.3. Without prejudice to the above, the past performance of the Portfolio Manager does not indicate its future performance.

6.1.4. Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.

6.1.5. The performance of the Client Portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.

6.1.6. The Portfolio Management Service is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.

6.2. Risks associated with investments in equity and equity linked securities:

6.2.1. Listed equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.

6.2.2. In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.

6.2.3. In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.

6.2.4. The value of the Portfolio 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 policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.

6.2.5. Investors may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

6.3. Risks associated with investments in derivatives:

6.3.1. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of such strategies to be persuaded by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.

6.3.2. The risks associated with the use of derivatives are different from or possibly greater than the risk associated with investing directly in securities and other traditional investments.

6.3.3. As and when the Portfolio Manager on behalf of Clients would trade in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

6.3.4. The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.

6.3.5. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

6.3.6. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

6.4. Risks associated with investments in fixed income securities/products:

6.4.1. Some of the common risks associated with investments in fixed income and money market Securities are mentioned below. These risks include but are not restricted to:

6.4.2. Interest Rate Risk: As with all debt securities, changes in interest rates affects the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of portfolios.

6.4.3. Liquidity or Marketability Risk: This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is a characteristic of the Indian fixed income market.

6.4.4. Credit Risk: Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

6.4.5. Reinvestment Risk: Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

6.4.6. Rating risks: Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.

6.4.7. Price volatility risk: Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these Securities may be less liquid than that for other higher rated or more widely followed Securities.

6.4.8. Identification of Appropriate Investments: The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

6.5. Management and Operational risks:

6.5.1. Reliance on the Portfolio Manager

6.5.1.1. The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time.

6.5.1.2. The investment decisions made by the Portfolio Manager may not always be profitable.

6.5.1.3. Investments made by the Portfolio Manager are subject to risks arising from the investment objectives, investment strategy and asset allocation.

6.5.2. Inter-se different activities: The Portfolio Manager may involve itself in a variety of advisory, management and investment-related activities including management of alternative investment funds and intend to continue to do so in the future. The Portfolio Manager and any of its affiliate/group entities may, from time to time, act as investment managers or advisers to entities, companies or funds apart from the portfolio management activities under the PMS. It is therefore possible that the Portfolio Manager and its affiliates may in the course of their business have potential conflicts of interest inter-se different activities.

6.5.3. Exit Load: Client may have to pay a high exit load to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client) for termination of the Agreement within specific time periods. In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

6.5.4. Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments, However, the Portfolio Manager will attempt to maintain a diversified portfolio in order to minimize this risk.

6.5.5. No Guarantee: Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, 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 scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

6.6. India-related Risks

6.6.1. Political, economic and social risks: Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

6.6.2. Inflation Risk: Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

6.7. Legal and Tax risks:

6.7.1. Tax risks: Changes in state and central taxes and other levies in India may have an adverse effect on the cost of operating activities of the Portfolio Entities. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes.

6.7.2. Change in Regulation: Any change in the Regulations and/or other Applicable Law/s or any new direction of SEBI may adversely impact the operation of the PMS.

6.8. Risks pertaining to Investments in Securities/Instruments:

6.8.1. The Client Portfolio may comprise of investment in fixed income Securities, debt Securities/products and in case of such Securities, the Portfolio Manager's ability to protect the investment or seek returns or, liquidity may be limited.

6.8.2. The Client Portfolio may be invested in listed securities and as such may be subject to the market risk associated with the vagaries of the capital market.

6.8.3. The Portfolio Manager may also invest in Portfolio Entity/ies which are newly listed on stock market. Such investments may present greater opportunities for growth but also carry a greater risk than is usually associated with investments in listed equity shares of established companies, which often have a historical record of performance.

6.8.4. In case of investments in mutual fund, The Client shall bear recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.

