



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. 320.58 Crore as on June 30, 2024.

- 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 July 19, 2024 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

(Partner)

Membership No.040117

Place: Mumbai

Date: 19-July-2024

UDIN: 24040117BKBJUE9782

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 or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under

section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party;

- 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 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 advisory portfolio management 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 Portfolio Management 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 intent, 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 Portfolio Management 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. Advisory Portfolio Management 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
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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:** 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:** This investment 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.
- 5.1.5. **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 this 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 investment amount will be as 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 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 amount stipulated by the Regulations from time to time.
- 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

- 5.2.1. **Fund Manager:** Manish Gupta
- 5.2.2. **Investment objective:** To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities. This investment approach is designed to meet the specific investment objectives of investors based on risk and investment profile of the investor.
- 5.2.3. **Description of types of securities:** 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:** This investment 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 investment amount will be as 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 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 amount stipulated by the Regulations from time to time.
- 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 generate moderate returns with negligible volatility.
- 5.3.3. **Description of Securities:** 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:** This 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 investment amount will be as stipulated by the Regulations from time to time.
- 5.3.10. **Indicative tenure or investment horizon:** Less than 1 year
- 5.3.11. **Lock-in period:** Nil
- 5.3.12. **Exit load:** Nil

- 5.3.13. **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 amount stipulated by the Regulations from time to time.
- 5.3.14. **Use of derivatives:** Not applicable under this approach.
- 5.3.15. **Risks associated with the investment approach:** Please refer the ‘Clause 6 - Risk Factors’ below.

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:** 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:** This investment approach 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 investment amount will be as 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 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 amount stipulated by the Regulations from time to time.
- 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.

5.5. Investment Approach: Blend Portfolio

- 5.5.1. **Fund Manager:** Manish Gupta & Viraj Mahadevia
- 5.5.2. **Investment objective:** To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.
- 5.5.3. **Description of types of securities:** Under this investment 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.
- 5.5.4. **Basis of selection of such types of securities:** This investment approach will have a blend of ideas from Flexicap Portfolio and Small & Midcap Portfolio. 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.
- 5.5.5. **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%

- 5.5.6. **Strategy:** Equity
- 5.5.7. **Appropriate benchmark to compare performance:** S&P BSE 500 Total Return Index
- 5.5.8. **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.
- 5.5.9. **Minimum investment:** The minimum investment amount will be as stipulated by the Regulations from time to time.
- 5.5.10. **Indicative tenure or investment horizon:** 3-5 years
- 5.5.11. **Lock-in Period:** Nil
- 5.5.12. **Exit load:** Exit load on withdrawal of monies/securities shall be agreed upon with each client and specified in more detail in the Agreement.

- 5.5.13. **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 by the Regulations from time to time.
- 5.5.14. **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.
- 5.5.15. **Risks associated with the investment approach:** Please refer the 'Clause 6 - Risk Factors' below.

5.6. Investment Approach: Multi Asset Portfolio

- 5.6.1. **Fund Manager:** Manish Gupta
- 5.6.2. **Investment objective:** To generate sustainable returns over medium to long term by making investments in multiple asset classes – including equity, debt, investment trusts, commodities etc.
- 5.6.3. **Description of types of securities:** Under this investment approach, client monies would primarily be invested in direct plans of mutual funds, ETFs (exchange traded funds) and investment trusts. Some part of client monies might be retained as bank balance in bank account.
- 5.6.4. **Basis of selection of such types of securities:** This investment approach is based on generating returns by constructing a balanced portfolio that has a mix of growth and income generating investments. The choice of investments from growth-perspective will be such where the Portfolio Manager has expectation of growth of 15-20% CAGR and the choice of investments from income-perspective will be such where the Portfolio Manager expects a yield of 6-12% per annum. Hence, the investments will be in direct plans of mutual funds, ETFs (exchange traded funds) and investment trusts. Some part of client monies might be retained as bank balance in bank account.
- 5.6.5. **Allocation of portfolio across types of securities:**

Type of security	Allocation in portfolio
Direct Plan of Mutual Funds, Exchange Trade Funds (ETFs) and Investment Trusts	>=70%
Bank balance	Up to 30%

