MULTI-ACT EQUITY CONSULTANCY PRIVATE LIMITED
SEBI REGISTRATION NO.: INP000002965

DISCLOSURE DOCUMENT
FOR
PORTFOLIO MANAGEMENT SERVICES

The Board of Directors,
Multi -Act Equity Consultancy Pvt. Ltd.,
10th Floor SC, The Ruby Tower,
29, Senapati Bapat Marg,
Dadar (West), Mumbai 400028.

Certificate under regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

1. We have been requested by management of Multi-Act Equity Consultancy Private Limited ('the Company'/'the Portfolio Manager') to certify the contents of Disclosure Document dated September 26, 2024 for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations'). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI") and to the clients of the Company.

Management's responsibility

2. The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.

3. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

Auditor's responsibility

4. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

5. For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

   a) The list of persons classified as group companies and list of related parties are as per audited financial statements provided by the Company;
   b) The promoters and directors' qualifications, experience, ownership details are as confirmed by the directors and have been accepted without further verification;
   c) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to penalties or litigations against the Portfolio Manager, as mentioned in the Disclosure Document;
   d) We have reviewed the figures for performance disclosed in the Disclosure Document on the basis of performance data spooled from Wealth Spectrum by the Company;
   e) We have reviewed the transactions with the related parties during the quarter as per the list of related parties and transactions data provided by the Portfolio Manager.
   f) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to the investment objectives and policies / investment philosophy;
   g) We have reviewed nature of fees and expenses as per the agreements and representations provided by the Company; and
   h) We have verified the financial figures disclosed in the Disclosure Document with the audited financial statements for the respective years.

Conclusion

6. Based on the procedures performed as stated above, evidence obtained and information and explanations provided by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

   Based on our review 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 along with representation provided, 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.

7. This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

For M.P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

Vidya Barje
Partner
M. No. 104994
Mumbai, October 11, 2024
UDIN: 24104994BKBANU4277

PORTFOLIO MANAGEMENT SERVICES
DISCLOSURE DOCUMENT
OF
MULTI-ACT EQUITY CONSULTANCY PRIVATE LIMITED
(SEBI REGISTRATION No.: INP000002965)
(As per the requirement of the Fifth Schedule under Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020, as amended from time to time and filed with Securities and Exchange Board of India (SEBI).

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

The purpose of the Disclosure Document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the investors in making informed decision for engaging Multi-Act Equity Consultancy Private Limited as a Portfolio Manager.

This Disclosure Document sets forth concisely the necessary information about the Portfolio Manager that is required by a prospective investor before investing.

Investors should carefully read the Disclosure Document prior to making a decision to avail of Portfolio Management Services and are advised to retain this Disclosure Document for future reference.

This Disclosure Document remains effective until a ‘material change’ occurs. Material changes will be filed with SEBI and notified to the investors, subject to the applicable regulations.

No person has been authorized to give any information or to make any representations not confirmed in this Disclosure Document in connection with the services provided or proposed to be provided by the Portfolio Manager, and any information or representations not contained herein must not be relied upon as having been authorized by the Portfolio Manager, Multi-Act Equity Consultancy Private Limited.

This Disclosure Document is dated September 26, 2024. (Audited Financial data of the Portfolio Manager considered up to 31st March 2024).

PRINCIPAL OFFICER	PORTFOLIO MANAGER
Mr. Rohan Samant Corporate Office: 10th Floor, The Ruby Tower, SC, 29, Senapati Bapat Marg, Dadar (West), Mumbai, Maharashtra – 400 028 Registered Office: Ground Floor, ICC Chambers I, Saki Vihar Road, Opp. Santogen Mills, Powai, Mumbai – 400 072. Tel no. +91 98198 51044 Email: rohan.samant@multi-act.com	**Multi-Act Equity Consultancy Private Limited** SEBI Registration No.: INP000002965 Registered Office: Ground Floor, ICC Chambers I, Saki Vihar Road, Opp. Santogen Mills, Powai, Mumbai – 400 072. Corporate Office: 10th Floor, The Ruby Tower, SC, 29, Senapati Bapat Marg, Dadar (West), Mumbai, Maharashtra – 400 028 Tel no. +91(22) 6140 8989 / 8980

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1. Disclaimer

The particulars given in this Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations 2020 and this Document has been filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. You are requested to retain the document for future reference. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

Notwithstanding anything contained in this Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time and the circulars/guidelines issued by SEBI from time to time there under shall be applicable.

This Disclosure Document along with a certificate in Form C is required to be provided to the Client, prior to entering into an agreement with the Client, as per Regulation 22 (3).

2. Definitions

For the purposes of this Disclosure Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires, the following words and expressions shall have the meanings assigned to them respectively hereinafter:

Act	means the Securities and Exchange Board of India Act, 1992 (15 of 1992) as amended from time to time.
Accreditation agency	Means the meaning as assigned to it in clause (aa) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
Accredited investor	means any person who fulfils the eligibility criteria as specified by the Board and is granted a certificate of accreditation by an accreditation agency.
Assets	means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monitory value), in relation to or arising out of Assets.
Board	means the Securities and Exchange Board of India.
“Client” or “Investor”	means any person/entity who enters into an agreement with the Portfolio Manager for availing the services of portfolio management offered by the Portfolio Manager.
Client Agreement	means the agreement between Portfolio Manager and its Client in terms of Regulation 22 of the Regulations and shall include all schedules, recitals, exhibits and annexures attached thereto and any amendments made to the said Agreement by the Parties in writing.

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 from time to time.
Depositary Account	means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996.
Disclosure Document	This document issued by Multi-Act Equity Consultancy Private Limited for offering Portfolio Management Services, prepared in terms of Regulations 22 of SEBI (Portfolio Managers) Regulations, 2020.
Discretionary Portfolio Management Services	means Portfolio Management Services where the Portfolio Manager exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the Client, as the case may be.
Financial Year	means the year starting from April 01 and ending on March 31 of the following year.
Funds	means the money and/or market value of securities placed by the Client with the Portfolio Manager and any accretions thereto.
Foreign Account Tax Compliance Act (FATCA)	Foreign Account Tax Compliance Act that seeks to identify U.S. taxpayers having accounts at Foreign Financial Institutions (FFIs) and attempts to enforce reporting of those accounts through withholding.
Goods	means the goods notified by the Central Government under clause (be) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative.
High Water Mark	means value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.
Initial Corpus	means the value of the funds and the market value of readily realizable securities brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
Investment Approach	means a broad outlay of the type of securities and permissible instruments to be invested in by the Portfolio Manager for the customer, taking into account factors specific to clients and securities.
Investment Advisory Services	means services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients and agreed upon in the Agreement.
Large Value Accredited Investor	means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees.
Mandate	Means the document completed by the Client from time to time setting out the Investment Objectives, portfolio allocation guidelines, fees payable and such other matters as agreed between the Client and the Portfolio Manager in relation to the management of the Assets under this Agreement.

NRI	Non-Resident Indian as defined in Section 2(30) of the Income Tax Act, 1961
"Non-Discretionary Portfolio Management Services"	means the portfolio management services where a Portfolio Manager under a contract relating to portfolio management, acts on the instructions received from the Client with regard to investment or management of the portfolio of securities or the funds of the Client, as the case may be.
Parties	means the Portfolio Manager and the Client; and " Party" shall be construed accordingly.
Person	Means and includes any individual, partners in partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
Portfolio	means the total holdings of securities and goods belonging to any person.
Portfolio Manager	means Multi-Act Equity Consultancy Private Limited (MAECL), a private limited company incorporated under the Companies Act, 1956 (CIN: U67120PN1993PTC074692) and registered with SEBI to act as a Portfolio Manager in terms of SEBI (Portfolio Managers) Regulations, 2020 vide registration number INP000002965.
Portfolio Management Services	means the Discretionary Portfolio Management Services or Non-Discretionary Portfolio Management Services or Investment Advisory Services, as the context may require.
Principal Officer	means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for: i) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and ii) all other operations of the Portfolio Manager.
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
Regulations	means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time.
Securities	Security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other applicable law.