7. Client Representation

7.1. The client representation as on 31-Oct-2023 is as follows:

Category of clients	No. of clients	Funds managed (Rs. Crores)	Discretionary (Rs. Crores)	Non-discretionary (Rs. Crores)
Associate / Group companies (last 3 years)	3	35.64	34.83	0.82
Others (last 3 years)	16	45.50	45.00	0.50
Total	19	81.14	79.83	1.32

7.2. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India: NIL

8. Financial Performance

The Portfolio Manager was incorporated in January 2022. Financial highlights of FY22-23 and FY21-22 are given as under:

Particulars (in Rs '000s)	FY 2022-23 (Audited)	FY 2021-22 (Audited)
Gross Income	1,747	NIL
Profit/(Loss) before Depreciation & Tax	(2,152)	(2)
Depreciation	40	NIL
Profit/(Loss) before Tax	(2,192)	(2)
Provision for Tax	0	NIL
Profit/(Loss) after Tax	(2,192)	(2)

9. Performance of 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' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

S No	Investment Approach	AUM (Rs Crores)	Inception Date	FY23-24 (Since Inception till 31-Oct-23)
1	Bespoke	29.56	13-Apr-2023	18.42
	S&P BSE 500 TRI			12.98
2	Flexicap	50.27	11-Apr-2023	12.76
	S&P BSE 500 TRI			14.15
3	NDPMS	1.32	11-Apr-2023	14.25
	S&P BSE 500 TRI			14.15

10. Audit Observations for preceding three years

The Portfolio Manager is incorporated in January 2022. For the FY21-22 and FY22-23, there are no audit observations.

11. Nature of expenses

The following are the general costs and expenses to be borne by the Clients availing the services of the Portfolio Manager. However, the exact nature of expenses relating to each of the following services is annexed to the Agreement in respect of each of the services provided.

11.1. Portfolio Management Fees (For Discretionary PMS and Non-Discretionary PMS):

11.1.1. Fixed Fee: The Fixed Fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed as agreed in the Agreement. It will range from 0 bps to 250 bps per annum**.**

11.1.2. Performance Fee: The Performance Fee relates to the share of profits charged by the Portfolio Manager, subject to hurdle rate and high-water mark principle. It will range from 0% to 25% per annum**.**

11.2. Advisory Fee (For Advisory PMS):

The advisory fee relates to the investment advisory services offered by the Portfolio Manager to the Client. The fee may be a fixed charge or a percentage of the quantum of the funds being advised as agreed in the agreement. Fixed charges can be up to INR 125,000/annum and if fee is linked to Assets under Advice, it will range from 0 bps to 250bps per annum.

11.3. Operating Charges/Expenses (For all types of PMS):

The Portfolio Manager may incur the following expenses which shall be charged to the client:

11.3.1. **Account opening expenses:** Transaction expenses incurred at the time of execution of the agreement and related documents for account opening. e.g. documentation charges, statutory levies, stamp paper etc. It will range from INR 1000-2000 per account.

11.3.2. **Operating expenses:** Charges related to custodial fees, fund accounting fees, depository charges and any other charge related to opening and operation of demat accounts e.g. dematerialization, rematerialisation charges etc. It will range from 5-10 bps.

11.3.3. **Audit expenses:** Charges related to audit, verification fees and valuation charges. It will range from INR 1000-3000 per account.

11.3.4. **Brokerage and transaction charges**: Brokerage charges and transaction charges like securities transaction tax (STT), stamp duty, turnover fees and such other levies as may be imposed from time to time. Brokerage charges will be in the range of 10-20 bps. These charges may be applicable at actuals.

11.3.5. **Legal and statutory expenses** including litigation expenses, if any, in relation to the portfolio. These charges may be applicable at actuals.

11.3.6. All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above, whether agreed upon in the Agreement or not, arising out of or in the course of managing or operating the Portfolio. These charges may be applicable at actuals.

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

11.4. Exit Load (For all types of PMS):

Portfolio Manager shall charge exit load to the Client in the following manner:

- In the 1st year of investment: Maximum 3% of the amount redeemed
- In the 2nd year of investment: Maximum 2% of the amount redeemed
- In the 3rd year of Investment: Maximum 1% of the amount redeemed
- After 3 years from the date of investment: Nil

The exit load will be as agreed in the Agreement.

11.5. Goods and Services Tax (GST): As applicable from time to time, charged over and above all fees and charges billed to the client.