- 5.6.6. **Strategy:** Multi Asset
- 5.6.7. **Appropriate benchmark to compare performance:** NSE Multi Asset Index 1
- 5.6.8. **Basis for choice of benchmark:** Since the investment approach will be investing in multiple asset classes, it is prudent to benchmark the performance to an index that has representation from multiple asset classes. Hence CRISIL Multi Asset Index has been selected as the benchmark for comparing performance.
- 5.6.9. **Minimum investment:** The minimum investment amount will be as stipulated by the Regulations from time to time.
- 5.6.10. **Indicative tenure or investment horizon:** 3-5 years
- 5.6.11. **Lock-in Period:** Nil

- 5.6.12. **Exit load:** Exit load on withdrawal of monies/securities shall be agreed upon with each client and specified in more detail in the Agreement.
- 5.6.13. **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 by the Regulations from time to time.
- 5.6.14. **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.
- 5.6.15. **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.

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 is as follows:

Category of Clients	Total No. of Clients	Funds Managed (Rs cr)	Discretionary / Non-Discretionary/ Advisory
(i) Associates/ Group Companies (Last 3 years)			
FY2023-2024 (As on 31-Mar-24)	2	40.14	Discretionary
	1	1.15	Non-Discretionary
	0	0	Advisory
FY2024-2025 (As on 30-Jun-24)	3	57.12	Discretionary
	0	0	Non-Discretionary
	0	0	Advisory
(i) Other than Associate and Group Companies (Last 3 years)			
FY2023-2024 (As on 31-Mar-24)	70	131.99	Discretionary
	2	1.03	Non-Discretionary
	5	50.69	Advisory
FY2024-2025 (As on 30-Jun-24)	86	180.05	Discretionary
	2	1.78	Non-Discretionary
	6	81.63	Advisory

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

Nature of Transaction	Name of Related Party	Nature of Relationship	Transactions		Balance	
			31-Mar-24 (Rs)	31-Mar-23 (Rs)	31-Mar-24 (Rs)	31-Mar-23 (Rs)
Portfolio Management Fees	Manish Gupta	Director	2,96,326	-	-	-
Loan Taken & Repayment of Loan	Manish Gupta	Director	29,00,000	-	-	-
Portfolio Management Fees	Pooja Gupta	Director	12,858	-	-	-
Issue of Additional Shares	Manish Gupta	Director	-	5,49,00,000	-	5,49,00,000

8. Financial Performance

Financial highlights are given as under:

Particulars (in INR lakhs)	FY 2023-24 (Audited)	FY 2022-23 (Audited)
Gross Income	198.53	17.46
Expenditure	77.15	38.97
Depreciation and Amortization Expense	1.26	0.27
Profit Before Tax	120.11	-21.79
Profit After Tax	96.17	-21.79

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	Start Date	Benchmark Index	FY 2024-2025		FY 2023-2024	
				Portfolio	Benchmark	Portfolio	Benchmark
1	Flexicap	11-Apr-23	S&P BSE 500 TRI	14.57	11.66	27.79	37.95
2	Small Midcap	11-Dec-23	S&P BSE 500 TRI	24.33	11.66	1.75	8.54
3	Bespoke	13-Apr-23	S&P BSE 500 TRI	13.78	11.66	32.55	36.55
4	NDPMS	11-Apr-23	S&P BSE 500 TRI	19.81	11.66	27.91	37.95

10. Audit Observations for preceding three years

The Portfolio Manager is incorporated in January 2022. For the FY21-22, FY22-23 and FY23-24, 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:

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. Operating Charges/Expenses:

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

11.2.1. 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 be a one-time charge in the range from INR 1000-2000 per account.

11.2.2. 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 0.05%-0.10% per annum.

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

- 11.2.4. **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 5-20 bps. These charges may be applicable at actuals.
- 11.2.5. **Legal and statutory expenses** including litigation expenses, if any, in relation to the portfolio. These charges may be applicable at actuals.
- 11.2.6. 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.
- 11.2.7. 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).

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

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

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

The exit load will be as agreed in the Agreement.

11.4. 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

- 12.1. The general information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Services of the Company. This information gives the direct tax implications on the footing that the Securities are/will be held for the purpose of investments. In case the Securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case-to-case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment shall endure indefinitely.
- 12.2. Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Company to induce any Client, prospective or existing, to invest in the Portfolio Management Services of the Company. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment, or any other matter. In view of individual nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the Client is advised to best consult his or her own tax consultant, with respect to specific tax implications arising out of its or his or her Portfolio managed by the Company.
- 12.3. It is the responsibility of all prospective Clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or

have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the units.

