TCG ADVISORY SERVICES PRIVATE LIMITED

Portfolio Management Services

DISCLOSURE DOCUMENT

KEY INFORMATION AND DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES BY TCG ADVISORY SERVICES PRIVATE LIMITED

- This Disclosure Document ("**Document**") has been filed with the Board along with a certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations 1993.
- The purpose of this Document is to provide essential information about the portfolio services in a manner to assist and enable the Investors in making informed decisions for engaging a Portfolio Manager.
- The necessary information about the Portfolio Manager required by an Investor before investing is disclosed in this Document.
- Investors should carefully read this entire Document before making a decision and should retain it for future reference.
- Investors may also like to seek further clarifications after the date of this Document from the Portfolio Manager.
- This Document supersedes the disclosure document dated 22nd May 2020
- The Principal Officer designated by the Portfolio Manager is:

Name: Mr. Chakravarthi Lokapriya
Phone Number: 022 -67479999
Designation: Managing Director and Chief Investment Officer,
TCG Advisory Services Private Limited
Address: TCG Financial Centre, 11th & 12thFloors, Plot No.C-53,G–Block,BKC,
Bandra (E), Mumbai, Maharashtra,, INDIA 400098
Website: www.tcgamc.com
Email address: chakri@tcgamc.com
Dated: 26th June 2020

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1. **DISCLAIMER**

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 1993 (as amended from time to time). It is filed with the Securities and Exchange Board of India ("**SEBI**") on 22nd May 2020 This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. This Disclosure Document is not for public distribution. It has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

2. **DEFINITIONS**

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

a) "**Act**" means the Securities and Exchange Board of India, Act, 1992 (15 of 1992).

b) "**Advisory Services**" means the investment advisory in terms of the Regulations, and shall include the responsibility of advising on the portfolio strategy, investment and divestment of individual Securities in the Clients' Portfolio, for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk, to all eligible categories of investors.

c) "**Agreement**" means the agreement, inclusive of all annexures and schedules, if any, between TCG Advisory Services Private Limited and a Client in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 1993 and includes any amendment thereto.

d) "**Assets**" shall mean the "Portfolio" defined under Clause 2(r) and "Capital" as defined under Clause 2(f) of this Disclosure Document.

e) "**Bank Account**" means the separate bank account to be maintained by the Portfolio Manager in a scheduled commercial bank in accordance with the Regulations and the Agreement, wherein the Portfolio Manager shall keep the Capital/funds of the Client.

f) "**Board**" means the Securities and Exchange Board of India.

g) "**Capital**" shall mean the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies and all further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

h) "**Client**" or "Investor" means any person who enters into the Agreement with the Portfolio Manager, for availing Portfolio Management Services.

i) "**Custodian**" means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by SEBI in this regard, from time to time.

j) "**Disclosure Document**" means this disclosure document issued by the Portfolio Manager for offering Portfolio Management Services in terms of Schedule V of the SEBI (Portfolio Managers) Regulations, 1993.

k) "**Discretionary Portfolio Management Services**" means portfolio management services that the Portfolio Manager provides to the Client under the Agreement, and where the Portfolio Manager shall have complete freedom and authority to exercise any degree of discretion as to the investment and management of the portfolio securities or the Capital of the Client including to invest / dis-invest portfolio in such manner as it shall deem fit, without any reference to the Client.

l) "**Financial Year**" means the year starting from 1st April and ending on 31st March the following year.

m) "**Capital Managed**" means the market value of the Portfolio of the Client as on date.

n) "**Investment Strategy**" or "Investment Strategies" means any of the current investment strategies or such strategies that may be introduced at any time in the future by the Portfolio Manager.

o) "**Non-Discretionary Portfolio Management Services**" means portfolio management services, whereby the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing/ on recorded lines/ by email, for an agreed fee structure and for a definite described period, invests in respect of the Client's account in any type of security entirely at the Client's risk and ensures that all benefits accrue to the Client's Portfolio.

p) "**Portfolio**" means the total holdings of all investments, Securities and Capital belonging to the Client.

q) "**Portfolio Manager**" means TCG Advisory Services Private Limited, a Private Limited company under the Companies Act, 1956 registered with SEBI as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993, bearing Registration No: INP000005133 and having its office at: TCG Financial Centre 11th & 12th Floor, Plot No.C-53, G Block, BKC, Bandra (E), Mumbai 400098, Maharashtra, India .

r) "**Portfolio Management Service**" means the Discretionary Portfolio Management Services and/or Non-Discretionary Portfolio Management Services and/or Advisory Services, as the context may require.

s) "**Principal Officer**" means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

t) "**Regulations**" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended from time to time.

u) "**Securities**" includes "securities" as defined under the Securities Contract (Regulation) Act, 1956 as amended from time to time and includes;

(i) Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
(ii) derivatives;
(iii) units or any other instrument issued by any collective investment scheme to the Investors in such schemes;
(iv) security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
(v) units or any other such instrument issued to the Investors under any mutual fund scheme;
(vi) any certificate or instrument (by whatever named called), issued to an Investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such Investor in such debt or receivable, including mortgage debt;
(vii) Government securities;
(viii) such other instruments as may be declared by the Central Government to be securities;
(ix) rights or interest in securities.

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in Regulations.

3. DESCRIPTION

3.1 HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

The Portfolio Manager was incorporated on 25th March 2003. The Portfolio Manager holds a certificate of Registration bearing No: INP000005133 dated 21st February 2019 issued under SEBI (Portfolio Managers) Regulations, 1993 to act as a Portfolio Manager. The certificate of Registration is valid till it is suspended or cancelled by the board.

The Portfolio Manager's core strengths are its in-house research capabilities and infrastructure which assist the Portfolio Manager in providing Portfolio Management Services to its Clients. The Portfolio Manager's database sources include Bloomberg, trade publications, research reports, web sites of NSE/BSE, etc. The Portfolio Manager's research division has several analysts actively monitoring global and regional political, economic and social trends and events, to assess their impact on the economy, the sectors and the companies they research, to offer quality research advice to Clients.

The Portfolio Manager also renders investment management services to TCG Alternative Investment Fund, a multi-scheme trust, which is registered as a Category-III alternative investment fund with the Securities and Exchange Board of India (SEBI) bearing registration number IN/AIF3/17-18/0324 pursuant to the SEBI (Alternative Investment Funds) Regulations, 2012.

3.2 PROMOTERS AND DIRECTORS OF THE PORTFOLIO MANAGER AND THEIR BACKGROUND IN BRIEF.

The Portfolio Manager is part of The Chatterjee group (TCG Group). TCG Group is one of the large industrial and investment houses operating in India. TCG Group and its various entities have several decades of managing third party assets, with over $3 billion of assets under management. The Portfolio Manager has been a sub-advisor to TCG India Star Fund from 2004 to 2012 which had over $125 million under management.