12. Taxation

The information furnished below outlines briefly the key tax implications applicable to the Clients investing in the Securities based on advice received from the Portfolio Manager. The tax implications are based on the relevant provisions of the Income-tax Act, 1961, ('the Act'), as amended by the Finance Act, 2022 (collectively referred to as 'the relevant provisions'). Since the information below is based on the relevant provisions as on the date of this document, any subsequent changes in the said provisions could impact the overall tax considerations for the Client.

The following information is provided for general information purposes only. The following summary of the anticipated tax treatment does not constitute legal or tax advice and is based on the taxation law and practice in force at the date of this document. While this summary is considered to be a correct interpretation of existing laws and practice in force on the date of this document, no assurance can be given that courts or other authorities responsible for the administration of such laws will agree with this interpretation, or that changes in such laws or practice will not occur. This summary does not purport to be a complete analysis of all relevant tax considerations, nor does it purport to be a complete description of all potential risks inherent in investing in the Securities based on advice received from the Portfolio Manager. Clients should make their own investigation of the tax consequences of such investment and each Client is advised to consult its own tax advisor with respect to the specific tax consequences. The Portfolio Manager is not making any representation or warranty to any Client regarding any legal interpretations and tax consequences to the Client.

12.1. Tax Implications to investors

Income arising from purchase and sale of equity shares or preference shares or debentures (hereinafter referred to as 'securities') under PMS can give rise to business income or capital gains in the hands of the client. The issue of characterization of income is relevant as the tax computation and rates differ in either of the two situations.

The characterization of income arising from transfer of securities as business income or as capital gains is dependent on whether the securities are held as business / trading assets or on capital account.

Based on various judicial precedents and CBDT Circulars / Instructions, certain tests are laid down to distinguish between shares held as stock in trade and shares held as investment. However, many of the tests laid down in CBDT Circular / Instruction and by Courts are subjective and prone to individual interpretation. In light thereof, each investor will have to independently determine whether income from transfer of securities will be characterised as 'business income' or 'capital gains'.

In the following paragraphs, we have considered the broad implications under the Act arising in the hands of the resident clients for investments made in listed and unlisted securities under both the scenarios, viz:

- PMS securities held as Business Asset; and
- PMS securities held on Capital Account.

12.2. Securities Transaction Tax ('STT')

The purchase and sale of equity shares of a listed company on delivery basis on the stock exchange shall attract STT @ 0.1% of the transaction value. The sale of unlisted equity shares under an offer for sale does not attract STT.

The above STT is payable, irrespective of whether the securities are characterized as Business Assets or as Capital Assets.

12.3. Tax Implications where securities are Business Assets

12.3.1. Profits and Gains of Business or Profession

The following are the various income streams that can arise from securities held under the PMS:

- Gains on sale of securities;
- Dividend income on shares; and
- Interest income on debentures.

If the securities under the PMS is regarded as a "Business/Trading asset, then any gain / loss arising from sale of the shares would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the Act. The gain / loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer).

The Finance Act, 2020 has reintroduced the classical system of taxing dividends in the hands of the shareholders. Where the dividend income has been offered to tax on net basis, expenses may be claimed against dividend income with specific limits specified for interest expense.

Interest income arising on securities may be categorized as 'Business Income' or 'Income from Other Sources'. Expenses incurred to earn such interest income would be available as deduction.

STT paid on securities held on Business Account is allowed as a deductible expenditure while computing taxable income under the head 'Profit and Gains from Business & Profession'.

The tax rates applicable to different categories of assessee on the income computed under the head 'Profits and Gains of Business & Profession' are as under for the financial year 2022-2023

- Individuals / HUF – applicable tax slab rates (maximum being 30%)
- Partnership Firm – 30%
- Domestic Companies – 30% / 25% / 22%

The income tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge & cess.