12.3.1. The following summary is based on the law and practice of the Income-tax Act, 1961 (the “**IT Act**”), the Income-tax Rules, 1962 (the “**IT Rules**”) and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects the amendments enacted by the Finance Act, 2020 (No. 12 of 2020) published on 27th March 2020 in the Official Gazette of India (‘Finance Act, 2020’).

12.3.2. The tax rates mentioned in this Disclosure Document relate to Financial Year 2023-24 (assessment year 2022-23) as provided in the Finance Act, 2024, and are inclusive of surcharge and education cess as applicable to corporates, unless specified otherwise.

12.3.3. The maximum tax rates applicable to different categories of assessee are as follows:

Resident individual & HUF (refer note 1)	30% + surcharge & cess
Partnership firms & Indian companies (other than specified companies below)	30% + surcharge & cess
Indian Companies having turnover less than INR 4000 million during the Financial Year 2020-21	25% + surcharge & cess
Company opting for section 115BA (manufacturing domestic companies)	25% + surcharge & cess
Company opting for section 115BAA (refer note 2)	22% + surcharge & cess
Company opting for section 115BAB (refer note 3)	15% + surcharge & cess
Non-resident Indians	30% + surcharge & cess
Foreign companies	40% + surcharge & cess

12.3.4. The Finance Act, 2020 has introduced a new tax regime vide Section 115BAC for individual and HUF to tax the income of such assessee at lower tax rates if they agree to forego prescribed deductions and exemptions under the Income Tax Act. Under the said provisions, the maximum tax rate applicable shall be 30% plus applicable surcharge and education cess.

12.3.5. The Taxation Laws (Amendment) Act, 2019 has introduced a lower tax regime for domestic companies vide Section 115BAA thereby levying the lower corporate rate of 22% on such companies, subject to certain conditions, including that the total income should be computed without claiming any deduction, exemption or any set off of any loss carried forward or depreciation from any earlier assessment year. Hence, in such a case the rate of tax on interest income should be 25.168% (considering surcharge at the rate of 10% and Health and Education cess at the rate of 4%). A company can choose to opt for the new tax rates in the Financial Year 2023-24 (i.e., assessment year 2024-25) or in any other Financial Year in the future. Once this option is exercised, it cannot be subsequently withdrawn and shall apply to all subsequent assessment years.

12.3.6. The Taxation Laws (Amendment) Act, 2019 has also introduced a lower tax regime for domestic new companies engaged in the business of manufacture or production of any article and research in relation to, or distribution of such article manufactured by it, vide Section 115BAB thereby levying the lower corporate rate of 15% on such companies, subject to certain conditions including that they do not claim certain deductions. Hence, in such case the rate of tax would be 17.16% (considering surcharge at the rate of 10% and Health and Education cess at the rate of 4%). Once this option

is exercised, it cannot be subsequently withdrawn and shall apply to all subsequent assessment years.

- 12.3.7. The amount of surcharge is calculated as a percentage of the tax payable i.e., the amount of tax not including surcharge and education cess. The applicable rate of surcharge in case of companies other than domestic companies (“foreign companies”) is 2% where the income exceeds INR 10 million but is less than or equal to INR 100 million and is 5% where the income exceeds INR 100 million. In the case of domestic companies (including companies opting for Section 115BA) having total income exceeding INR 10 million but not exceeding INR 100 million, surcharge of 7% on income tax is applicable. In the case of domestic companies (including companies opting for Section 115BA) having total income exceeding INR 100 million, surcharge of 12% is applicable. In the case of domestic companies opting for Section 115BAA or Section 115BAB, a surcharge of 10% on income tax is applicable irrespective of the amount of total income. In the case of firms and LLPs having a total income exceeding INR 10 million, a surcharge of 12% is applicable.
- 12.3.8. For other resident and non-resident assesses including those opting for new tax regime under Section 115BAC, surcharge is levied at 10% if total income exceeds INR 5 million but is less than or equal to INR 10 million; it is levied at 15% if total income exceeds INR 10 million but is less than or equal to INR 20 million; it is levied at 25% if total income excluding capital gains referred to in Section 111A and Section 112A exceeds INR 20 million. If total income including the capital gains referred to in Section 111A and Section 112A and section 115AD exceeds INR 20 million then surcharge is levied at 15% on capital gains referred to in Section 111A and Section 112A and at 25% on incomes other than capital gains referred to in Section 111A and Section 112A. If total income including the capital gains referred to in Section 111A and Section 112A exceeds INR 20 million, then surcharge is levied at 15% on capital gains referred to in Section 111A, Section 112A and at 25% on incomes other than capital gains referred to in Section 111A and Section 112A. Vide The Taxation Laws (Amendment) Act, 2019, the increase in surcharge on capital gains tax on domestic and foreign investors has been rolled back and capped at 15% as explained above.
- 12.3.9. Further, Health and Education Cess at the rate of 4% shall be leviable on aggregate of tax and surcharge as per the provisions of the Finance Act, 2024. In this Disclosure Document, we have assumed that the highest surcharge rate would be applicable to an investor.