A. The Portfolio Manager has the following shareholders:

Name of Shareholder	% age of shareholding
Sitara Solutions Limited	85.79
Merline Enclaves Pvt Ltd	14.02
Subhasendu Chatterjee	0.19

B. Particulars of Key Personnel in the Portfolio Manager

Name	Position	Qualifications	Description
Mr. Chakravarthi Lokapriya	Managing Director and Chief Investment	MBA from Stern School of Business, New York University	• Investment management and financial services experience of over 23 years. • Expertise in managing India, BRIC and US

	Officer		funds for sovereign, institutional, private banking, ASEAN, European clients working at Franklin Templeton, India, BNP Paribas in London, PCE, London, JP Morgan, New York, across multiple market cycles. • 1997-1999: Equity Analyst, JP Morgan, New York. • 1999-2002: Investment Director, PCE Limited, London. • 2003-2008: Head of India Equities, BNP Paribas, London. • 2008-2013: Vice President, Franklin Templeton, India • 2013-2015: Head, ASEAN Equities at Copthall Partners • 2015 till date : MD and CIO TCG Advisory Services Pvt Ltd
Mr. Umesh Patel	AVP - Investment	• CFA (ICFAI) from ICFAI University • MS in Finance, • Bachelor's degree, Commerce from Mumbai University.	• A strong finance professional with management & leadership skills, Umesh has 14 years of relevant experience in Indian equity markets both on the Buy side as well as Sell side. • Multi Sector experience in tracking various companies across sectors & proficient in Top-down and bottom-up stock picking. • Umesh Joined TCG in 2016, with a vast experience across companies like IDBI Capital, Sharekhan, KR Choksey Shares & Securities and IRPL (Parent IIIR PLC, London). • He has a forte in Midcaps & has been instrumental in picking up many multibagger stocks spanning across his career.

3.3 DETAILS OF THE TOP TEN GROUP COMPANIES

None

3.4 DETAILS OF SERVICES OFFERED BY THE PORTFOLIO MANAGER.

The Portfolio Manager proposes to offer Discretionary Portfolio Management Services, Non-Discretionary Portfolio Management Services and Advisory Services.

A. Discretionary Portfolio Management Services

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager.

The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any types of Securities in accordance with the executed Agreement and make such changes in the investments and invest some or all of the Client's Portfolio in such manner and in such markets at it deems fit. The Client may give informal guidance to customize the Portfolio, however the final decision in this regard shall always rest with the Portfolio Manager. 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 or be open to review at any time during the currency of the Agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Rules, and Regulations, guidelines and notifications in force from time to time.

B. Non-Discretionary Portfolio Management Services.

Under these services, the Portfolio Manager shall, on the written instructions received from the Client, carry out transactions with regard to investment of Capital of the Client under the Agreement relating to portfolio management and will exercise no discretion as to the investment or management of the Client's Portfolio, including, but not limited to, the stock quantity, the price and the amount, as the case may be. Under the Non-Discretionary Services, the Portfolio Manager manages the transaction execution, accounting, valuation on behalf of the Client entirely at the Client's risk. The choice and timings of the investment decisions rest solely with the Client.

C. Advisory Services

The Portfolio Manager will provide Advisory Services, in terms of the Regulations, which shall be in the nature of investment advisory and shall include the responsibility of advising on the Portfolio strategy, investment and divestment of individual Securities on the Clients Portfolio, for an agreed fee structure and for a period agreed in the Agreement, entirely at the Client's risk, to all eligible categories of Investors who can invest in Indian market.

The Portfolio Manager shall, provide advisory services in accordance with such guidelines and/ or directives issued by the regulatory authorities and /or the Client, from time to time, in this regard.

4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY

a) All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder: **None**

b) The nature of the penalty/direction: **None**

c) Penalties imposed for any economic offence and/ or for violation of any securities laws: **None**

d) Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any: **None**

e) Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency: **None**

f) Any enquiry/ adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, Principal Officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, Principal Officer or employee, under the Act or Rules or Regulations made thereunder***:* None**

5. SERVICES OFFERED/ PORTFOLIO STRATEGY SPECIFIC DETAILS

Note: Shareholders are required to read this section thoroughly. All the investment strategies mentioned herein are subject to market risks, regulatory changes and changes to the applicable law for the time being in force. Investors are required to carefully consider the Risk Factors mentioned under this Disclosure Document (Clause 10).

A. Investment Objective and Strategy:

The Portfolio Manager seeks to offer the following strategies:

i. **Long/Short Product**

This product could be made available to Investors with a differing threshold of risk tolerance & acceptable volatility than traditional long only products such as mutual funds, the product will use a range of strategies to boost the Portfolio's risk-adjusted returns (alpha). More specifically, it will complement a core long Portfolio, with a range of arbitrage, relative value & special situation strategies that seek to outperform and add to the product's performance.

It is important to note that the strategy is not focused on excessive trading on a short term basis. Each idea and strategy will differ, but all will be rigorously researched and due diligence checked through a process including screening, field research & valuation modelling. Every idea will then have a target price set, on achievement of which, the trade may be exited. Some strategies, such as event driven strategies, may have much shorter lifespans than core long positions, for which the lifespan of the trade may last an entire business cycle.

Risk management will be across the whole spectrum of idea generation to portfolio calibration and management. Each trade idea at inception will be vetted for quality & management risk (specific risk), liquidity risk (high impact costs and position sizing) and historical volatility (position sizing). At the global/portfolio level, the team will closely monitor the risk-adjusted out-performance of every idea (for its given level of market risk, beta), sector and factor risk concentration limits, excessive correlation between the Portfolio, net beta weighted market exposure and other risk limits as ordained in the offering document of the product.

However, it is expressly clarified that Clients are not being offered any guaranteed / assured returns and that the Portfolio Manager only endeavors to manage volatility levels on the basis of the structure / exposures of the Portfolio. Long /Short is an investment objective and does not represent a formal guarantee.

The Portfolio Manager may invest in derivatives or any other instrument as may be permitted by SEBI / RBI / such other Regulatory Authority from time to time including Units of Schemes of Mutual Funds and as may be decided by the Portfolio Manager. The Portfolio Manager may also participate in the Securities Lending Scheme.

The selection of stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

ii. Long Only, High Alpha Product

The Portfolio Manager's long only product will focus on high alpha generation for a given level of beta risk & volatility. This would be available for those Investors who have a higher degree of risk tolerance and volatility compared to balanced and or debt funds. The product is likely to hold many of the same Securities held by the first product. In addition to these, the product will likely invest in smaller companies-management which may have liquidity and business risk.

Given the higher volatility likely of long only products, expected returns are also expected to higher than normal market returns and the above product. The Portfolio Manager will employ high due diligence and research into smaller companies given the risks entailed with investing in the same.

Risk management is generally on a positional level. Investors would be well appraised of all risks to their portfolio, and only those Investors who are deemed to possess a higher degree of risk tolerance will be permitted in to the said product.

The Portfolio Manager may invest in derivatives or any other instrument as may be permitted by SEBI / RBI / such other Regulatory Authority from time to time including Units of Schemes of Mutual Funds and as may be decided by the Portfolio Manager. The Portfolio Manager may also participate in the Securities Lending Scheme

Over time, the Portfolio Manager aims to diversify the product range to offer more bespoke levels of volatility and variants of the 2 products above. But at start, the Portfolio Manager does not favour bespoke solutions. The Portfolio Manager also would consider other asset classes including fixed income products that the Portfolio Manager believes relevant to its Client base.