For the financial year 2022-2023, the applicable rates for surcharge are given below:

Assessee	% of Income Tax

Individual, HUF, Association of Persons (if total income exceeds 50 lacs but does not exceed 1 crore)	10%
Individual, HUF, Association of Persons (if total income exceeds 1 crore but does not exceed 2 crore)	15%
Individual, HUF, Association of Persons (if total income exceeds 2 crore but does not exceed 5 crore) – This is not applicable on income chargeable to tax under sections 111A, 112, 112A and 115AD.	25%
Individual, HUF, Association of Persons (if total income exceeds 5 crore) – This is not applicable on income chargeable to tax under sections 111A, 112, 112A and 115AD.	37%
Partnership Firms (if total income exceeds Rs.1 Crore)	12%
Domestic Companies (if total income exceeds Rs. 1 crore but does not exceed Rs.10 Crores)	7%
Domestic Companies (if total income exceeds Rs.10 Crores)	12%

Further, health and education cess @ 4% is leviable on the income tax and surcharge as computed above.

Accordingly, the gross tax rates for financial year 2022-23 are as follows:

Assessee	% **of Income Tax**
Individual, HUF, Association of Persons (if total income exceeds 50 lacs but does not exceed 1 crore)	Maximum 34.32%
Individual, HUF, Association of Persons (if total income exceeds 1 crore but does not exceed 2 crore)	Maximum 35.88%
Individual, HUF, Association of Persons (if total income exceeds 2 crore but does not exceed 5 crore) – This is not applicable on income chargeable to tax under sections 111A, 112, 112A and 115AD.	Maximum 39%
Individual, HUF, Association of Persons (if total income exceeds 5 crore) – This is not applicable on income chargeable to tax under sections 111A, 112, 112A and 115AD.	Maximum 42.744%
Partnership Firms (if total income exceeds Rs.1 Crore)	Maximum 34.944%
Domestic Companies (if total income exceeds Rs. 1 crore but does not exceed Rs.10 Crores)	Maximum 33.384%
Domestic Companies (if total income exceeds Rs.10 Crores)	Maximum 34.944%

12.3.2. Losses under the head Profits and Gains of Business or Profession

In the case of loss under the head 'Profits and Gains of Business or Profession' (other than speculative loss), it can be set off against the income from any other source under the same head or income under any other head (except certain exceptions) in the same assessment year. If such loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business (other than speculative loss), within the period of 8 subsequent assessment years.

In case the loss is in the nature of speculation loss, set-off would be available in the same assessment year only against speculation gain. Such loss can be carried forward for set-off against speculative gains within a period of 4 subsequent assessment years.

Derivatives transactions traded on a stock exchange are excluded from being treated as a speculative transaction.

12.4. Tax Implications where securities are Capital Assets

The following are the various income streams that can arise from securities held under the PMS:

- Gains on sale of securities;
- Dividend income on shares; and
- Interest income on debentures.

12.5. Gains on sale of securities

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Securities listed on a recognized stock exchange in India (including listed debentures) are considered as long-term capital assets if these are held for a period exceeding 1 year. Unlisted shares are considered as long-term capital assets if these are held for a period exceeding 2 year. Other securities (including unlisted debentures) would be considered as long-term capital asset if held for a period exceeding 3 years.

The mode of computation of capital gains would be as follows:

Sale Consideration	xxxx
Less: Cost of Acquisition (Note 1)	(xxxx)
Expenses on such transfer (Note 2)	(xxxx)
Capital Gains	xxxx

Note 1: In case of the computation of long-term capital gains, option of indexation of cost is available on unlisted securities (other than unlisted bonds and unlisted debentures).

Note 2: This would include only expenses relating to transfer of securities such as brokerage, stamp duty, etc. Normal business expenses would not be allowable. Further, STT is not allowable as a deduction in computing taxable capital gains.

The provisions of the Act, in relation to taxation of long term and short-term capital gains are provided in the following paragraphs.

12.6. Long Term Capital Gains

Long-term capital gains are taxable in the hands of domestic investors as under:

12.6.1. Listed equity shares or unlisted equity shares sold under an offer for sale on which STT has been paid

Long-term capital gains arising on transfer of equity shares on which STT has been paid should be taxable under section 112A at a rate of 10% (without indexation benefit) on gains exceeding Rs. One lac.