The terms that are used herein and not defined herein, except where the context otherwise so requires, shall have the same meanings as are assigned to them under the Act or the Regulations.

3. Description:

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

MAECL, a private limited company incorporated under the Companies Act, 1956, has been registered with SEBI as a Portfolio Manager under SEBI (Portfolio Managers) Regulations, 2020 vide registration no. INP000002965, to render portfolio management services to high-net worth clients.

MAECL is a wholly owned subsidiary of Multi-Act Trade and Investments Private Limited.

Apart from this, MAECL has managed its owned corpus of funds since the year of incorporation; the audited track record upto March 31, 2011 is mentioned below:

Objective	**Appreciation Plus focus on "Preservation"**				**Appreciation**			
MAECL PROPRIETARY CAPITAL PERFORMANCE								
			% of Equity Holding in Portfolio				Benchmarks	
Financial Year	Overall Portfolio Return(s) Yearly	Overall Portfolio Returns since inception	Beginning of Period	End of Period	Only Equity Return(s) Yearly#	Only Equity Returns Since Inception #	BSE-500*	BSE-MidCap*
2004 – 05	**27.23%**	**27.23%**	93.36%	95.66%	**29.67%**	**29.67%**	21.89%	47.91%
2005 – 06	**79.14%**	**51.01%**	95.66%	67.14%	**99.07%**	**60.72%**	65.17%	73.60%
2006 – 07	**0.60%**	**31.89%**	67.14%	67.43%	**2.66%**	**38.41%**	9.71%	0.66%
2007 – 08	**11.20%**	**26.36%**	67.43%	75.86%	**11.74%**	**31.18%**	24.25%	19.38%
2008 – 09	**-10.66%**	**17.90%**	75.86%	45.54%	**-14.67%**	**20.37%**	-42.77%	-54.01%
2009 – 10	**49.72%**	**22.69%**	45.54%	37.68%	**145.18%**	**35.53%**	96.38%	130.23%
2010 – 11	**9.73%**	**20.75%**	37.68%	26.86%	**21.75%**	**33.47%**	7.48%	0.99%
Since Inception (From 1 April 2004)**	**NA**	**20.75%**	93.36%	26.86%	**NA**	**33.47%**	18.68%	18.60%
	Compounded Annual Returns for period							
FY 2004-05 to FY 2008-09	**NA**	**17.90%**	93.36%	45.54%	**-**	**20.37%**	9.45%	7.25%
Last 3 years (FY 2008-09 to FY 2010-11)	**NA**	**13.66%**	75.86%	26.86%	**-**	**36.60%**	6.50%	2.26%
Last 5 years (FY 2006-07 to FY 2010-11)	**NA**	**10.43%**	67.14%	26.86%	**-**	**23.92%**	10.49%	5.15%

Source: - Equity closing rate
From April 1, 2004 till August 31, 2009 - Capital Line
From September 1, 2009 till March 31, 2011 – Bilav
Mutual Fund Closing Rate from amfiindia.com
* Benchmark closing has been taken from bseindia.com
@Yearly returns include dividend, profit/loss on sale of investments and appreciation/ depreciation in the value of assets (including equity, debt, cash and cash equivalent) on mark to market basis on balance sheet date).
Cost for the purpose of computing Gain / Loss on sale of investments cost is arrived at by using First-In First-Out (FIFO) method
** Compounded Annual Growth Rate for the period

The historical performance numbers of the owned corpus are disclosed till the financial year 2010-11.

ii. **Promoters of the Portfolio Manager, Directors and their Background**

- **Promoters:**

Multi-Act Trade & Investments Private Limited, the holding company of Multi-Act Equity Consultancy Private Limited was incorporated on July 21, 1997.

Since inception, the holding company has been engaged in creating a process for stock-selection and valuation in order to help clients construct a portfolio of investments in Indian and foreign markets**.** This process uses tools from fundamental, technical and quantitative analysis, and is set against backdrops of behavioral finance and Austrian economics. The fundamental analysis seeks to separate the universe of stocks into two pools based on the characteristics of the businesses that underlie them. It uses appropriate valuation tools to arrive at an expected business valuation for the stock. This valuation is an interval valuation defining a range within which the "true" value of the business is estimated to reside. Technical analysis uses stock price patterns in an attempt to harness tailwinds in market momentum - and avoid headwinds. All technical analysis is done in the context of the valuation arrived at through fundamental analysis. Quantitative techniques use statistical tools for assessing trends that obtain in certain asset classes. All analysis is done keeping in mind behavioral biases that are attendant to the investment profession. The accent is therefore on a process driven approach that defines entry and exit points as well as position sizing before any investment is made.

The holding company was providing research-based investment advisory services to its international institutional clients till the financial year 2007-08. Thereafter, the activities of the holding company were reorganized through its wholly owned subsidiary. Currently the holding company, a SEBI registered Investment Adviser provides investment advisory and research services.

- **Directors:**

Sr. No	Name	Qualification	Experience	Other Directorships / Designated Partner
1	Mr. Prashant K. Trivedi *Founder Director (Non-Executive)*	Summa cum laude with a B.Sc (Eco) from the Wharton School, CFA (AIMR)	Overall 38 years of experience in investment management	1. The Indian Card Clothing Co. Ltd. 2. Multi-Act Trade & Investments Pvt. Ltd. 3. Multi Act Realty Enterprises Pvt Ltd 4. Multi-Act Family Office Advisors LLP.
2	Mr. Sanjeevkumar W. Karkamkar *Director (Non-Executive)*	B.Com	Over 40 years of experience in Finance, Company Law, Taxation, Administration, etc.	1. Multi-Act Realty Enterprises Pvt. Ltd. 2. Multi-Act Trade and Investments Pvt. Ltd. 3. The Indian Card Clothing Co. Ltd. 4. ICC International Agencies Ltd. 5. Multi-Act Family Office Advisors LLP.

3	Mr. Sekar Iyer - *Executive Director*	B.Com, ACS, CA (Inter), Dip.ITM	Overall 17 years of experience in Venture Capital and Private Equity investment management and Company Law, Securities Law, Legal, Accounts and Finance, RBI Regulations and Administration etc.	1. Multi-Act Realty Enterprises Pvt. Ltd. 2. Midcap Construction Enterprises Pvt. Ltd.

- **Key Entities in the group - top group companies of the Portfolio Manager**

Based on audited financial statements for the year ended March 31, 2024, the top group companies of the Portfolio Manager, on turnover basis, are as under:

Sr. No.	Name of the Company
i.	The Indian Card Clothing Company Limited
ii.	Multi-Act Trade & Investments Private Limited
iii.	Multi-Act Realty Enterprises Private Limited
iv.	Multi-Act Industrial Enterprises Limited
v.	Multi-Act Financial Enterprises Limited
vi.	Multi-Act EquiGlobe Limited
vii.	Multi-Act Family Office Advisors LLP

- **Services being offered**

Multi-Act Equity Consultancy Private Limited provides Discretionary and Non-Discretionary Portfolio Management and Investment Advisory services. Kindly refer to Point 5 for more details.

4. Penalties, Pending Litigation or Proceedings, Findings of Inspection or Investigations for which action may have been taken or initiated by any regulatory authority:

There have been no instances of penalties imposed by SEBI or directions issued by SEBI under the Act or Rules or Regulations made thereunder nor have any penalties been imposed for any economic offence and/or for violation of any securities laws. There are no pending material litigations /legal proceedings /criminal cases against the Portfolio Manager or its key personnel. No deficiency in the systems and operations has been observed by SEBI or any regulatory authority. There have been no enquiry/adjudication proceedings initiated by SEBI 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.