The selection of stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

iii. Sunrise Matter Strategy:

The Portfolio Manager's sunrise matter strategy is based on the shift from traditional material to pioneer products in various sectors of the market. The strategy will invest in companies making innovative products replacing steel, iron, aluminum, glass, wood, leather and paper. The Portfolio Manager can invest in any other companies or sectors. The Portfolio Manager is of the view that the effect is most significant in industry segments such as agriculture, packaging, auto ancillaries and infrastructure/construction. The product aims to invest across market capitalization.

The key growth drivers in these segments are as follows:

Agriculture: Sunrise Matter have seen an increase in usage due to the positive effect they have on productivity and water management. The key growth drivers in this segment are practices such as greenhouses, crop covers and drip irrigation. Products such as pipes and storage tanks have seen a rapid shift towards polymer based raw materials. There has also been a gradual shift towards branded products from unbranded products, especially in product categories such as agriculture pipes.

Packaging: Plastic based packaging has seen an increased utilization in verticals such as food packaging, beverages and FMCG items. The high product to package ratio and light weight makes it the preferred material for the manufacturers of these products. Currently, rigid packaging accounts of 38% of the Sunrise Matter usage in the sector which is growing at 21% per annum. Whereas, flexible packaging accounts for 62% of the Sunrise Matter usage in the sector with usage growing at a rate of 14% per annum. Food packaging is the as the fastest growth driver in this particular industry.

Auto Ancillaries: The growth of newer applications as well higher atomization has led to a higher use of plastics in this segment. Further, due to the increased focus on fuel conservation, original equipment manufacturers are reducing the weight of their cars, thereby replacing metals by plastics increasing the consumption of plastics per car. Rising income levels and growing middle class have also contributed towards the increased demand for such products.

Infrastructure/Construction: Traditionally, infrastructure and construction products such as pipes, fittings racks, road barriers etc. have been made by using materials such as metal or wood. However, there has been a gradual shift towards converting these into plastic material products. The growth of building, mega-highway and rural electrification projects has augmented demand for such constituent raw materials.

The Portfolio Manager shall utilize a bottom-up approach to picking research individual companies with competitive positioning in the aforementioned segments. The focus would be to look at factors such as high operating leverage, low capacity utilization in assessing the turnaround potential of companies. The Portfolio Manager shall also to identify companies which are in transition in terms of scale and market capitalization. The strategy aims to balance returns by maintaining a right mix of growth and turnarounds.

The selection of stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

iv. Diversified Multi-Cap strategy

The Portfolio Manager will focus on high alpha generation by investing in Pre-IPOs, and listed stocks across sectors for a given level of beta risk & volatility. This would be available for those Investors who have a higher degree of risk tolerance and volatility compared to balanced and/or debt funds. In addition to these, the strategy will likely invest in companies across market capitalisation covering from small to mid to large capitalisation companies. Therefore, smaller and mid-capitalisation companies may have liquidity and business risk. Moreover, the portion of the Portfolio that may be invested in Pre-IPOs carry liquidity risk due to a delay in a company's IPO listing as well as the lock-in period of twelve month from the date of investing.

Given the higher volatility likely of this strategy, expected returns are also expected to be higher than normal market returns. The Portfolio Manager will employ high due diligence and research into Pre-IPO and smaller companies given the risks entailed with investing in the same.

Risk management is generally on a positional level. Investors would be well appraised of all risks to their Portfolio, and only those Investors who are deemed to possess a higher degree of risk tolerance will be permitted in to the said strategy.

The Portfolio Manager may invest in derivatives or any other instrument as may be permitted by SEBI / RBI / such other Regulatory Authority from time to time including Units of Schemes of Mutual Funds and as may be decided by the Investment Manager. The Portfolio Manager may also participate in the Securities Lending Scheme.

The Portfolio Manager shall utilize a bottom-up approach to picking research individual companies with competitive positioning in the aforementioned segments. The focus would be to look at factors such as high operating leverage, low capacity utilization in assessing the turnaround potential of companies. The Portfolio Manager shall also to identify companies which are in transition in terms of scale and market capitalization. The strategy aims to balance returns by maintaining a right mix of growth and turnarounds.

The Portfolio Manager also would consider other asset classes including fixed income products that the Portfolio Manager believes relevant to its Client base.

The selection of stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

v. Fund 4

The investment objective of Fund 4 strategy is to replicate the incoming government election manifesto / policies. The Strategy will aim to identify sectors that will benefit from incoming government economic policies. Their policies broadly are:-

1. Doubling Farmers' Income
2. India as the World's 3rd Largest Economy
3. Infrastructure – Foundation of New India
4. Healthy India – Determined India
5. Good Governance
6. Yuva Bharat – Tomorrow's India
7. Education for All
8. Women Empowerment
9. Inclusive Development
10. Cultural Heritage
11. Foreign Policy

Fund shall also identify and invest in sectors and companies across capitalisation which are expected to recover fastest and benefit in next few years from the current market fall due to the present pandemic situation. The fund shall select sectors and 20 to 50 companies with an Investment Horizon of the fund of 5 to 7 years.

The fund allocation of portfolio shall be across different types of securities as mentioned in Clause B (Investment Instruments and Policies) below.

The selection of stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

vi. Fund 5

The Investment Objective of Fund 5 is to identify and invest in sectors and companies which are expected to recover fastest and benefit in next few years from the current market fall due to the present pandemic situation. Fund is opportunistic in nature which will take advantage of the current market crisis which has led to fall in stock prices.

Fund 5 shall invest in companies and selected sectors across capitalization with a large cap bias. The fund shall select sectors and 20 to 45 companies with well-defined parameters on every sectors / companies in the portfolio. Investment Horizon of the fund is 5 to 7 years. The fund allocation of portfolio shall be across different types of securities as mentioned in Clause B (Investment Instruments and Policies) below.
The selection of stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

Benchmark index: NSE500 (Fund is a Multi-Cap Fund)

Note*: The selection of stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy. The portfolio of each client may differ from that of the other client in the given schemes, at the Portfolio Manager's discretion. The funds remaining to be invested in any of the above schemes at any given point of time, may be deployed by the Portfolio Manager in any other short-term investments.*

The performance of the Portfolios may not be strictly comparable with the performance of the Indices, due to the inherent differences in the construction of the portfolios. The Portfolio Manager may from time to time, review the benchmark selection process and make suitable changes as to use of the benchmark, or related to composition of the benchmark, whenever it deems necessary.

The Portfolio Manager shall maintain records in support of every investment transaction or recommendation which will indicate the data, facts and opinion leading to the investment decision.

Apart from Discretionary Portfolio Management Services, the Portfolio Manager also offers: (a) Non-Discretionary Portfolio Management Services wherein the choice as well as the timings of the investment decisions rest solely with the Client and the Portfolio Manager manages the Assets of the Client in accordance with the directions given by the Client; and (b) Advisory Services, in terms of the Regulations, which are in the nature of investment advisory and include the responsibility of advising on the Portfolio strategy, investment and divestment of individual Securities on the Clients Portfolio, for an agreed fee structure and for a period agreed in the Agreement, entirely at the Client's risk.