12.6.2. Securities other than listed equity shares referred in Para (a) above

Under the provisions of Section 112 of the Act, long-term capital gains (other than those taxable under section 112A as discussed above) are subject to tax @ 20% (plus applicable surcharge and cess as mentioned above) with indexation benefit. In case of long-term capital gains derived on sale of listed securities (other than those taxable under section 112A as discussed above), there is an option to apply income tax @ 10% (plus applicable surcharge and cess as mentioned above) on gains computed before giving effect for indexation benefit.[1].

[1] In case of listed debentures, based on judicial precedents, it is possible to take a view that concessional tax rate of 10% (without indexation) per proviso to section 112 should be available

In case of resident individuals and HUF, where taxable income (as reduced by long-term capital gains) is below the basic exemption limit, only the excess of the aggregate income over the maximum amount not chargeable to tax will be subjected to income-tax and surcharge.

12.6.3. Deductions from Long-term Capital Gains

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds (i.e. bonds of National Highways Authority of India and Rural Electrification Corporation Limited) within six months from the date of transfer, provided that the investment in the notified bonds by the investor during any financial year does not exceed Rs. 50 lacs. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Where the benefit of section 54EC has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the I.T. Act.

Further, according to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house), are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

12.7. Short term Capital Gains

12.7.1. Listed equity shares or unlisted equity shares sold under an offer for sale on which STT has been paid

Under Section 111A of the Act, income from Short term Capital Gains arising from transfer of equity shares (on which STT is paid) are taxable @ 15% for the financial year 2022-2023 (plus applicable surcharge and cess as mentioned above).

In case of resident individuals and HUF, where taxable income (as reduced by short-term capital gains) is below the basic exemption limit, only the excess of the aggregate income over the maximum amount not chargeable to tax will be subjected to income-tax and surcharge.

12.8. Securities other than listed equity shares referred in (a) above

The tax rates applicable to different categories of assesses on Short term Capital Gains are as follows:

- Individual / HUF / Partnership Firms – applicable tax slab rates; maximum being 30% (plus applicable cess as mentioned above)
- Domestic Companies – 30% / 25% / 22% (plus applicable surcharge and cess as mentioned above)

12.9. Capital Loss

Losses under the head ‘Capital Gains’, cannot be set-off against income under any other head. Further, within the head ‘Capital Gains’, long-term capital losses cannot be adjusted against short-term capital gains. However, short-term capital losses can be adjusted against any capital gains.

Unabsorbed long-term capital loss can be carried forward and set off against the long-term capital gains arising in subsequent eight assessment years.

Unabsorbed short-term capital loss can be carried forward and set off against the income under the head Capital Gains in subsequent eight assessment years.

12.10. Dividend income on shares

The Finance Act, 2020 has reintroduced the classical system of taxing dividends in the hands of the shareholders. Where the dividend income has been offered to tax on net basis, expenses may be claimed against dividend income with specific limits specified for interest expense.

12.11. Interest income on debentures

Interest income arising on securities would be categorized as 'Income from Other Sources' at the rate mentioned above. Expenses incurred wholly and exclusively for earning such interest would be available as deduction.

12.12. Special Provisions relating to Avoidance of Tax

12.12.1. Loss to be disallowed under certain circumstances:

According to section 94(7) of the Act, if any person buys or acquires securities within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of three months from such record date, then losses arising from such sale to the extent dividend or income received or receivable on such securities, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

12.13. Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on residential status, the facts, and circumstances of each case. The Client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his income or loss and the expenses incurred by him as a result of his investment as offered by the Portfolio Manager.

13. Accounting policies

The following accounting policies will be applied for the investments of Clients:

13.1. Investments in Equities, Mutual funds, Exchange Traded Funds and Debt instruments will be valued at closing market prices of the exchanges (BSE or NSE as the case may be) or the Repurchase Net Asset Value declared for the relevant scheme on the date of the report or any cut-off date or the market value of the debt instrument at the cut off date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned. In case of structured products, the portfolio will be valued at the face value of the product until the expiry of the tenure.

13.2. Realized gains/ losses will be calculated by applying the first in / first out principle. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case specific basis.