12.4. Taxation in hands of Clients

12.4.1. Characterization of income

- Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the
- Indian revenue authorities. There have been judicial pronouncements on whether gains from transactions in Securities should be taxed as ‘business income’ or as ‘capital gains’. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.
- Regarding characterization of income from transactions in listed shares and Securities, the Central Board of Direct Taxes (“CBDT”) had issued a clarificatory Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and Securities, which are held for more

than twelve months would be taxed under the head 'capital gains' unless the tax- payer itself treats these as its stock-in-trade and transfer thereof as its business income.

- In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ITA.II dated May 2, 2016, stating that income arising from transfer of unlisted shares would be considered under the head ‘capital gains’ irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach. However, the above shall not apply in the following cases:
 - i) The genuineness of transactions in unlisted shares itself is questionable; or
 - ii) The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
 - iii) The transfer of unlisted shares is made along with the control and management of underlying business and the Indian revenue authorities would take appropriate view in such situations.
- Further, CBDT has issued clarification stating that the exception to transfer of unlisted Securities made along with control and management of underlying business would not apply to category I & II AIFs.

12.4.2. Taxation of resident investors

- The tax implications in the hands of resident investors on different income streams are discussed below:
 - a) Dividend income
 - The Finance Act, 2020 has abolished the provisions related to Dividend Distribution Tax (“DDT”) and hence the dividends distributed by an Indian company are taxable in hands of the shareholders/unit holders at the rates applicable to the respective assesses.
 - Further, The Finance Act, 2020 has amended Section 57 of the IT Act regarding deduction from the dividend income. The said amendment governs that no deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income.
 - Also w.e.f. 1st April 2020 mutual fund / RTA shall be required to deduct TDS at 10 per cent only on dividend payment (above Rs 5000); No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain.
 - b) Interest income
 - Under the IT Act, interest income should be taxable in the hands of the resident Investors as under:

Interest income received by	Tax rate for the domestic investors
Resident companies (refer note 1)	34.944%
Firms / LLPs	34.944%
Others (Refer Note 2)	As per applicable slab rates, maximum being 42.744%

Notes to the above table:

1. In the case of domestic companies having turnover or gross receipts not exceeding INR 4000 million in the Financial Year 2020-21 (assessment year 2021-22), a lower corporate tax rate of 25% is levied. Hence, in such a case the rate of tax on interest income should be 29.12% (considering a surcharge at the rate of 12% and Health and Education cess at the rate of 4%).
2. Further, The Taxation Laws (Amendment) Act, 2019 has proposed a lower tax regime for domestic companies vide Section 115BAA thereby levying the lower corporate rate of 22% on such companies, subject to certain conditions, including that the total income should be computed without claiming any deduction, exemption or any set off any loss carried forward or depreciation from any earlier assessment year. Hence, in such case the rate of tax on interest income should be 25.168% (considering surcharge at the rate of 10% and Health and Education cess at the rate of 4%)
3. Assesses opting for tax rates under Section 115BAC may consider relevant tax rate slabs for the purpose of taxation of interest income.

c) Capital gains

- Assuming the gains arising from sale of capital assets such as shares, and Securities of the Indian Portfolio companies is characterised as capital gains in hands of the resident Client, such Client shall be liable to pay taxes on capital gains income as under:

d) Period of holding

- Capital assets are classified as long-term assets (“**LTCA**”) or short-term assets (“**STCA**”), based on the period of holding of these Assets. The period of holding of the Asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the shares and Securities are held, the gains would be taxable as short-term capital gains (“**STCG**”) or long-term capital gains (“**LTCG**”). This is discussed below:

Nature of asset	STCA	LTCA
For assets being shares in a company or any other Security listed on a recognized stock exchange in India i.e., equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero- coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets being shares of a company (other than shares listed on a recognised stock exchange in India) and immovable property being land or building	Held for not more than 24 months	Held for more than 24 months
For assets other than those specified above	Held for not more than 36 months	Held for more than 36 months

e) Taxation of capital gains

- Depending on the classification of capital gains, the resident investors would be chargeable to tax as per the IT Act as under:

Nature of Income	Tax rate for beneficiaries who are resident companies %	Tax rates for resident Individuals/ HUF / AOP / BOI%	Tax rates for other residents (Firms, LLPs) %
STCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which Securities Transaction Tax (“STT”) has been paid	17.472	17.94	17.472
Other STCG	34.944	42.744	34.944
LTCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) units of equity oriented mutual fund and on which STT has been paid (refer note 3 below)	11.648 (Without indexation)	11.96 (Without indexation)	11.648 (Without indexation)
LTCG on transfer of listed Securities [other than units of mutual funds, listed bonds and listed debentures] and on which STT has not been paid	11.648 (Without indexation) or 23.296 (With indexation), whichever is lower	14.248 (Without indexation) or 28.496 (With indexation), whichever is lower	11.648 (Without indexation) or 23.296 (With indexation), whichever is lower
LTCG on transfer of listed bonds and listed debentures (Note 1)	11.648 (Without indexation)	14.248 (Without indexation)	11.648 (Without indexation)
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity- oriented fund	23.296 (With indexation)	28.496 (With indexation)	23.296 (With indexation)

LTCG on transfer of unlisted Securities (other than unlisted bonds and unlisted debentures)	23.296 (With indexation)	28.496 (With indexation)	23.296 (With indexation)
LTCG on transfer of unlisted bonds and unlisted debentures	23.296 (Without indexation)	28.496 (Without indexation)	23.296 (Without indexation)

Notes to the above table:

1. The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures.
2. In the case of domestic companies having turnover or gross receipts not exceeding INR 4000 million in the Financial Year 2020-21 (assessment year 2021-22), a lower corporate tax rate of 25% plus applicable surcharge and cess is levied. Similarly, relevant lower corporate tax rates will be levied on companies opting for lower tax rates in accordance with Section 115BAA.
3. The Finance Act, 2018 withdrew exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust w.e.f. 1 April 2018. The LTCG above INR 1 lakh on following transfers shall be taxable at 10% (plus surcharge and cess):
 - Listed equity shares (STT paid on acquisition* and transfer)
 - Units of equity oriented mutual fund (STT paid on transfer); and
 - Units of business trust (STT paid on transfer)
4. Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains and the cost of acquisition of equity shares, equity oriented mutual fund or units of business trust shall be higher of:
 - Actual cost of acquisition; and
 - Lower of (i) Fair market value as on 31 January 2018; and (ii) Value of consideration received upon transfer
5. The Finance Act, 2018 also amended that in such case where the equity shares were unlisted on 31 January 2018 and listed at the time of transfer, the FMV would be after considering indexation benefit on the original cost of acquisition.
 - *The CBDT has notified a circular to specify the transactions where the condition of STT on acquisition would not apply for applying tax rate of 10% on transfer of listed equity shares.
 - Deemed sale consideration on sale of unquoted shares
 - As per Section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued rules for computation of Fair Market Value (“FMV”) for the purpose of section 50CA of the IT Act. The taxability of such gains would be as discussed above.

6. Proceeds on buy-back of shares by company

- As per Section 10(34A) of the IT Act, gains arising on buy-back of shares are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.296% is payable by an Indian company on distribution of income by way of buy-back of its shares if the buyback is in accordance with the provisions of the Companies Act, 2013.
- The Finance (No. 2) Act, 2019 vide an amendment in Section 10(34A) and Section 115QA, proposed that with effect from 5 July 2019, buy back of shares listed on a recognized stock exchange will also be subject to a distribution tax at the rate of 23.296%. Income arising from such buyback shall be exempt in the hands of shareholders.
- Such distribution tax should be payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, CBDT notified final buyback rules by inserting new Rule 40BB to IT Rules for determining the amount received by the Indian company in respect of issue of shares.
- Gains arising on the buyback of shares listed on a recognised stock exchange should be taxed in the manner summarised above (for listed shares).