B. Investment Instruments and Policies

The following is a description of the investments that the Portfolio Manager may acquire directly or indirectly:

a. Publicly Traded Indian Securities

The Portfolio Manager may invest in publicly traded equity and equity-related Indian Securities, including common stocks, preferred stocks, corporate bonds, stock warrants and rights, and convertible Securities, issued by companies headquartered in India or registered under the Companies Act of India, which may be trading on an Indian stock exchange, such as the Bombay Stock Exchange Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE"), or any other India based stock exchanges.

b. Derivatives

The Portfolio Manager may invest in Indian Securities considered to be derivatives, including commodity futures, futures and options trading on the NSE, the BSE and other Indian and international exchanges and over-the-counter derivatives issued by banks or other financial institutions offshore to India, such as participatory notes and access notes. Derivatives enable non-Indian Investors to effectively invest in Indian Securities indirectly without obtaining various registrations that are often required by Indian authorities in order for non-Indian Investors to acquire and hold Indian Securities.

The Portfolio Manager's investments in options may include put or call options on Securities and market indices. A call option on a Security confers the right (but not the obligation) to buy a specified stock at a specified price (the strike price) before or at a specified date (the expiration date), and a put option confers the right (but not the obligation) to sell a specified stock at the strike price before or at the expiration date. An option on an index gives the holder the right to receive a cash payment equal to the amount, if any, by which the exercise price of the option exceeds (in the case of a put option) or is less than (in the case of a call option) the closing value of the underlying index on the exercise date, multiplied by a fixed contractual amount (an index multiplier). Options are generally more volatile than common stock. If not exercised, an option may expire valueless, and the Client will lose the entire price paid for the option, known as the premium. The Portfolio Manager may engage in both purchasing and writing put or call options.

The Portfolio Manager's investments in futures contracts may include single stock futures, equity index futures, bond futures, and other types of futures contracts traded on Indian stock exchanges. Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a Security at a specified future time and price, or for making a cash settlement based on changes in the value of a security, an index of Securities or other assets. When the Portfolio Manager purchases or sells a futures contract, it is generally required to make an initial margin deposit and additional margin deposits may be required as the contract fluctuates in value. Since the amount of margin is relatively small compared to the value of the Securities covered by a futures contract, the potential for gain or loss on a futures contract is much greater than the amount of initial margin deposit.

Investing in Indian Securities via derivatives involves risks in addition to the general risks of investing in those Indian Securities. In particular, derivatives involve the risk that their issuer will fail to honor its obligations pursuant to the derivatives to transfer the economic performance of the underlying Indian Securities. This might happen, for example, if the counterparty were to become insolvent or were for some other reason unable to honor its obligations under derivatives that it has issued to the Portfolio Manager. In this event, the Clients might not receive the benefit of positive performance by the Indian Securities underlying these derivatives. Further, the Indian authorities have in recent months scrutinized derivatives programs carefully and may take regulatory action to limit or restrict these programs. In particular, the Indian authorities have become concerned that in some cases derivatives are being used to circumvent restrictions on investments by non-resident Indians in Indian markets and they have taken steps to address these concerns. Any such regulatory action may have an adverse effect upon the activities of the Portfolio Manager.

Subject to applicable regulations, derivative instruments may be used to establish positions for the Clients that are effectively counter to market direction, or short positions.

c. Unlisted Securities

The Portfolio Manager may make private investments in public equity ("PIPES" deals), as well as in investments privately offered, equity and equity linked Securities issued by companies having a solid Indian access.

d. Cash and Short-Term Investments

The Portfolio Manager may allocate part of the Assets to Cash, short-term liquid fixed-income Securities and/or funds investing in short-term liquid fixed-income securities. The Portfolio Manager will normally hold these instruments when the board believes that investing for defensive purposes is appropriate or to meet anticipated requests for redemptions.

e. Long Positions and Short Sales

Despite the Portfolio Manager's belief that the Indian economy will continue to grow, a number of factors like the business or economic cycle for a company or industry, movement of liquidity into and out of markets/emerging markets, positions due to inappropriate investor expectations and economic and political shocks, may lead to volatility in Indian stocks and the Indian market. The Portfolio Manager expects to take advantage of this volatility and pricing anomalies in security prices by exploiting both "long" positions and engaging in "short sales" in the derivative markets, subject to the limitations discussed in "Investment Restrictions" below and applicable Indian law and regulations. "Short sales" are transactions in which an entity sells a Security or other asset it does not own in anticipation of a decline in the market value of the Security or other asset. Subject to applicable regulations, the Portfolio Manager may obtain exposure to "short" positions through the use of derivative instruments.

f. Initial Public Offerings

The Portfolio Manager believes that India has a number of well-run, profitable private companies. In a bid to grow and globalize many of these companies may seek capital through initial public offerings. The Portfolio Manager may seek to participate in the initial public offerings of such companies, provided that the Portfolio Manager will not participate in initial public offerings sold through U.S. broker-dealers that are subject to the rules on "new issues" of the U.S. Financial Industry Regulatory Authority.

g. Cash and Future Arbitrage

The Indian market allows for use of some market neutral strategies such as cash and future arbitrage and arbitrage arising due to corporate actions, which can, if properly employed, enhance returns. The Portfolio Manager may pursue these strategies with assets that are not devoted to the principal investment strategies of the Portfolio Manager.

C. MAIN FEATURES OF THE PORTFOLIO MANAGEMENT SERVICES

- The Client shall deposit with the Portfolio Manager, an initial Capital of Rs. 505 Lakhs or any other amount, not less than the statutory minimum, as may be prescribed in the Regulations from time to time.

  This minimum amount requirement is applicable to all new Clients and fresh investments by existing Clients.

- Periodic valuation report (if, any).

- Periodic transaction statement (if, any).

- Investment under Portfolio Management Services will be only as per the Regulations.

- The un-invested Capital forming part of the Client's Assets may at the discretion of the Portfolio Manager be held in cash or deployed in Liquid fund schemes, Exchange Traded Index Funds, debt oriented schemes of Mutual funds, Gilt schemes, Bank deposits and other short-term avenues for Investment.

6. RISK FACTORS

Securities investments are subject to market and other risks and the Portfolio Manager provides no guarantee or assurance that the objectives set out in this Disclosure Document and/or the Agreement shall be accomplished. Following are the risk factors as perceived by the Portfolio Manager:

a) 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.

b) The Net Asset Value of the Portfolio may be affected by changes in settlement periods and transfer procedures.

c) As with any investment in Securities, the Net Asset Value of the Portfolio can go up or down depending upon the factors and forces affecting the capital markets.

d) The names of the Investment Strategies do not in any manner indicate their prospects or returns. The performance of equity related investment strategies may be adversely affected by the performance of individual companies, changes in the market place and industry specific and macro-economic factors.

e) Investments in debt instruments are subject to default risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the Portfolio may be subject to fluctuation.

f) Past performances of the Portfolio Manager or of the key personnel of the Portfolio Manager do not guarantee its/their future performance.

g) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and demat, in the Client's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.

h) Investment decisions made by the Portfolio Manager may not always be profitable.

i) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.

j) Not meeting the obligation to pay the Cash in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.

k) The market prices of the Securities in the Portfolio may be volatile and may not truly reflect its fundamental or intrinsic value due to the lack of sufficient liquidity for those Securities.

l) The Portfolio Manager may make investments in unlisted Securities. This may also expose the Portfolio Manager to an illiquidity scenario since the exit from the portfolio company would have to be a strategic exit.