13.3. For derivatives and futures and options, unrealised gains and losses will be calculated by marking to market the open positions.

13.4. Unrealised gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.

13.5. Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further Mutual Fund dividend shall be accounted on receipt basis. Other income like bank interest, interest on FD etc. shall also be accounted on receipt basis.

13.6. Bonus shares shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

13.7. Right entitlement shall be recognised only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

13.8. The cost of investment acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the brokers cost note/bought note.

13.9. 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.

14. Investors services

14.1. The Portfolio Manager seeks to provide the portfolio clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. The Client servicing essentially involves:

- Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- Attending to and addressing any client query with least lead time;
- Ensuring portfolio reviews at predefined frequency.

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

Name	Manish Gupta
Address	Moneygrow Asset Private Limited B-1202, Vivarea, Sane Guruji Marg, Mahalaxmi, Mumbai- 400011
Telephone No	+91 9820260200
Email id	manish.gupta@moneygrowindia.com

14.3. Grievance redressal and dispute settlement mechanism:

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

- **Quick action**: As soon as the grievance arises, it would be identified and resolved. This will lower the detrimental effects of grievance.

- **Acknowledging grievance**: The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.

- **Gathering facts**: The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
- **Examining the causes of grievance:** The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
- **Decision-making**: After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analyzed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
- **Review**: After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Pooja Gupta and subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. The Compliance Officer will endeavor to address such grievance in a reasonable manner and time. The coordinates of the Compliance Officer are provided as under:

Name	Pooja Gupta
Address	Moneygrow Asset Private Limited B-1202, Vivarea, Sane Guruji Marg, Mahalaxmi, Mumbai- 400011
Telephone No	+91-9833876605
Email id	pooja.gupta@moneygrowindia.com

If the client remains dissatisfied with the remedies offered or the stand taken by the Compliance Offer, the Client and the Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be before three arbitrators, with each party entitled to appoint an arbitrator and the third arbitrator being the presiding arbitrator appointed by the two arbitrators. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. Such arbitration proceedings shall be held at Mumbai and the language of the arbitration shall be English. The Courts of Mumbai shall have exclusive jurisdiction to adjudicate upon the claims of the parties.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same. SCORES is available at http://scores.gov.in.

15. Details of investments in the securities of related parties of the Portfolio Manager

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

			of the previous calendar quarter (INR in crores)	calendar quarter (INR in crores)	calendar quarter
NIL					

16. Details of the diversification policy of the Portfolio Manager

The portfolio manager has a bottom-up fundamentals-oriented approach towards investment. For managing diversification risk and to reduce the exposure of massive drawdown of a single stock, the number of scrips in each portfolio vary from 15-40 stocks per portfolio.

The portfolio manager does not have a sector-based diversification approach. It is possible that the portfolio may have 100% allocation in as few as two or three sectors.

17. General Provisions

The Prevention of Money Laundering Act, 2002 (PMLA Act) came into force with effect from July 1, 2005, forming the core of the legal framework to combat money laundering. As pet the provisions of the PMLA Act, Intermediaries, including portfolio managers, have certain obligations regarding verification of the identity of their clients, maintaining records and furnishing information to the Financial Intelligence Unit—India (FIU-IND). SEBI vide its various circulars issued has directed all Intermediaries, including portfolio managers to formulate and implement policies and procedures for dealing with money laundering and adoption of 'Know Your Customer' (KYC) Policy. The client should ensure that the amount invested in the Portfolio Management Service is through legitimate sources only and does not involve and is not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of the PMLA Act, the Prevention of Money Laundering Rules, 2005, Income Tax Act, Anti Money Laundering Guidelines, Prevention of Corruption Act, Act or any other applicable laws enacted by the Government of India from time to time.