5. Services Offered:

The Portfolio Manager offers services under the following categories:

I. Discretionary Services

Under these services, the Portfolio Manager will accept funds from Clients and would manage the Client's Portfolio at its complete discretion, for a mutually agreed-upon terms and fees. The Portfolio Manager manages each client's portfolio independently in a way:

(a) that the risk tolerance is factored and restrictions, if any, as per mandate issued by client are observed; and
(b) that such personalization of portfolio is not in conflict with the discretionary call of the Portfolio Manager.

Subject to above, the Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per the Portfolio Management Agreement and make such changes in the investments and invest some or all of the amounts in the Client's account in such manner and in such markets as it deems fit. The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' 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 grounds of malafide intention, 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.

Under Discretionary Services, the Portfolio Manager offers the following broad categories of Portfolio Investment Approaches:

Moats and Special Situations Portfolio (MSSP) – Investment Approach 1: (Equity Strategy)

S. N.	Particulars	Description
i.	Investment objective	Moat is the sustainable competitive advantage that one company has over other companies in the same industry. Moat for a company can come from four sources – Network effect, switching cost, Cost advantage / economies of scale or Intangibles. Generally the first 2 sources of Moat are the strongest and the remaining 2 sources are weak / narrow moats, what we term as limited Moats. The primary objective of this Portfolio is to generate capital appreciation by investing in companies that in the opinion of the Portfolio Manager are of high quality Moat or Limited Moat businesses at fair value or discount to fair value OR in Non moat businesses at deep discount to fair value as special situations. Investing in such businesses at discount/deep discount to fair value provides margin of safety to the investor.
ii.	Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.	Depending on the events in the markets the Portfolio Manager would have the flexibility to alter the above allocations. Consistent with the investment objective and subject to the SEBI Regulations, the Client's funds may be invested in such securities, capital and money market instruments or in fixed income securities or variable securities of any description, by whatever name called including - a. Equity and equity related securities, convertible stock and preference shares of Indian companies, warrants;

		b. Debentures (convertible and non-convertible), bonds, secured premium notes, corporate debt (of both public and private sector undertakings), securities issued by banks (both public and private sector) and development financial institutions like certificate of deposits (CDs), coupon bearing bonds, zero coupon bonds and tax exempt bonds of Indian companies and corporations; c. Units of mutual funds (including exchange traded funds (ETFs); d. Commercial paper, trade bills, treasury bills and certificate of deposit and other similar money market instruments; e. Securitised debt, pass through certificates and quasi debt instruments and such other eligible modes of investment within the meaning of the SEBI Act / Regulations as amended from time to time. The investment allocation pattern may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Clients.
iii.	Basis of selection of such types of securities as part of the investment approach;	Portfolio manager believes that there are three types of identifiable investment related risks which could lead to permanent loss of capital – i) Business risk ii) Balance Sheet risk iii) Valuation risk. In order to provide superior risk adjusted returns, the portfolio is invested in those companies which in opinion of the portfolio manager have limited exposure to above risks. Business risk is essentially the risk that a business would not be able to maintain profitability in the long run on account of competition or any other reason. A Moat business has a strong barrier to entry which allows it to maintain profitability in the long run and generate high returns on capital employed. By investing in Moat businesses the investor mitigates the Business risk. Balance sheet risk is the risk of high financial leverage on the balance sheet affecting the profitability or in some cases solvency of the business in a adverse business cycle or on account of adverse interest rate cycle. This risk can be mitigated by avoiding companies that have high financial leverage on their balance sheet. Valuation risk is the risk of buying a company above its intrinsic value. In a risk averse market, valuation of such company could revert back to its intrinsic value or even lower which could lead to loss of capital for the investor. This risk can be mitigated by investing in a company at discount to the intrinsic value which provides margin of safety to the investor. Keeping these risks in mind, the portfolio manager would construct a portfolio by investing in Moat, Limited moat and special situation businesses which provide the best reward as compared to the risk being taken. The portfolio manager would also try to optimize the timing of his investment decision through technical analysis. The

		portfolio manager also follows an internal risk control process which puts a cap on weights that can be assigned to a stock based on the quality of business and strength of the Moat. If the portfolio manager is not able to find opportunities in the market that fit the above bottom up criteria, he would maintain cash in the portfolio. The portfolio manager would also do a top down analysis of the broader market to arrive at an indicative equity allocation. This makes the asset allocation process and investment decisions more proactive rather than being reactive to market conditions. The portfolio Manager may from time to time use an asset allocation & position sizing policy which could be revised based on market conditions over time.
iv.	Allocation of portfolio across types of securities	Consistent with the investment objective and subject to the SEBI Regulations, the Client's funds may be invested in such securities, capital and money market instruments or in fixed income securities or variable securities of any description. Cash that is not invested would be deployed in debt and fixed income securities including money market instruments and units of mutual fund schemes (debt-oriented / income, gilt and liquid/ money market mutual fund schemes), liquid funds or arbitrage funds run by well-established and reputed fund houses and deployed in the market as and when opportunities arise
v.	Appropriate benchmark to compare performance and basis for choice of benchmark	The appropriate Benchmark for Moats and Special Situations strategy is S & P BSE 500 TRI. We have chosen this Benchmark, as it best represents our Investable Universe.
vi.	Indicative tenure or investment horizon	The indicative tenure is 39 Months. Investor should have investment horizon between 3-5 years. It is perceived by the Portfolio Manager that it takes at least 39 months for a full cycle between under and over valuation in the Indian market. This term is required to execute the portfolio's well thought out investment strategy to reach its full return potential while at the same time it discourages the investor to exit the equities in a despaired market environment. The Portfolio Manager will be scaling out of the positions in the portfolio gradually in order not to disturb the market price. Depending on market conditions, it may decide to scale out of positions well before the upper end of our estimate of fair value has been reached. The Portfolio Manager believes that on average it would take 2 - 3 years for its ideas to reach their price potential. It therefore envisages a turnover of approximately 50% every year. However, it is cautioned that these numbers are indicative only, and actual results may vary significantly from these 'rules of thumb' depending on the market conditions prevalent during the tenure of the investment.

vii.	Risks associated with the investment approach	This is a conservative strategy with focus more on avoiding risk. During periods when market is expensive and continues to move up, this strategy could underperform its Benchmarks, due to probable increase in Cash allocation in the portfolio.
viii.	Other salient features, if any	-

All Seasons Portfolio (ASP) – Investment Approach 2:
(Multi-Asset Strategy)