m) **Equity and Equity Related Risks:** Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Cash in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.

n) **Derivatives Risk:** Derivatives involve special risks and costs and may result in losses to the Portfolio. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the Portfolio will depend on the Portfolio Manager's ability to analyze and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions.

o) **Re-investment Risk**: This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are reinvested. The additional income from re-investment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

p) **Spread Risk**: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the returns accordingly.

q) **Prepayment Risk**: There may be unscheduled return of principal on a particular Security, which may result in reinvestment risk.

r) The Portfolio Manager may, subject to authorization by the Client in writing, participate in securities lending. The Portfolio Manager may not be able to sell / lend out securities, which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the Approved Intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

s) **Macro-Economic risks:** Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monitory or fiscal policies, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.

t) **Liquidity Risk:** Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular Security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular Security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market Securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of such Securities thereby resulting in a loss to the Portfolio until such Securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid Securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

Further, Securities, which are not listed on the Stock Exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to Securities that are listed on the Exchanges or offer other exit options to the Investor. The Portfolio Manager may, at its discretion, invest in lower rated/unrated Securities that offer attractive yield, which may increase the risk of the Portfolio. Such investments shall be subject to the scope of investments laid down in the Agreement.

u) **Credit Risk:** Debt Securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.

v) **Interest Rate Risk:** is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a Portfolio of fixed income Securities can be expected to rise. Conversely, when interest rates rise, the value of a Portfolio of fixed income Securities can be expected to decline.

w) Acts of State, or sovereign action, changes in government policies, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.

x) The Client stands the risk of total loss of value of an Asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non-performance of a third party, portfolio company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

y) **Non-Diversification Risk:** This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.

z) **Mutual Fund Risk:** This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt Securities are also applicable to investments in mutual fund units. Further, specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

aa) Prospective Clients should review / study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalisation, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed Capital to be used to purchase/gift Portfolio of Securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding Portfolio of Securities before making an investment.

bb) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services. Further, it is clarified that the liability of the Clients is limited to the amounts invested by them.

cc) Clients are not being offered any guaranteed / assured returns.

dd) The investments under the Portfolio may have exposure towards equity/equity related instruments of companies belonging to the infrastructure sector and hence shall be affected by risks associated with the infrastructure companies / sector. The performance of the companies which form the investment universe of the Portfolio would be affected by the growth and performance of the infrastructure sector in the country.

ee) The Clients may not be able to avail of Securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients.

ff) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.

gg) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.

hh) Clients will not be permitted to withdraw the Capital/Portfolio (unless in accordance with the terms agreed with the Client in the Agreement). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

ii) In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that were negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.

jj) The Client has received the Disclosure Document and the PMS account-opening form it is required to fill, at least two days before the signing the PMS account-opening form. The Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document.

kk) Changes in applicable law may impact the performance of the Portfolio.

7. CLIENTS REPRESENTATION

7.1

Category of Clients	No. of Clients	Funds Managed (Rs in Lakhs)	Discretionary / Non-Discretionary / Advisory
Fund 1			
Associate/Group Companies	NIL	NIL	NIL
Individuals			

From Oct 24, 2018 - March 31, 2019	2	105.84	Discretionary
Individuals	2	147.48	Discretionary
From Oct 01,2020- March 31, 2020			

Category of Clients	No. of Clients	Funds Managed	Discretionary / Non-Discretionary / Advisory
		(Rs in Lakhs)	
Fund 4			
Associate/Group Companies	NIL	NIL	NIL
Individuals	1	17.74	Discretionary
From Jan 01,2020- March 31, 2020			

7.2 **DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES AS PER THE STANDARDS SPECIFIED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.**

There have been NO Related Party transactions for FY 2019-20.

8. **PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER**

Portfolio Performance (Net of all Cost and Fees)	F.Y. 2019 – 20	F.Y. 2019 - 20	F.Y. 2018 - 19	F.Y. 2017 - 18	F.Y. 2016 - 17
	(Oct 01,2019 to March 31,2020)	(April 01,2019 to Sept 30,2019)	(Oct 24, 2018 to Mar 31, 2019)	(April 01, 2017 to Mar 31, 2018)	(April 01, 2016 to Mar 31, 2017)
Fund 1	-25.94%	-6.57%	5.84%	-	-
CNXMcap	-31.94%	-12.23%	11.48%	-	-

Portfolio Performance (Net of all Cost and Fees)	F.Y. 2019 – 20	F.Y. 2019 - 20	F.Y. 2018 - 19	F.Y. 2017 - 18	F.Y. 2016 - 17
	(Jan 01,2019 to March 31,2020)	(April 01,2019 to Sept 30,2019)	(Oct 24, 2018 to Mar 31, 2019)	(April 01, 2017 to Mar 31, 2018)	(April 01, 2016 to Mar 31, 2017)
Fund 4 (From 01.01.2020 To 31.03.2020)	**-23.6%**	-	-	-	-
CNXMcap	**-31.7%**	-	-	-	-

9. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Particulars	**Year prior to the preceding year of current year (2015-2016)**	**Preceding Year (2016-2017)**	**Preceding Year (2017-2018) (Audited)**	**Current Year (2018-2019) (Audited)**	**Current Year (2019-2020) (Unaudited Provisional)**
Net Profit (After Tax)	(2.12) Crores	(2.65) Crores	(1.44) Crores	(1.74) Crores	(1.99) Crores

10. NATURE OF COSTS AND EXPENSES FOR CLIENTS

The following are indicative types of costs and expenses to be borne and paid by Clients availing the Portfolio Management Services.

INDICATIVE FEE STRUCTURE	
Nature of Fees	**Fees %**
Investment Management and Advisory Fee	4% of the Capital or daily average market value of the Portfolio or such other basis as may be mutually agreed upon by the Client and the Portfolio Manager (plus applicable taxes), in the Agreement.
Performance Fee	40% (profit sharing on a high watermark basis).
Exit Load	a) In the first year of investment, maximum of 3% of the amount redeemed. b) In the second year of investment, maximum of 2% of the amount redeemed. c) In the third year of investment, maximum of 1% of the amount redeemed. d) After a period of three years from the date of investment, no exit load.
Hurdle Rate	10% with catch up
Custodian/Depository Fees	On actuals
Registrar and transfer agent Fee	On actuals
Brokerage and transaction costs	On actuals

Securities lending charges	On actuals
Certification and professional charges	On actuals
Bank and Depository charges	On actuals
Audit Fees	On actuals
Goods and Service Tax	As may be applicable from time to time.
Fund Accounting charges	On actuals
Primary clearing member (PCM) charges (for accounts trading derivatives)	On actuals
Incidental Expenses	On actuals
Transaction Cost	On actuals

All costs, expenses and fees relating to each of the Portfolio Management Services offered by the Portfolio Manager shall be annexed to the Agreement to be entered into between the Portfolio Manager and the Client, and the Agreements in respect of each of the services availed at the time of execution of such Agreements. The below mentioned fees, charges and expenses shall be directly debited from the Client's Bank Account/s as and when the same becomes due for payment.