The Portfolio Manager reserves the right to take all steps and actions, including recording clients telephonic calls and/or obtaining and retaining all documentation for establishing the identity of the client, proof of residence, source of funds etc. in accordance applicable law from the client and/or the custodian as may be required to ensure appropriate identification/verification and re-verification of the Client, the course of fund etc. under its KYC policy as may be amended and updated from time to time. If at any time the Portfolio Manager believes that the transaction is suspicious in nature in accordance with applicable law, the Portfolio Manager shall have the absolute discretion to report the transaction to FIU-IND and/or any other statutory body that the Portfolio Manager is bound to report to from time to time. The Portfolio manager can also reject any application, freeze the account, compulsorily close the Client account and pay out the proceeds to the Client, at its option. The Portfolio Manager shall have no obligation to inform the Client or its agent/power of attorney holder in the event of such reporting.

The Portfolio Manager and its directors, employers, officers, agents an persons acting on its behalf shall not be responsible/liable for any loss suffered by the Client in any manner whatsoever due to any reporting to the FIU-IND by the Portfolio Manager, the rejection of any application or freezing or compulsory closure of any Client account or termination of the Agreement due to any non-compliance by the Client with the provisions of any applicable law, rule, regulation, KYC policy and/or where the Portfolio Manager has reported a suspicious transaction to FIU-IND.

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement for Portfolio Management Services.

For and on behalf of MONEYGROW ASSET PRIVATE LIMITED

Manish Gupta **(Director)**	MANISH GUPTA Digitally signed by MANISH GUPTA DN: c=IN, o=PERSONAL, pseudonym=330370263e3f18bbca68e3875d603686, 2.5.4.20=5E5DFB8DEFC969DC4F6F71FB966BA4C2111F799C74BF30D78AF28C88BC53A636, postalCode=400011, st=MAHARASHTRA, serialNumber=884b27f42f8e1ac1456936808c088fbc287e03b993719aaa4889c2f9a124cb09, cn=MANISH GUPTA Date: 2023.11.22 15:08:32 +05'30'
Pooja Gupta **(Director)**	POOJA GUPTA Digitally signed by POOJA GUPTA DN: c=IN, st=Maharashtra, 2.5.4.20=935322c02c6dacfb9c8af544c0aeba0a1b5c4cbb8512260a1e2ea806de9bda6e, postalCode=400011, street=B-1202 Vivarea Sane Guruji Marg Mahalaxmi, pseudonym=a7c0683e37534da4a292839c15be3acc, serialNumber=0c79a03bad1a9f8790345a39c8ebc817e897e8e3959f7d6a24efba5c52a09f4b, o=Personal, cn=POOJA GUPTA Date: 2023.11.22 15:09:45 +05'30'

Place: Mumbai

Dated: 22-Nov-2023

FORM C

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

MONEYGROW ASSET PRIVATE LIMITED

Office address: 804, Lodha Supremus, 2 Senapati Bapat Marg, Lower Parel (West), Mumbai 400013, Maharashtra, India.
Tel: +91 9820260200
E-mail: manish.gupta@moneygrowindia.com

We confirm that:

(i) the Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI 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;

(iii) the Disclosure Document has been duly certified by an independent Chartered Accountant, Mr Aneel Lasod, a Partner of M/s. Aneel Lasod And Associates, Chartered Accounts, having membership number 040117 and office at A-1101, 1102 and 1103, Corporate Annexe, 11th Floor, Sonawala Road, Goregaon (East), Mumbai 400063 on 22-November-2023.

Enclosed is 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* **MONEYGROW ASSET PRIVATE LIMITED**

MANISH
GUPTA

Digitally signed by MANISH GUPTA
DN: c=IN, o=PERSONAL,
pseudonym=330370263e3f18bbca68e3875d603686,
2.5.4.20=5E5DFB8DEFC969DC4F6F71FB966BA4C2111F799C74BF30D78AF28C88BC53A636, postalCode=400011,
st=MAHARASHTRA,
serialNumber=884b27f42f8e1ac1456936808c088fbc287e03b993719aaa4889c2f9a124cb09, cn=MANISH GUPTA
Date: 2023.11.22 15:08:56 +05'30'

Manish Gupta
Principal Officer
804, Lodha Supremus, 2 Senapati Bapat Marg
Lower Parel (West), Mumbai 400013, Maharashtra, India.

Date: 22-Nov-2023
Place: Mumbai