S. N.	Particulars	Description
i.	Investment objective	**Investment Objective** The key risks facing a portfolio include, but are not limited to price inflation, price deflation, credit inflation, credit deflation, and more recently a global or emerging market contagion that could stem from a reversal of the global “carry trade”. The portfolio manager believes that the best form of offense in investment is good defense and the All Seasons Portfolio (ASP) has been designed with that objective in mind; the ability to maintain the purchasing power of a portfolio through any economic and investment environment with minimal drawdowns and no “permanent loss” of capital at the portfolio level. The key attribute of the ASP is its ability to protect the purchasing power of a corpus, keep drawdowns low, and grow the corpus at reasonable inflation-adjusted growth rates, over the long-term. **Investment Philosophy** To achieve the objective discussed above, the portfolio will allocate money to assets that represent claims on real assets (gold/commodity equities/ high quality growth stocks) and assets that represent claims on financial assets (fixed income/cash/stocks) that often behave counter cyclically during different economic environments. The Portfolio Manager believes that a portfolio that allocates its corpus amongst these three assets classes; namely equities, fixed income, cash (including gold Exchange Traded Funds), will effectively mitigate the risks discussed above and will deliver satisfactory returns per unit of risk taken. Equity provides “real” capital appreciation along with protecting against inflation in the long run. But there could be bouts of short to medium term drawdown on the corpus on account of stock specific, domestic factors or global factors that affect the indices and therefore the asset class. Gold & equivalents as an asset class has been found to protect the purchasing power of money in the long term and provides a true hedge against price inflation. Secondly, gold protects the purchasing power from a global perspective as well and not only in terms of domestic currency. The portfolio manager believes that Gold may

		also serve as an ideal asset class in a severe credit deflation (as a form of money) as it does not carry any counterparty financial risk. But gold as an asset does not generate "income" per se in the long run and only derives value from the depreciation of the currency unit in which it is measured against. Fixed income securities & such equivalents protect capital from any serious drawdown from the other two asset classes mentioned above and generate nominal returns over the holding period of the fixed income instrument. But fixed income instruments & equivalents don't protect the purchasing power of money in the long run, especially in a high price inflation country such as India and often carry negative real rates of interest. Thus a combination of all three asset classes which counterbalances the negatives of the others, would serve the objective of constructing a defensive portfolio that would be well suited to protect the portfolio in any unanticipated market turmoil in the long run and protect the purchasing power of the investor along with providing a reasonable and satisfactory risk adjusted return.
ii.	Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.	a. Fixed Income, Debt MFs, Debt ETFs & Equivalents b. Gold ETFs, Sovereign Gold Bonds, Cash & Commodity stocks c. Equity
iii.	Basis of selection of such types of securities as part of the investment approach;	**Equity Investment Strategy** The Portfolio manager believes that there are three types of identifiable equity investment related risks which could lead to a "permanent loss" of capital – i) Business risk ii) Balance Sheet risk iii) Valuation risk. In order to provide superior risk adjusted returns, the portfolio would be invested in those companies which in the opinion of the portfolio manager have limited exposure to the above risks. Business risk is the risk that a business would not be able to maintain profitability in the long run on account of competition or any other reason. The portfolio manager limits this risk by primarily investing in businesses that in the opinion of the portfolio manager possess sustainable competitive advantages (business with moat). Balance sheet risk refers to the solvency risk related to the financial strength of the balance sheet. The portfolio manager limits this risk by avoiding companies that have high financial leverage on their balance sheet. Valuation risk emanates from the possibility of paying more than the "intrinsic" value of the business. The portfolio manager manages this risk by avoiding investments in businesses at prices that do not offer a reasonable expected rate of return. Keeping these risks in mind, the portfolio manager would construct a portfolio by investing in Moat & Limited moat businesses which provide the best reward as compared to the risk being taken. The portfolio manager would also try to optimize the timing of his investment decision through technical analysis. The portfolio

manager also follows an internal risk control process which puts a cap on weights that can be assigned to a stock based on the quality of business and strength of the Moat.

If the portfolio manager is not able to find opportunities in the market that fit the above bottom up criteria in a situation where markets are expensive, the Portfolio Manager would endeavor to add primarily high quality, low beta defensive stocks such as FMCG, Pharmaceutical to the equity portion of the portfolio in order to minimize the drawdown or keep balance in cash.

Gold, Cash & Commodity stocks Investment Strategy

The portfolio manager believes that as far as gold and other commodities are concerned, there are two ways of investing in them: i) through physical ownership of the commodity or through the ownership of financial instruments (ETFs, Futures, etc) that represent “direct” claims on such commodities; and ii) through the ownership of equity of businesses that are engaged in mining/production of such commodities broaden iii) through Sovereign Gold Bonds issued by Government of India under various tranches.

Presently, regulations allow the Portfolio Manager to invest in gold through Gold ETFs or Gold Bonds only. Whenever the regulations permit investment in other gold related securities, the Portfolio Manager will consider widening its gold allocation in such allowable securities.

The portfolio manager has access to long term historical inflation adjusted price of commodities, based on which the Portfolio manager tries to arrive at the statistical long term mean of the commodity. The portfolio manager would look at investing in equity of a commodity company at prices where the valuation of the company is factoring the long term historical mean of the underlying commodity or lower. By doing this, the portfolio manager is essentially indirectly buying the underlying commodity at or below the long term historical mean of the commodity price which the portfolio manager believes would hold in the long term.

The portfolio manager believes that the investment processes followed allows him to add value by ownership of the equity of businesses engaged in mining/production of the commodity.

The cash component could be represented by short-term bank deposits, ownership of short-term government paper, or ownership of liquid funds.

Fixed Income & Equivalents Investment Strategy

The portfolio manager will directly invest in fixed income securities and/or in funds that invest in long-duration fixed income securities. The securities would be selected on the basis of limited credit risk at relatively attractive yield. The portfolio manager could also invest in equity of regulated utilities as a proxy for fixed income instruments.

		The portfolio manager believes that regulated utilities, considering the nature of their business have very stable business models, profitability and cash flows along with reasonable predictability of their future returns. Thus profits that a regulated utility earns, can be equated/ likened to a fixed stream of coupons that one gets over a long duration fixed income instrument. Thus if the earnings yield that these stocks quote at, reasonably compensates for the equity risk premium, one could invest in these securities as a proxy of long duration fixed income instrument. The portfolio manager would assign an equity risk premium over and above the risk free rate that he is comfortable with, to assess whether a particular equity of a regulated utility is worth investing in as a proxy of fixed income instrument. Investments in Gold, commodities and Fixed income instruments for Non-resident Indians and Foreign Portfolio Investors will be subject to applicable laws, regulations, rules and statutes applicable for each such category of investor.
iv.	Allocation of portfolio across types of securities	The portfolio will be constructed by following a simple asset allocation strategy of – upto 50% in growth Equity, upto 20% in Gold ETFs (& equity of natural resource extraction companies), and upto 30% in fixed income & equivalents (including the equity of regulated utility companies). The asset allocation at any point in time may vary from the above indicated allocation, based on opportunities in each asset class. But over time, average asset allocation across cycles should be in the above indicated range. The portfolio will be re-balanced over the medium term to reflect the relatively fixed proportions in the three asset classes as above. At no point in time will the portfolio be invested more than 67% in equities, including Regulated Utility companies under fixed income allocation and Natural Resources Extraction/Mining companies under cash/gold allocation. No more than 15% in gold related instruments, gold bonds, etc., (presently SEBI authorizes investment in gold through gold ETFs only). And no more than 30% of the portfolio would be invested in long-term bonds.
v.	Appropriate benchmark to compare performance and basis for choice of benchmark	Applicable Benchmark: NSE Multi Asset Index 2 Composition: 50%: NIFTY 500 20%: NIFTY Medium Duration Index 20%: NIFTY Arbitrage index 10%: INVIT/REIT. Basis for selecting benchmark: We have chosen this benchmark as it closely represents our desired long term asset allocation for this strategy to achieve our objective.
vi.	Indicative tenure or investment horizon	The Portfolio Manager would broadly maintain the suggested asset allocation over the medium term (defined as 18 to 24 months) through periodic rebalancing at the discretion of the manager. The Portfolio Manager, will however, regularly monitor and evaluate the

		portfolio and may consider rebalancing at a period shorter than the defined medium term.
vii.	Risks associated with the investment approach	a. Risks associated with investment in Gold ETF: The portfolio manager may invest in instruments which have gold as an underlying, under the "All Seasons Portfolio". Gold being an international commodity is affected by both the international price movement of gold and foreign exchange volatility. The domestic gold ETF price is also affected by government tax levies (customs). b. Investment in equity of Regulated utilities as a proxy for fixed income may not generate returns in line with fixed income instruments in the short to medium term as market would price such securities as equity instruments with fluctuating equity risk premiums. Thus, there could be a deviation which could impact the short to medium term performance of the All Seasons Portfolio. c. In case of All Seasons Portfolio as the investments would be in different asset classes, the taxability of each asset class could be different. Any change in the tax structure could have an impact on the post-tax returns of the Client.
viii.	Other salient features, if any	-