7. Deemed income on investment in shares / Securities of unlisted companies in India

- Section 56(2)(x) provides that any assessee receives any property (including shares, debentures etc.) without consideration or for inadequate consideration in excess of INR 0.05 million as compared to the FMV shall be taxable in the hands of the recipient as Income from Other Sources.
- The CBDT has issued rules with revised mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.
- Accordingly, such other income would be chargeable to tax (i) at the rate of 34.944% in case of investors being resident companies (ii) at the rate of 34.944% in case of firms/LLPs; and (iii) as per applicable slab rates in case of individuals and others, maximum being 42.744%.

8. Provisions related to dividend and bonus stripping

- As per section 94(7) of the IT Act, losses arising from the sale/ transfer of any Securities/units (including redemption) purchased up to 3 months prior to the record date and sold within 3 months (in case of units - 9 months) after such date, will not be allowed to the extent of dividend / income distribution (excluding redemptions) on such Securities/units claimed as tax exempt by the shareholder/unit holder.
- Further, section 94(8) of the IT Act provides that any person who buys or acquires any units within a period of 3 months prior to the record date and such person is allotted additional units without consideration (bonus units) based on the original holding, any subsequent loss on sale of original units within a period of 9 months from the record date, will be ignored for computing the income chargeable to tax. The loss so ignored will be deemed to be the cost of purchase or acquisition of bonus units (held at such time) when these bonus units are subsequently sold.

12.4.3. Taxation of non-resident investors

- A non-resident investor would be subject to taxation in India only if it derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.
- Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management (“POEM”) is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.
- The CBDT had vide its circular dated January 24, 2017, issued guiding principles for determination of POEM of a company (“POEM Guidelines”). The POEM Guidelines lays emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of Sec 6(3)(ii) relating to POEM would not apply to companies having turnover or gross receipts of Rs. 500 million or less than Rs 500 million during the Financial Year.
- Tax Treaty Benefits
 - i.) As per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement (“Tax Treaty”) between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore investors. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor, or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.
 - ii.) Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or documents as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013, amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.
 - iii.) The details required to be furnished are as follows:
 - Status (individual, company, firm, etc.) of the assessee;
 - Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
 - Assessee’s tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident.
 - Period for which the residential status, as mentioned in the TRC, is applicable; and
 - Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

- The additional information prescribed above may not be required to be provided if it already forms a part of the TRC.
- The taxability of income of the offshore investor, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, would be as per the provisions of IT Act as discussed in subsequent paragraph.

a) Dividend Income

- The Finance Act, 2020 has abolished the provisions related to Dividend Distribution Tax (“DDT”) and hence the dividends distributed by an Indian company are taxable in hands of the shareholders/unit holders at the rates applicable to the respective assesseees irrespective of their residential status.
- Further, The Finance Act, 2020 has amended Section 57 of the IT Act, in respect of deduction from the dividend income. The said amendment governs that no deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income.
- The Finance Act, 2020 has, vide Section 80M, introduced a deduction allowed in case of domestic companies receiving dividends from a domestic company or a foreign company or a business trust. A deduction of the amount of dividends received by a domestic company is allowed in computing the total income to the extent of the amount of dividend distributed by such domestic company.

b) Interest

- Interest income would be subject to tax at the rate of 43.68% for beneficiaries who are non-resident companies. For other non-resident beneficiaries, being individual, HUF, AOP or BOI, interest income would be subject to tax at the rate of 42.744%. For other non-resident beneficiaries, interest income would be subject to tax at the rate of 34.944%. The above rates would be subject to availability of Tax Treaty benefits, if any.
- In case the investments made by the non-resident Indian (‘NRI’) Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, the interest income from specified assets (which includes debentures issued by public companies) should be taxable at the rate of 28.496% on gross basis.
- As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to FPI would be subject to tax at the rate of 5% plus applicable surcharge and cess, if following conditions are satisfied:
 - i. Such interest is payable on or after 1 June 2013 and 1 July 2020
 - ii. Rate of interest does not exceed the rate notified by central government
- If the above concessional tax rate is not available, then the interest income would be subject to tax rate at the rate of 20% plus applicable surcharge and cess for FPI investors.