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).
Please Note: Portfolio Managers provide clients the option for direct on-boarding.

a) Portfolio Management Fees and Setup Fees

Management fees relate to the Portfolio Management Services offered to the Clients. The fee may be in the form of an entry or exit charge or a recurring charge in the nature of a fixed charge (which can be an absolute amount or a percentage of the quantum of Capital Managed) or in the nature of a variable charge that are linked to Portfolio returns achieved or a combination of all or any of these.

Management fees as an entry or exit charge or as a percentage of the quantum of Capital Managed shall each be charged, at such rate as may be agreed between the Portfolio Manager and the Client from time to time.

The Portfolio Manager shall charge performance based Management fees to its Clients based on the hurdle rate as well as a high watermark concept prescribed by Securities Exchange Board of India under the Regulations. Such fees may be calculated in respect of a designated time period and shall be made payable on the first to occur of (1) or (2) below.

(1) At the end of every Financial Year; or
(2) The date on which whole or part of the Capital is redeemed by the Client. In the event a part of the Capital is redeemed, the performance based fees shall be payable on the amount redeemed.

Further, the Portfolio Manager may also charge a one-time setup fee which shall be a percentage of the Client's Capital. It is clarified that such fees, not exceeding the rate specified, will be applicable irrespective of whether the Clients' Capital is managed for the whole year or part of the year.

Management fees and a setup fee may vary from Client to Client, in the same Portfolio strategy or in different Portfolio strategy.

b) Transaction cost:

In addition to the Management fees, the Portfolio Manager may charge a transaction cost on every purchase and sale transaction. The transaction costs shall be charged at actual to the Clients and the same shall be borne and paid by the Clients.

c) Custodian / Depository Fees

The charges relating to opening and operation of dematerialised accounts, custody and transfer charges for shares, bonds and units, dematerialisation, rematerialisation and other charges in connection with the operation and management of the depository/custody accounts.

d) Registrar and transfer agent fee

Charges payable to registrars and transfer agents relating to effecting transfer of Securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.

e) Brokerage and transaction costs

The brokerage charges and other charges like service charge, stamp duty, transaction costs including bank charges, securities transaction tax, turnover tax, exit and entry loads on the purchase and sale of Securities or any other tax levied by statutory authorities on purchase and sale of Securities. The investments would be usually done through registered members of the stock exchange. Brokerage would be as per the actual, charged by the broker.

f) Securities lending charges

The charges pertaining to the lending of Securities and costs associated with transfers of Securities connected with the lending transfer operations.

g) Certification and professional charges

Charges payable for outsourced professional services like accounting, taxation and legal services, notarisations etc. for certifications, attestations required by bankers or regulatory authorities.

h) Bank and Depositary charges

For availing the Portfolio Management Service the Clients have to open the Bank Account and demat account and in this regard the Clients will have to pay charges as per schedule of charges forming part of the account opening forms signed by them.

i) Incidental Expenses

Charges relating to the courier expenses, stamp duty, goods and service tax, postal, telegraphic, opening and operation of bank accounts including the Bank Account, expenses pertaining to storage/retrieval of documents, distribution charges etc. and any other out of pocket charges as may be incurred by the

Portfolio Manager while discharging the Portfolio Management Services shall be borne and paid by the Client.

j) Primary clearing member (PCM) charges (for accounts trading derivatives)

The charges depend on the Investments and Investment strategies.

k) Fund Accounting Charges

The charges depend on the Investments and Investment strategies, and will be charged on actuals.

11. TAXATION IMPLICATIONS FOR CLIENTS

General

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors / clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of tax consequences on the income, capital gains or otherwise, arising from investments through Portfolio Management Service, each Client is advised to consult his / her / its tax advisor with respect to the specific tax consequences to him/ her / it on investment through Portfolio Management Services. The information/ data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice.

All tax rates mentioned below are exclusive of applicable surcharge and cess.

The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the Client's tax obligations.

The tax implications mentioned herein are effective as on the date of issue of this Disclosure Document and may change due to modifications in existing legislation.

The basis of charge of Indian income-tax, under the Income Tax Act, 1961 ("**ITA**") depends upon the residential status of the taxpayer during a tax year, as well as the nature of the income earned. The Indian tax year runs from April 1 until March 31 of every calendar year.

The tax rates applicable to different categories of tax payers are as follows:

1. Tax Rates – FY 2020-21

A. Resident individual & HUF Tax Rate (as below) + surcharge + cess

Annual Income	New Income Tax Slab Rate	Existing Slab Rate
Nil to Rs. 2.5 lakh	**Exempt**	Exempt
Above Rs. 2.5 lakh to Rs. 5 lakh	**5%**	5%

Above Rs. 5 lakh to Rs. 7.5 lakh	**10%**	20%
Above Rs. 7.5 lakh to Rs. 10 lakh	**15%**	
Above Rs. 10 lakh to Rs. 12.5 lakh	**20%**	30%
Above Rs. 12.5 lakh to Rs. 15 lakh	**25%**	
Above Rs. 15 lakh	**30%**	

(a) *In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is Rs 300,000.*

(b) *In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs. 500,000.*

(c) *A rebate upto Rs.2,500 for individual having total Income upto Rs. 350,000*

B. Partnership Firms & Indian Companies (as follows):

a. **25**% *+ surcharge + cess

b. Indian Companies having turnover less than Rs. 250 crores 25% + surcharge and cess

c. Indian companies other than referred to in (b) above: 30% *+ surcharge + cess

C. Non-resident Indians: 30% + surcharge + cess

D. Foreign companies : 40% + surcharge + cess

W.e.f 1st April, 2018, Education Cess (2%) and Secondary and Higher Education Cess (3%) are replaced with a single Health and Education cess at the rate of 4%.

Category	Rate of Surcharge Applicable
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Institutional Investors where the net taxable income is up to Rs. 1,00,00,000/- for the relevant year	10% surcharge will be levied if income exceeds Rs 50 lakhs but does not exceed Rs 1 crore. Total amount of tax to further increase by way of health and education cess at the rate of 4% calculated on the total amount of tax plus surcharge.
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Institutional Investors where the net taxable income is in excess of Rs. 1,00,00,000/- for the relevant year	Surcharge at the rate of 15 % is leviable on Tax amount. Total amount of tax to further increase by way of health and education cess at the rate of 4% calculated on the total amount of tax plus surcharge.
Companies where the net taxable income does not exceed Rs. 1,00,00,000/-	No surcharge would be levied. Total amount of tax to increase by way of health and education cess at the rate of 4% calculated on the total amount of tax.
Companies where the net taxable income is in excess of Rs.1,00,00,000/- but less than Rs.10,00,00,000/-	Surcharge at the rate of 7% is leviable on Tax amount (2% in case of Foreign Company). Total amount of tax to further increase by way of health and education cess at the rate of 4% calculated on the total amount of tax plus surcharge.
Companies where the taxable income is more than Rs. 10 Crore	A surcharge of 12% leviable on income tax (5% in case of foreign companies). Total amount of tax to

	further increase by way of health and education cess at the rate of 4% calculated on the total amount of tax plus surcharge.

The Dividend received in respect of the shares and units of Mutual Fund held in the products offered under the Portfolio Management Services are exempt from tax in the hands of investor.

However, if the aggregate dividend income accrued/ received by an individual or a firm (from domestic companies only) resident in India, exceeds Rs. 10 lakhs, such excess of the aggregate dividend income accrued/ received shall be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess).