Emerging Corporates India Portfolio (ECIP) – Investment Approach 3: (Equity Strategy)

S. N.	Particulars	Description
i.	Investment objective	The primary objective of this Portfolio is to generate capital appreciation by investing in Companies that currently benefit from "Growth Advantage Period" and "Competitive Advantage Period".
ii.	Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.	Listed Equity with surplus cash being parked into short-term debt instruments.
iii.	Basis of selection of such types of securities as part of the investment approach;	Emerging Corporates India Portfolio will endeavour to have an exposure to Companies that currently benefit from "growth runways" and "competitive advantage" Though growth is a sub-set of value, the Portfolio will be more focused on "growth stocks" over "value stocks" as are commonly understood in market parlance. Within these "growth stocks", weights will be added when they also have "value attributes" and weights will be reduced as they start lacking "value attributes" If the Portfolio Manager believes that the Company continues to be a "growth Company" over the next 3 to 5 years but is facing a temporary solvable issue, ECIP Portfolio will be "willing to suffer" near term pain in such stocks. Exits will be done at "valuation extremes".
iv.	Allocation of portfolio across types of securities	Allocation will be to equity across market cap spectrum. This is a market cap agnostic strategy. We are constantly evaluating attributes of quality, growth and value and we will allocate where we see the

		right balance. The strategy intends to have the ability to allocate into stocks ranging from small-caps to giant-caps. *Historically, this strategy has had a small and mid-cap tilt. However, few years back (calendar year 2020), our large cap allocation has increased owing to us finding more opportunities there. Our investing philosophy is to invest into Companies with a "growth advantage" and "competitive advantage" period, irrespective of market cap category that the Company may lie into.*
v.	Appropriate benchmark to compare performance and basis for choice of benchmark	The appropriate Benchmark for Emerging Corporates India Portfolio strategy is S&P BSE 500 TRI. We have chosen this Benchmark, as it best represents our Investable Universe.
vi.	Indicative tenure or investment horizon	3 years at the minimum but an ideal investment horizon is 5 years.
vii.	Risks associated with the investment approach	Paying up for growth that does not materialize is the key risk in this strategy. Other risks include - error in understanding competitive advantage wherein the advantage turns out to be absent or present for a period far shorter than envisaged; management doing actions unfriendly towards minority shareholders; balance sheet risks, especially with respect to financial companies where recoverability of advances if far lesser than the business model can sustain; general market conditions; global macro-economic risks, etc.
viii.	Other salient features, if any	The scheme will take active cash calls at times where it does not see opportunities for equity investment.

Mid & Small cap & Special Situations Portfolio (SMSSP) – Investment Approach 4: (Equity Strategy)

S. N.	Particulars	Description
i.	Investment objective	The primary objective of this Portfolio is to generate capital appreciation by investing mostly in mid and small capitalisation companies that in the opinion of the Portfolio Manager are of high quality, have high underlying value and may not be widely covered by brokerage houses, foreign institutional investors and domestic financial institutions.
ii.	Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.	Listed Equity with surplus cash being parked into short-term debt instruments.
iii.	Basis of selection of such types of securities as part of the investment approach;	The Portfolio manager believes that there are three types of identifiable investment related risks which could lead to permanent loss of capital – i) Business risk ii) Balance Sheet risk iii) Valuation risk. In order to provide superior risk adjusted returns, the portfolio is invested in those companies which in opinion of the Portfolio Manager have limited exposure to above risks.

		Business risk is essentially the risk that a business would not be able to maintain profitability in the long run on account of competition or any other reason. A Moat business has a strong barrier to entry which allows it to maintain profitability in the long run and generate high returns on capital employed. By investing in Moat businesses the investor mitigates the Business risk. Balance sheet risk is the risk of high financial leverage on the balance sheet affecting the profitability or in some cases solvency of the business in a adverse business cycle or on account of adverse interest rate cycle. This risk can be mitigated by avoiding companies that have high financial leverage on their balance sheet. Valuation risk is the risk of buying a company above its intrinsic value. In a risk averse market, valuation of such company could revert back to its intrinsic value or even lower which could lead to loss of capital for the investor. This risk can be mitigated by investing in a company at discount to the intrinsic value which provides margin of safety to the investor. Keeping these risks in mind, the Portfolio Manager would construct a portfolio by investing majorly in midcap and small cap businesses that are of high quality. The Portfolio Manager may also invest in large cap and special situation businesses which provide the best reward as compared to the risk being taken. The Portfolio Manager would also try to optimize the timing of his investment decision through technical analysis. The Portfolio If the Portfolio Manager is not able to find opportunities in the market that fit the above bottom up criteria, the Portfolio Manager would consider investing in large cap businesses where valuation criteria is being met and if not then maintain cash in the portfolio. The Portfolio Manager would also do a top down analysis of the broader market to arrive at an indicative equity allocation. This makes the asset allocation process and investment decisions more proactive rather than being reactive to market conditions.
iv.	Allocation of portfolio across types of securities	Portfolio will be allocated across market capitalisation with a tilt towards small and mid caps. However, if the small and mid cap space were to not offer opportunities to allocate capital in the opinion of the portfolio manager, allocation could be made to large caps. The Portfolio Manager will be scaling out of the positions in the portfolio gradually in order not to disturb the market price. Depending on market conditions, it may decide to scale out of positions well before the upper end of our estimate of fair value has been reached. The Portfolio Manager believes that on average it would take 2 - 3 years for its ideas to reach their price potential. It therefore envisages a turnover of approximately 30% to 50% every year. However, it is cautioned that these numbers are indicative only, and actual results may vary significantly from these ‘rules of thumb’ depending on the market conditions prevalent during the tenure of the investment.

		The Portfolio Manager may from time to time use an asset allocation & position sizing policy which could be revised based on market conditions over time.
v.	Appropriate benchmark to compare performance and basis for choice of benchmark	Benchmark is S&P BSE 500 TRI given the nature of the strategy which endeavors to have a portfolio tilt towards small and mid cap companies.
vi.	Indicative tenure or investment horizon	The Portfolio Manager believes that on average it would take 2 - 3 years for its ideas to reach their price potential.
vii.	Risks associated with the investment approach	This strategy will tend to have higher concentration to stocks (weight per stock). And thus, is subject to concentration risks (a stock having a large weight facing a large drawdown can bring down overall portfolio returns). Given the small and mid cap orientation of this strategy, this strategy has liquidity risks. Liquidity in small caps tends to dry out during weak markets and this could make exiting stocks difficult. The portfolio manager will try to keep higher margin of safety with regards to purchase price to be compensated for this risk (however, this risk cannot be truly mitigated and Investors investing into this strategy should be prepared to take on this risk). Also, if a Portfolio Manager mistakes a structural business stress as temporary or cyclical, it could lead to large drawdowns at the stock level.
viii.	Other salient features, if any	The scheme will take active cash calls at times where it does not see opportunities for equity investment.