- Further, CBDT had issued a press release on September 17, 2018, announcing tax exemption and withholding tax exemption for interest payable by an Indian company or a business trust to a non-resident, including a foreign company, in respect of rupee denominated bond issued outside India during the period from September 17, 2018, to March 31, 2019. The press release also stated that legislative amendments in this regard shall be proposed in due course. The Finance (No. 2) Act, 2019, thereby incorporated the provisions contained in the said press release into the Act by way of inserting the provisions through an amendment in Section 10.

c) Capital Gains

- Period of holding

Please refer Paragraph 11(I)(B)(c)(i) above for period of holding.

- Taxation of capital gains

Depending on the classification of capital gains, the non-resident investors would be chargeable to tax as per the IT Act as under:

Nature of Income	Tax rate for offshore investors / foreign company %	Tax rates for non-resident Individuals / HUF / AOP / BOI %	Tax rates for other residents (Firms, LLPs) %
Short-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund, and on which STT has been paid	16.38	17.94	17.472
Other short-term capital gains	43.68	42.744	34.944
Long-term capital gains on transfer of (i) listed equity shares through the recognised stock exchange, or (ii) units of equity oriented mutual fund and on which STT has been paid (refer note 1)	10.92 (Without indexation)	11.96 (Without indexation)	11.648 (Without indexation)
Long-term capital gains on transfer of listed bonds / listed debentures or other listed Securities (other than units of mutual fund) on which STT has not been paid (refer note 2)	10.92 (Without indexation)	14.248 (Without indexation)	11.648 (Without indexation)
Long-term capital gains on transfer of units of mutual fund (listed or unlisted) other than equity-oriented fund	21.840 (With indexation)	28.496 (With indexation)	23.296 (With indexation)
Long term capital gains on transfer of unlisted Securities	10.92 (Without indexation)	14.248 (Without indexation)	11.648 (Without indexation)

Notes to the above table:

1. The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust w.e.f. from Financial Year starting from 1 April 2018. The LTCG above INR 1 lakh on following transfers shall be taxable at 10% (plus surcharge and cess):
 - Listed equity shares (STT paid on acquisition* and transfer)
 - Units of equity oriented mutual fund (STT paid on transfer); and
 - Units of business trust (STT paid on transfer)
 2. Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains and the cost of acquisition of equity shares, equity oriented mutual fund or units of business trust shall be higher of:
 - Actual cost of acquisition; and
 - Lower of (i) fair market value as on 31 January 2018; and (ii) Value of consideration received upon transfer
 - *The CBDT has notified a circular providing certain specified transaction on which condition of paying STT at time of acquisition shall not apply for applying tax rate of 10%.
 3. Based on judicial precedents, non-residents may avail the concessional tax rate (as mentioned above). However, the possibility of Indian revenue authorities disregarding the said position and applying a tax rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures cannot be ruled out.
- 12.4.4. In case the investments made by the NRI Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, (i) any long-term capital gains should be taxable at the rate of 14.248% and (ii) any investment income should be taxable at 28.496%.
- Deemed sale consideration on sale of unquoted shares
 - As per Section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued rules for computation of FMV for the purpose of section 50CA of the IT Act. The taxability of such gains would be as discussed above.
 - Buy-back of shares
Please refer Paragraph 11(I)(B)(d) above for tax implications on income received from buy-back of shares.
 - Deemed income arising at the time of investment in shares of Indian companies in India

- i. As per section 56(2)(x), if any assessee receives any property (including shares, debentures etc.) without consideration or for inadequate consideration more than INR 0.05 million as compared to the FMV shall be taxable in the hands of the recipient as Income from Other Sources.
 - ii. The CBDT has rules providing mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.
 - iii. The shortfall in consideration is taxable in the hands of the acquirer as other income earned by a foreign company would be chargeable to tax (i) at the rate of 43.68% in case of offshore investors being foreign companies; (ii) at the rate of 34.944% in case of offshore firms / LLPs; and (iii) as per applicable slab rates in case of non-resident individuals and others, maximum being 42.744%.
 - Provisions related to dividend and bonus stripping
 - i. As per section 94(7) of the IT Act, losses arising from the sale / transfer of any Securities / units (including redemption) purchased up to 3 months prior to the record date and sold within 3 months (in case of units - 9 months) after such date, will not be allowed to the extent of dividend / income distribution (excluding redemptions) on such Securities / units claimed as tax exempt by the shareholder / unit holder.
 - ii. Further, section 94(8) of the IT Act provides that any person who buys or acquires any units within a period of 3 months prior to the record date and such person is allotted additional units without consideration (bonus units) based on the original holding, any subsequent loss on sale of original units within a period of 9 months from the record date, will be ignored for computing the income chargeable to tax. The loss so ignored will be deemed to be the cost of purchase or acquisition of bonus units (held at such time) when these bonus units are subsequently sold.
- i. Securities Transaction Tax**
- Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange. STT is levied on the seller @0.025% on the sale of equity share in a company or unit of an equity oriented mutual fund - transaction in a recognised stock exchange, settled otherwise than by actual delivery.
 - Further, an amendment was proposed which states that the levy of STT @0.125% on sale of an option in Securities where option is exercised, would be limited to only the intrinsic value of options i.e., the difference between the settlement price and the strike price, with effect from 1 September 2019.
- ii. Minimum Alternate Tax**
- The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Vide the Taxation Laws (Amendment) Act, the MAT rate of 18.5% has been substituted for 15% with effect from 1st April 2020, relevant to Financial Year 2020-21 and assessment year 2021-22.