However, the dividend/income distribution on securities and units received by Products offered under the Portfolio Management Services will be after distribution tax on the amount of dividend/income distribution declared.

2. Residential Status of the tax payer

As per the provisions of the ITA, a tax resident of India is taxed on its global income whereas a non-resident is liable to tax only on income which is received or is deemed to be received in India in such year; or accrues or arises or is deemed to accrue or arise to him in India during such year.

As per the provisions of the ITA, amended by the Finance Act, 2016 with effect from April 1, 2016, a company would be considered a resident of India if (a) it is an Indian company; or (b) its "place of effective management" ("POEM"), in that year, is in India. Further, it is provided that for this purpose, the POEM would be the place where the key management and commercial decisions that are necessary for the conduct of the business of the entity as a whole are, in substance made. Therefore, a foreign company could be considered a tax resident of India if its POEM is determined to be in India.

The Central Board of Direct of Direct Taxes ("**CBDT**") vide Circular No. 6 dated January 24, 2017 came out with guidelines for determination of POEM of a foreign company dated ("**Guidelines**"). As per the Guidelines, the concept of POEM is one of substance over form. It may be noted that an entity may have more than one place of management, but it can have only one place of effective management at any point of time. Since "residence" is to be determined for each year, POEM will also be required to be determined on year to year basis. As per the Guidelines, POEM of a foreign company is presumed to be outside India if it is considered to be carrying on active business outside India ("**ABOI**") as per the ABOI test prescribed in the Guidelines. Foreign companies that do not meet the ABOI test are subject to a two-step process to determine POEM. Step 1 involves identification or ascertaining the person or persons who actually make the key management and commercial decision for conduct of the company's business as a whole and Step 2 involves determination of the place where these decisions are in fact being made. Until the introduction of POEM, foreign companies were characterized as being tax resident of India only on the satisfaction of the 'control and management' test, which required that the foreign company's control and management be wholly or partly situated in India for them to be considered to be an Indian resident under the ITA.

3. Tax deduction at source

Presently, tax is withheld at source for payments to be made to non-residents. . If any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard.

4. Advance tax installment obligations

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

A. Equity Shares

i. <u>Dividends</u>

The Dividends received in respect of the shares and income received in respect of units of any Mutual Fund held in the products offered under the Portfolio Management Services are exempt from tax in the hands of investors.

However, if the aggregate dividend income accrued/ received by an individual or a firm (from domestic companies only) resident in India, exceeds Rs. 10 lakhs, such excess of the aggregate dividend income accrued/ received shall be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess).

However, the dividend/income distribution on shares and units received by products offered under the Portfolio Management Services will be after distribution tax on the amount of dividend/income distribution declared at the rates prescribed below:

Types of Distribution	Rate of Tax (grossed up but exclusive of applicable surcharge and cess)
Dividend distribution by domestic companies (Sec 115-O)	20.3576%
On income distributed to any person being an individual or a HUF by a money market mutual fund or a liquid fund.	38.8267%
On income distributed to any other person (Other than an individual or a HUF) by a money market mutual fund or a liquid fund	49.92%
On income distributed to any person by an equity oriented fund	12.942%
On income distributed to any person being an individual or a HUF by a fund other a money market mutual fund or a liquid fund or an equity oriented fund	38.8267%
On income distributed to any other person (other than individual or a HUF) by a fund other a money market mutual fund or a liquid fund or an equity oriented fund	49.92%

ii. <u>Capital Gains</u>

a) 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 securities are held, the gains would be taxable as short-term capital gains ('STCG') or long term capital gains ('LTCG').

<u>**Nature of Asset**</u>	<u>**STCA**</u>	<u>**LTCA**</u>
Unlisted shares	Held for less than 24 months	Held for more than 24 months
Listed shares and unit of equity oriented fund	Held for less than 12 months	Held for more than 12 months
Unlisted and listed units (other than units in an equity oriented fund)	Held for less than 36 months	Held for more than 36 months.

b) Taxation of Capital Gains:[1]

The rates provided below are subject to applicable conditions prescribed under the ITA. Rates are exclusive of applicable surcharge and cess. Further treaty relief may be availed subject to treaty relief.

Nature of Income	**Rate for resident investors**	**Rate for non-resident investors**	**Rate for Foreign Portfolio Investors**
STCG on transfer of listed shared	15%	15%	15%
STCG on transfer of unlisted shares	Slab rates	Slab rates	Slab rates
LTCG on transfer of listed shares	10%	10%	10%
LTCG on transfer of unlisted shares	20%	10%	10%
STCG on transfer of unit of an equity oriented fund	15%	15%	15%
STCG on transfer of unlisted units and listed units (other than the above)	30%	40% (30% in case of non-resident investors other than foreign companies)	30%
LTCG on transfer of unit of an equity oriented fund	10%	10%	10%
LTCG on transfer of unlisted units	20%	10%	10%
LTCG on transfer of 8units of listed mutual	20%	20%	10%

[1] *Investment in listed equity shares:* The purchase of listed equity shares of portfolio companies on the floor of the stock exchange shall attract Securities Transaction Tax ('STT') at the rate of 0.125% of the transaction value.

Sale of listed equity shares: All transactions entered on a recognized stock exchange in India will be subject to STT levied on the transaction value. In case of purchase or sale of listed equity shares which is settled by way of actual delivery or transfer of the equity share, STT will be levied at the rate of 0.1% on both the buyer and seller of the equity share. For sale of equity shares settled otherwise than by way actual delivery or transfer of the equity shares, STT will be levied at the rate of 0.025% on the seller of the equity share. The STT can be set-off against business income tax calculated as per the provisions of the ITA provided the gains on the transactions are offered to tax as business income and not as capital gains.

fund (other than equity oriented fund)			

B. Listed Preference Shares

i. <u>Dividends</u>

Same as in case of equity shares discussed above.

ii. <u>Capital Gains</u>

Same as in case of equity shares discussed above.

iii. <u>Sale / Buy-back / Redemption of listed preference shares</u>

In such a scenario, any amount of distributed income by the Indian company on buyback of shares from the shareholder is subject to an additional tax at 20%.

5. Other relevant provisions under the Act

A. *Introduction of General Anti-avoidance Rule ("GAAR")*

Chapter X-A of the ITA, comprising sections 95-102, provides for the General Anti-Avoidance Rules ("GAAR") that came into effect from financial year 2017-18. Under this chapter, any 'arrangement' entered into by a taxpayer may be declared as an 'impermissible avoidance arrangement' following which the tax department may disregard or re-characterise such 'arrangement' so as to result in the denial of a tax benefit.

Section 102(1) defines the term 'arrangement' to include "any step in, or a part or whole of, any transaction, operation, scheme, agreement or understanding, whether enforceable or not, and includes the alienation of any property in such transaction, operation, scheme, agreement or understanding."

Section 96 of the ITA defines the expression 'impermissible avoidance arrangement', wherein it is provided that an impermissible avoidance arrangement means an arrangement, the main purpose of which is to obtain a tax benefit, and satisfies one or more of the following: (a) non-arm's length dealings; (b) misuse or abuse of the provisions of the domestic income tax provisions; (c) lack of commercial substance; and (d) arrangement similar to that employed for non-bona fide purposes ("Tainted Elements Test").