Sankhya India Portfolio – Investment Approach 5:
(Equity Strategy)

S. N.	Particulars	Description
i.	Investment objective	The primary objective of this portfolio is to build and operate a portfolio of stocks selected by "Quant Strategy" tested rigorously on back data. The "Quant Strategy" has a strong theoretical reasoning as well as supporting data from historical back tests. The "Quant Strategy" which has given higher returns and lower risks in back testing are selected for forming portfolios. The primary objective of the Portfolio Manager(s) under the "Sankhya India Portfolio" is to invest in the companies that are highly probable to generate good returns based on back testing of the strategy. The selection of stocks will be from Large-cap and Mid-cap universe. Roughly the top 250 stocks based on market cap will be the candidates for the "Sankhya India Portfolio." However on the discretion of the portfolio manager(s), stocks from remaining universe can be considered as well. Thus, the portfolio will be primarily of mid-caps and large-caps, with some exposure to small-caps time to time.

		The Sankhya India Portfolio will have predefined rebalancing period. The strategy selects best stocks poised to perform best over a defined period, and thus the rebalancing period is fixed. The stocks in the portfolio will have a fixed selling time (with a possible stop loss), and the churn of the portfolio is possibly 100%. The portfolios are generated continuously, that is an investment in Sankhya India Portfolio is possible at any point in time. The time of sell will depend on the time of purchase. This can be considered as the 'maturity period' as the stocks are sold completely (or rebalanced as per new list). Any subsequent investments made in the fund will be reported under the originating account. At the time of additional corpus, we will purchase the prevailing list of stocks as per the strategy. There will be no separate report for different corpus investments, but a consolidated report showing the extended internal rate of return (XIRR).
ii.	Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.	Consistent with the investment objective and subject to the SEBI Regulations, the Clients' funds may be invested in such securities, capital and money market instruments or in fixed income securities or variable securities of any description, by whatever name called including: a) Equity and equity related securities, b) Government Debt Instruments, overnight funds and liquid funds;
iii.	Basis of selection of such types of securities as part of the investment approach;	From various research reports, most notably the S&P® Index vs Active (SPIVA) reports, it is clear that 1. More than half of the portfolio managers underperform the comparable index, and this proportion tends to worsen as the investment period is lengthened. 2. The sustainability of outperformance is small. It is more likely that the list of top performing funds will change next year than it will be the same as this year. The above observations, seen not just in India but on global markets as well, clearly indicate that active investment is not completely process driven but rather luck driven, as it depends whether the selected Active fund manager performs as well as she has done in past. The quant strategies eliminate this bias of luck, and choose stocks purely on the historical performance of a logic. This way, the win:loss ratio, the expected profits and losses and other statistics are well documented for the portfolio. The Sankhya India Portfolio believes that there is money to be made when a golden combination of quality and value is achieved. **Quality**: Companies that invest their capital efficiently, have good cash flows and use little to no debt to finance their operations are classified as **Quality companies**. **Value**: companies that are available at comparably cheaper valuations than others are said to be **Value companies.**

<table>
<tr><td></td><td></td><td>Only ‘Value companies’ too can have good returns, but in order to remain comfortable about the choices of stocks, the portfolio manager(s) are keen to select from a basket of quality stocks.</td></tr>
<tr><td>iv.</td><td>Allocation of portfolio across types of securities</td><td>The process to be followed is:
1. Universe of stocks: Stocks with at least 5 years of consistent dividend paying history from top 250 stocks with some possible additions from remaining universe
2. Filtering for quality: The above 250 stocks will be scanned for ensuring only quality companies are taken for consideration. The quality of company depends on its efficiency of investing capital, cash flows and use of very little to no debt.
3. Finding value: Out of these quality companies, a list of stocks not exceeding 30 which are good value as per “Quant Strategy” will be generated. After the portfolio manager agrees with the stocks, an equal weighted portfolio is formed and will be held for defined period of time.
4. Holding period: The maximum holding period will be defined at the start of the portfolio. The portfolio manager(s) will have discretion of selling part or all of portfolio before the defined holding period.
5. Rebalancing: At the end of this holding period, the portfolio will be liquidated, and the proceeds will be invested in the stocks suggested by the “Quant Strategy” at that point in time.
The portfolio Manager(s) may decide to maintain cash in the portfolio if the prospective returns are deemed to be low as compared to the risk. The level of cash will not exceed 30% of the investment value. The maximum duration of cash holding will depend on the percent of cash held, as below.
<table>
<tr><td>Percent of investment as cash</td><td>Maximum Duration</td></tr>
<tr><td>30%</td><td>6 months</td></tr>
<tr><td>20%</td><td>9 months</td></tr>
<tr><td>10% and below</td><td>12 months</td></tr>
</table>
The Portfolio Manager(s) may from time to time use an asset allocation & position sizing policy which could be revised based on market conditions over time.

The investment allocation pattern may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio Manager(s), the intention being at all times to seek to protect the interests of the Clients.</td></tr>
<tr><td>v.</td><td>Appropriate benchmark to compare performance and basis for choice of benchmark</td><td>The S&P BSE 500 TRI index is designed to be a broad representation of the Indian market. Consisting of the top 500 companies listed at BSE Ltd., the index covers all major industries in the Indian economy.

As the Sankhya India Portfolio focuses primarily on Large + Mid stocks, the S&P BSE 500 TRI is the appropriate index to evaluate its performance.</td></tr>
</table>

vi.	Indicative tenure or investment horizon	While the strategy will have a fixed holding period, the Portfolio Manager(s) believes that it would take anywhere between 3 years to 5 years for a quantitative investment strategy to play out. This term is required to execute the portfolio's well thought out investment strategy to reach its full return potential. The investment of corpus can be done at one go or can be spread out to ensure a smooth entry as well as to make sure that the market price is not disturbed. The Portfolio Manager(s) believes in making time limited bets as suggested by the strategy, and hence envisages a turnover of at most 100% every year, that is all stocks in the portfolio are sold once either their defined holding period gets over or stop loss is triggered. A stop loss may be triggered in scenarios where 1. The company's reported numbers are suspect, 2. The past becomes irrelevant for a company because of structural shift in its business or external risks. 3. A stock falls more than 40% from its purchase price. The amount received after selling such stocks with a loss will either be kept as cash and invested in liquid assets as described below, or can be invested in new stocks as per suggestion of "Quant strategy" at the time of sale.
vii.	Risks associated with the investment approach	1. The draw downs (the returns from peak to trough of price) of Sankhya India Portfolio may be higher than the market. 2. In case of a structural shift due to secular regime change or government intervention or change of regulations or change of industrial policy with respect to specific sectors, by its very nature of using quantitative processes, the corresponding portfolio corrective action may be slower than in other active managed portfolios. 3. Due to the nature of the strategy to buy stocks with good combination of value and profitability that are likely to perform well, a stock falling or rising in price may keep on appearing in subsequent portfolios.
viii.	Other salient features, if any	-

II. Non-Discretionary Services:

Under these services, the Portfolio Manager shall manage the funds in accordance with the directions of the Client under an agreement executed by the Client and the Portfolio Manager. The Portfolio Manager's role would include but not be limited to providing research, structuring or rebalancing of clients' portfolios, investment advice and guidance, trade execution and keeping safe custody of the securities. The Portfolio Manager shall execute orders as per the mandate received from Client and the decision of the Client with respect to the deployment of the funds and managing the Portfolio shall be final and absolute and binding upon the Portfolio Manager. The Clients shall also have the option to select the Investment Approaches as per Discretionary PMS services offered by the Portfolio Manager under Non-Discretionary Services also.