Corporate assessee operating in International Financial Services Centre ('IFSC') shall be charged MAT at the concessional rate of 9%.

- The Finance Act, 2020 has provided that all the domestic companies opting for lower tax regime u/s 115BAA or 115BAB will not be required to pay minimum alternate tax (MAT) under section 115JB of the Act. Further, the provisions regarding MAT credit will also not apply to companies opting for these sections.
- If MAT is held to be applicable to the Client, then income receivable by such Client from their investment in the Fund shall also be included to determine the MAT.
- The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

iii. Alternate Minimum Tax

- The IT Act provides for levy of Alternate Minimum Tax ('AMT') under Section 115JC, on non-corporate assessee having adjusted total income exceeding INR 20 lac. If the tax payable as per Section 115JC at 18.5% of the adjusted total income exceeds the regular income-tax payable, then the assessee is liable to pay AMT. Further, non-corporate assessee operating in International Financial Services Centre ('IFSC') shall be charged AMT at the concessional rate of 9%.
- The Finance Act, 2020 has provided that assessee opting for lower tax regime u/s 115BAC will not be required to pay AMT. Further, the provisions regarding AMT credit will also not apply to assessee opting for this section.

iv. Withholding at a higher rate

- The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ("PAN"), then tax is required to be deducted by the payer at higher of the following i.e., rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:
 - Name, e-mail id, contact number.
 - Address in the country or specified territory outside India of which the deductee is a resident.
 - A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
 - Tax identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number based on which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

- v. Carry-forward of losses and other provisions (applicable to both equity products irrespective of the residential status):
 - In terms of Section 70 read with Section 74 of the IT Act, short term capital loss arising during a year can be set off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set off only against long term capital gains. Balance loss, if any, shall be carried forward and set off against long-term capital gains arising during the subsequent 8 assessment years.
- i. General Anti Avoidance Rule (“GAAR”)
 - GAAR provisions have been introduced in chapter X-A of the IT Act (effective from Financial Year beginning on April 1, 2017), which provides that an arrangement whose main purpose is to obtain tax benefit, and which also satisfies at least one of the four specified tests as mentioned below, can be declared as an ‘impermissible avoidance arrangement’.
 - Arrangement creates rights or obligations, which are not ordinarily created between persons dealing at arm’s length price.
 - Arrangement directly or indirectly results in the misuse or abuse of the provisions of the IT Act;
 - Arrangement lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
 - Arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed by bonafide purposes.
 - The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked if the tax benefit in the relevant year does not exceed INR 30 million.
 - On January 27, 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:
 - Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (‘LOB’) in a Tax Treaty, GAAR should not be invoked.
 - GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
 - GAAR is with respect to an arrangement or part of the arrangement and limit of INR 30 million cannot be read in respect of a single taxpayer only.
- ii. GST
 - Goods and Service Tax (GST) will be applicable on services provided by the Portfolio Manager to Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee to the Company.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE INCOME TAX ACT. NO REPRESENTATION IS MADE

EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, PARTNER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE IT ACT. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

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 of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
NIL					

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 per 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 and 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)	
Pooja Gupta (Director)	

Place: Mumbai

Dated: 19-Jul-2024

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 19-Jul-24.

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
Principal Officer

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

Date: 19-Jul-24

Place: Mumbai