The grandfathering provision under GAAR entails that it does not apply to income from transfer of investments which were made on / before March 31, 2017. However, grandfathering is limited to income from transfer of investments and does not apply to other tax benefits obtained from existing structures and arrangements, which may generate income subsequent to April 1, 2017.

B. Multilateral Instrument

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ('MLI'). The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. The MLI has also expanded the scope of permanent establishment to include agent (excluding an independent agent) playing principal role, leading to routine conclusion of contracts without material modification. For this purpose, an agent is not considered independent if it acts exclusively or almost exclusively on behalf of one or more closely related enterprises. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLI.

Each Client is advised to consult his/her/its tax advisor with respect to the tax consequences to him/ her/it in respect of transaction in derivative products.

12. ACCOUNTING POLICY / VALUATIONS

A. Following are the key accounting policies:

- All investments in listed Securities will be marked to market. All private equity/pre IPO placements will be valued at fair value as determined in good faith by the Portfolio Manager's auditors. The valuation shall be binding on the Client.
- Transactions for purchase or sale of investments would be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the individual Client account for that year.
- The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's contract note or levied by any statute.
- Books of accounts would be separately maintained in the name of the Client as are necessary to account for the Assets and any additions, income, receipts and disbursements in connection therewith, as provided under the Regulations.

B. Audit

- The portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant on an accrual basis and a copy of the certificate issued by the chartered accountant shall be given to the Client.

- The Client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such chartered accountant in course of the audit.

13. INVESTOR SERVICES

a. Contact information

Name, address and telephone number of the Investor relations officers who shall attend to the Investor queries and complaints.

Name : Mr. Vaspar Patel
Address : TCG Financial Centre, 11th&12thFloors, Plot No.C-53,G–Block,
, Bandra Kurla Complex, Bandra (East),
Mumbai 400 098

Phone : 022-67479999

E-Mail : vaspar@tcgamc.com

The official mentioned above will ensure prompt Investor services. The Portfolio Manager will ensure that these officials are vested with the necessary authority, independence and the wherewithal to handle Investor complaints.

b. Grievance Redressal and Dispute Resolution Mechanism

The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Investor and the Portfolio Manager shall abide by the following mechanisms.

The Client, if not satisfied with the redressal, may also approach the SEBI's Complaints Redress System (SCORES) through its website, http://scores.gov.in/ for redressal of its grievances.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives with regard to the Portfolio Management Services shall be settled in accordance with and subject to the provisions of The Arbitration and Conciliation Act 1996, or any statutory requirement, modification or re-enactment thereof by a [sole] arbitrator mutually appointed by both parties. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit. The Arbitration proceedings shall be conducted in English. The arbitration award shall be final and binding on the parties. The Disclosure Document and the Agreement shall be governed by the laws of India and subject to the arbitration provisions contained in this paragraph, courts in [Mumbai] shall have exclusive jurisdiction to decide the disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives with regard to the Portfolio Management Services.

c. GENERAL

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 Agreement.

d. FATCA

In order to comply with the requirement of Foreign Account Tax Compliance Act provisions (commonly known as FATCA), the Portfolio Manager is required to collect information about Investor's tax residency. FATCA is a United States law aimed at prevention of tax evasion by U.S. citizens and residents through use of offshore accounts. The FATCA provisions were included in the Hiring Incentives to Restore Employment (HIRE) Act, enacted by the US legislature to create employment opportunities in the US. FATCA is designed to increase compliance by U.S. taxpayers and is intended to bolster efforts to prevent tax evasion by the US tax payers with offshore investments.

The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) to implement Foreign Accounts Tax Compliance Act (FATCA) and India is now treated as having an IGA in effect from April 11, 2014.

The Portfolio Manager is likely to be classified as a 'Foreign Financial Institution' under the FATCA provisions. Accordingly, the Portfolio Manager will be required to undertake due diligence process and identify US reportable accounts and collect such information / documentary evidences of the US and / or non-US status of its Investors and disclose such information (directly or through its agents or service providers) as far as may be legally permitted about the holdings / investment returns to US Internal Revenue Service (IRS) and / or the Indian Tax Authorities.

FATCA due diligence will be directed at each Investor (including joint Investor) and on being identified as a reportable person / specified US person, all the accounts will be reported. In case of accounts with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person.

An Investor will therefore be required to furnish such information as and when sought by the AMC in order to comply with the information reporting requirements stated in IGA and circulars issued by SEBI in this regard from time to time. The information disclosed may include (but is not limited to) the identity of the Investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors should consult their tax advisors regarding FATCA requirements with respect to their situation.

Investors can get more details on FATCA requirements at:
http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-ActFATCA

The Portfolio Manager reserves the right to reject applications submitted without disclosing necessary information as prescribed under the aforesaid laws/ rules/ regulations.

For TCG Advisory Services Private Limited

SR. No.	Name of the Authorised Signatory	Signature
1	Mr. Chakravarthi Lokapriya	**Signed on behalf and for Mr. Chakravarthi Lokapriya Managing Director and Chief Investment Officer** V. Patel **Vaspar Patel – Compliance Officer**

Place: Mumbai

Date: 26th June 2020

Chetan Dalal & Co.

Chartered Accountants

51 - Ashutosh, 38-A Napean Sea Road, Mumbai - 400036, Maharashtra.

Tel : 91-22-2352 6940 / 91-22-2352 2943 Fax : 91-22-2352 6977

E-Mail: jatinjhaveri@chetandalal.com

To,
The Board of Directors,
TCG Advisory Services Private Limited.
TCG Financial Centre, 11th & 12th Floors, Plot No.C-53, G–Block,BKC,
Bandra (E), Mumbai-400098.

We have examined the Disclosure Document dated 26th June 2020 for Portfolio Management prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 by TCG Advisory Services Private Limited (Portfolio Manager), having its registered office TCG Financial Centre, 11th & 12th Floors, Plot No.C-53,G–Block,BKC, Bandra (E), Mumbai, Maharashtra, India- 400098

Based on our examination of attached Disclosure Document, audited annual accounts of the Portfolio Manager and its other group companies and its other relevant records and information furnished by the Portfolio Manager, we certify that the disclosures made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well informed decision.

We have relied on the representations given by the Portfolio Manager about the penalties or litigations against the Portfolio Manager mentioned in the disclosure document.

This certificate has been issued to TCG Advisory Services Private Limited for submission to the Securities and Exchange Board of India for the sole purpose of certifying the contents of the Disclosure Document for Portfolio Management and should not be used or referred to for any other purpose without our prior written consent.

For, Chetan Dalal & Co
Chartered Accountants
FRN: 101775W

Jatin Dinesh Kumar Jhaveri

Digitally signed by Jatin Dinesh Kumar Jhaveri
DN: c=IN, o=Personal,
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serialNumber=89762646cb1069e78f3b0e831a1681161efd7be7ac1693e5a2be3701a5fb6c81,
cn=Jatin Dinesh Kumar Jhaveri
Date: 2021.07.26 14:58:33 +05'30'

Jatin D Jhaveri (Partner)
M.NO.: 045072
Place : MUMBAI
Date : 26th July 2021
UDIN: 21045072AAAAHO2649