The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

The instructions from the clients shall be taken in writing or through any media as may be mutually agreed between the Client and the Portfolio Manager i.e., e-mail, fax, telephones and other secured messages which can provide as a proof of the communication. The portfolio management services on Non-Discretionary basis are offered under the following portfolio strategies:

Long Horizon Portfolio (LHP) (Non-Discretionary):
(Equity Strategy)

S. N.	Particulars	Description
i.	Investment objective	For a client who is more oriented towards preservation of capital and its long-term growth, a Long Horizon Portfolio (LHP) strategy is deployed, where selected stocks that have sustainable Moats around their businesses are invested from long term perspective. The Portfolio Manager shall recommend domestic equity securities / stocks for investment that will fit into the investment objective of Long Horizon Portfolio. The investor shall have the sole discretion to analyse the investment recommendations and instruct the Portfolio Manager for necessary trade execution in the portfolio. Fitment: Suitable for investors with: a) Low to medium risk appetite b) Steady and moderate real return expectations.
ii.	Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.	Equity Securities / Stocks. Based on allocation call, uninvested capital can be parked in liquid and similar funds for temporary purposes.
iii.	Basis of selection of such types of securities as part of the investment approach;	Portfolio Formation Strategy: Pre-screened list of high quality, moat businesses which have sustainable competitive advantages and would serve the purpose of long term investing without concerns on permanent loss of capital are considered. Exposure norms not driven by any sector per se but determined mainly by the strength of moat of the underlying business. Stronger the moat, higher the target exposure in the stock. Strong belief in school of thought of buying high quality businesses at an appropriate Margin of Safety. Application of proprietary 'Global Rational Analysis Framework' (GRAF) developed over the years at Multi-Act. Filters: No red flags on quality of earnings, including corporate governance malpractices. Absolute emphasis on avoiding permanent losses of capital by focusing on: a) Ability to define the quality of a business in definite terms and select & invest in HQ businesses. b) Valuation range on each stock instead of single target price approach which allows assessment of reward as well risk in an objective fashion.

		c) Buying companies at appropriate margin of safety. d) Ideal diversification with 12-15 stocks in portfolio (not too diversified, nor too concentrated). Buy and Sell Discipline: Positions are build-up over a time and in a disciplined manner in pre-stated list of high quality moat businesses, subject to following catalysts/factors: a) Valuation and Margin of Safety. b) Favorable Earnings Momentum. c) Favorable Technical Momentum
iv.	Allocation of portfolio across types of securities	Go anywhere approach. Can invest in stocks across different type/sector/market cap etc. Based on allocation call, uninvested capital can be parked in liquid and similar funds for temporary purposes.
v.	Appropriate benchmark to compare performance and basis for choice of benchmark	No specific benchmark but objective is to target an absolute return over the long term with go-anywhere approach. Nevertheless, with large cap tilt, Nifty Index is relevant for compliance and comparison purposes.
vi.	Indicative tenure or investment horizon	Stocks/Equity securities in this strategy are generally advised from a 5-10 years' holdings perspective.
vii.	Risks associated with the investment approach	a) General market risk associated with equity securities. b) Risk of incorrect assessment of competitive advantage of a business and its longevity. Risk Monitoring/Management/Control: a) Pre-determined stock universe to achieve the stated investment objective based on detailed discussion with the client. Any changes therein need to get vetted by the client. b) Only High Quality stocks considered for Long Horizon Portfolio. These businesses have demonstrated empirical evidence of surviving and thriving (low downside volatility) and thus creating significant shareholder value over time. c) Valuation and buying with appropriate margin of safety, to be well compensated for taking equity risk. d) Upper limits to single stock exposure. e) Yearly update of valuation, fundamentals, and moat strength assessment; rationalization of portfolio positions upon early detection of structural shifts in the competitive advantages. f) Price to Fair Value analysis. Reward to Risk ratio. Deviation from 40 Weekly Moving Average.
viii.	Other salient features, if any	<u>Portfolio Turnover, Trading and Taxes:</u> a) Much lower trading. Very low portfolio turnover. b) Mostly long-term gains (being a Long Horizon Portfolio strategy).

Moats and Special Situations Portfolio (Non-Discretionary):
(Equity Strategy)

S. N.	Particulars	Description
i.	Investment objective	Moat is the sustainable competitive advantage that one company has over other companies in the same industry. Moat for a company can come from four sources – Network effect, switching cost, Cost advantage / economies of scale or Intangibles. Generally, the first 2 sources of Moat are the strongest and the remaining 2 sources are weak / narrow moats, what we term as limited Moats. The primary objective of this Non-Discretionary Portfolio is to recommend stocks which can generate capital appreciation by investing in companies that in the opinion of the Portfolio Manager are of high quality Moat or Limited Moat businesses at fair value or discount to fair value OR in Non moat businesses at deep discount to fair value as special situations. Investing in such businesses at discount/deep discount to fair value provides margin of safety to the investor. The Portfolio Manager shall recommend stocks for investment that will fit into the investment objective of Moats and Special Situations. The investor shall have the sole discretion to analyze the investment recommendations and instruct the Portfolio Manager for necessary trade execution in the portfolio.
ii.	Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.	Depending on the events in the markets the Portfolio Manager would have the flexibility to alter the above allocations. Consistent with the investment objective and subject to the SEBI Regulations, the Client's funds may be invested in such securities, capital and money market instruments or in fixed income securities or variable securities of any description, by whatever name called including - a. Equity and equity related securities, convertible stock and preference shares of Indian companies, warrants; b. Debentures (convertible and non-convertible), bonds, secured premium notes, corporate debt (of both public and private sector undertakings), securities issued by banks (both public and private sector) and development financial institutions like certificate of deposits (CDs), coupon bearing bonds, zero coupon bonds and tax exempt bonds of Indian companies and corporations; c. Units of mutual funds (including exchange traded funds (ETFs); d. Commercial paper, trade bills, treasury bills and certificate of deposit and other similar money market instruments; e. Securitised debt, pass through certificates and quasi debt instruments and such other eligible modes of investment within the meaning of the SEBI Act / Regulations as amended from time to time. The investment allocation pattern may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Clients.
iii.	Basis of selection of such types of securities as part of	<u>Investment Strategy</u> Portfolio manager believes that there are three types of identifiable investment related risks which could lead to permanent loss of capital

	the investment approach;	– i) Business risk ii) Balance Sheet risk iii) Valuation risk. In order to provide superior risk adjusted returns, the portfolio is invested in those companies which in opinion of the portfolio manager have limited exposure to above risks. Accordingly, the investment recommendations will be sent to the Client for necessary approval and trade execution thereof. Business risk is essentially the risk that a business would not be able to maintain profitability in the long run on account of competition or any other reason. A Moat business has a strong barrier to entry which allows it to maintain profitability in the long run and generate high returns on capital employed. By investing in Moat businesses, the investor mitigates the Business risk. Balance sheet risk is the risk of high financial leverage on the balance sheet affecting the profitability or in some cases solvency of the business in an adverse business cycle or on account of adverse interest rate cycle. This risk can be mitigated by avoiding companies that have high financial leverage on their balance sheet. Valuation risk is the risk of buying a company above its intrinsic value. In a risk averse market, valuation of such company could revert back to its intrinsic value or even lower which could lead to loss of capital for the investor. This risk can be mitigated by investing in a company at discount to the intrinsic value which provides margin of safety to the investor. Keeping these risks in mind, the portfolio manager would recommend investments in Moat, Limited moat and special situation businesses which provide the best reward as compared to the risk being taken. The portfolio manager would also try to optimize the timing of his investment recommendations through technical analysis. The portfolio manager also follows an internal risk control process which puts a cap on weights that can be assigned to a stock based on the quality of business and strength of the Moat. The client would give operational authority to manage the balance cash in the portfolio to park the same in liquid funds, arbitrage funds or Money market mutual funds.
iv.	Allocation of portfolio across types of securities	Consistent with the investment objective and subject to the SEBI Regulations, the Client's funds may be invested in such securities, capital and money market instruments or in fixed income securities or variable securities of any description. Cash that is not invested would be deployed in debt and fixed income securities including money market instruments and units of mutual fund schemes (debt-oriented / income, gilt and liquid/ money market mutual fund schemes), liquid funds or arbitrage funds run by well-established and reputed fund houses and deployed in the market as and when opportunities arise.
v.	Appropriate benchmark to compare performance and	The appropriate Benchmark for Moats and Special Situations strategy is S&P BSE 500 TRI. We have chosen this Benchmark, as it best represents our Investable Universe.

	basis for choice of benchmark	
vi.	Indicative tenure or investment horizon	The indicative tenure is 39 Months. Investor should have investment horizon between 3-5 years. It is perceived by the Portfolio Manager that it takes at least 39 months for a full cycle between under and over valuation in the Indian market. This term is required to execute the portfolio's well thought out investment strategy to reach its full return potential while at the same time it discourages the investor to exit the equities in a despaired market environment. The Portfolio Manager will be scaling out of the positions in the portfolio gradually in order not to disturb the market price. Depending on market conditions, it may decide to scale out of positions well before the upper end of our estimate of fair value has been reached. The Portfolio Manager believes that on average it would take 2 - 3 years for its ideas to reach their price potential. It therefore envisages a turnover of approximately 50% every year. However, it is cautioned that these numbers are indicative only, and actual results may vary significantly from these 'rules of thumb' depending on the market conditions prevalent during the tenure of the investment.
vii.	Risks associated with the investment approach	This is a conservative strategy with focus more on avoiding risk. During periods when market is expensive and continues to move up, this strategy could underperform its Benchmarks, due to probable increase in Cash allocation in the portfolio.
viii.	Other salient features, if any	

III. Investment Advisory Services:

Under these services/offerings, the Portfolio Manager offers advisory and research services on investment portfolios and other securities. The Portfolio Manager advises Clients on portfolio strategy, investment and divestment of securities and any specific advice required by the Clients and agreed upon in the Agreement. The services rendered are purely advisory and non-binding in nature and the Client shall exercise their independent judgement for decision making. For such services, the Portfolio Manager charges the Client a fee for services rendered as spelt out in the Agreement. The advice may either be general or specific in nature and will be provided to various categories of eligible Clients including but not limited to, NRIs, Foreign Portfolio Investors (FPI), etc.

The terms of engagement, services to be rendered and fees to be charged are set forth in the advisory services Agreement.

The Portfolio Manager generally offers following services under its coverage of advisory services:

(i) Overall Asset Allocation views, discussions and guidelines.
(ii) Listed Equity Research/Review, Investing ideas and other related analytics.
(iii) Review of other asset classes/securities to the extent it falls within the competency set of Multi-Act, and based on relevance, requirement and as per mutual agreement.
(iv) Presentations and Sessions covering Macro/Market Advisory.
(v) Sharing of Investment Insights by way of modules for enhancement and incisiveness of thinking related to stocks and/or markets'.

An inclusive list of deliverables, not limited to the following, is offered by the Portfolio Manager:

(a) Portfolio Diagnostic Report (PDR) : PDR is diagnosis of an existing portfolio using Multi-Act analytics;
(b) Whiteboards/ Stock Filter and Analytics: Bird's eye view of key MA analytics on equity securities using its 'GRAF' approach. This can be done on companies under coverage of Multi-Act and/or companies covered for clients.
(c) Client Track List / Holdings Analytics: The Portfolio Manager will track stocks listed by Clients using MA Research analytics.
(d) Company Notes: This gives a birds' eye view of how the Portfolio Manager would see a stock idea. They answer 3 key questions in a measurable manner (i) How good is the quality of the company and business; (ii) How good is the valuation; and (iii) How good is the time to enter or exit.
(e) Company Presentations: Presentations done on select companies are given when it is required to understand the business and valuation within the Multi-Act's framework in greater detail.
(f) Company Screens and Valuation Models: These are detailed spreadsheets encompassing financial statements and business models on companies and their valuations. This is the source, based on which some of the other deliverables are prepared. The Client may be taken through the data analysis and conclusions in detail in respect of selected companies.
(g) Initiating New Company Ideas/Research: This is for companies beyond the regular active coverage of Multi-Act, based on Client's specific request and can be in the form of a Company Screen, Note or a Presentation or a Snapshot.
(h) Investment Decision Tables: This takes form of a summary presentation covering investment thesis/rationale on a particular security using Multi-Act's investment philosophy.
(i) MF Research: This covers detailed research reports and related analytics, primarily on Indian Equity Mutual Funds.
(j) Sectoral Presentations: Presentations on sectors, in which the framework is relevant for aiding decision-making on sectoral basis, such as some capital cycle related sectors or banks etc.
(k) Market View and Macro Indicators: A macro presentation covering how the Portfolio Manager reads markets and macro/economic enviroment (top-down) and that can be taken as the basis for asset allocation decisions, including stock specific ideas as per Rational Analysis/Rational Investing (RA/RI) framework in that context.
(l) Newsletters/In-house articles, etc are provided to the Client.
(m) Power Modules: These are insights with theoretical and practical underpinnings, which the Portfolio Manager has gained/developed over its developmental period. They are designed to widen and deepen a Client's knowledge and perspectives which will enable Clients to achieve objectives of their investment program.
(n) Others: Any other document prepared in the course of providing investment related analytics to the clients.

The Portfolio Manager also offers a 'premium priced' service whereby, in addition to above, Clients are offered services in:

(a) Active role in Portfolio Formation and Construction;
(b) Monitoring and Review of Portfolio;
(c) Co-ordination/interaction with the service provider, as and when mandated by the Client.

Policy for investments in and availing services of group/associate companies

(i) The Portfolio Manager may utilize the services of the promoter, group companies and / or any other subsidiary or associate company of the promoter established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. Such services may include distribution services, research and investment advisory services rendered by the associate / group companies to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

(ii) The Portfolio Manager shall not invest any part of the Client's Portfolio in securities of its associates / group companies.

6. Risk Factors

General risk factors

a. Securities investments are subject to market risks and there is no assurance or guarantee that the objective of the investments will be achieved.
b. The Portfolio Manager has commenced its portfolio management activities with effect from January 2011. However, past performance of the Portfolio Manager or its affiliates does not indicate its future performance.
c. Investors are not being offered any guaranteed or assured returns i.e. either of principal or appreciation on the Portfolio.
d. As with any investment in securities, value of the Client's Portfolio can go up or down depending on the factors and forces affecting the capital market.
e. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolios.
f. The investments made are subject to external risks such as war, natural calamities, and policy changes of local / international markets which affect stock markets.

Specific risk factors

The portfolios offered by the Portfolio Manager are subject to the following risk factors:

a. The Client's investment with the Portfolio Manager shall be subject to the terms and conditions mentioned in the Agreement. Liquidity would be restricted in case of fixed term portfolios.

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

c. The liquidity of the Portfolio's investments is inherently restricted by trading volumes in the securities in which it invests, settlement periods and transfer procedures in the equity and debt markets. Different segments of the financial markets have different settlement periods and such periods may be extended significantly due to unforeseen circumstances. The inability of a Portfolio to make intended securities purchase due to settlement problems could cause the Portfolio to miss certain investment opportunities. Similarly, the inability to sell securities held in the portfolio due to absence of a well developed and liquid secondary market would at times result in potential losses in the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.

d. Investments in equity and equity related securities involve high degree of risks and the Clients should not place funds with the Portfolio Manager to invest unless they can afford to take the risk of losing their investment.

e. The Portfolio is also vulnerable to movements in the prices of securities invested in, which again could have a material bearing on the overall returns from the portfolio.

f. The valuation of the Portfolio's investments may be affected generally by factors affecting the 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 other 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 value of the Portfolio may fluctuate and can go up or down.

g. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume in the stock exchanges. Debt and money market securities, while fairly liquid lack well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and may lead to the investment(s) incurring losses till the security is finally sold.

h. The performance of the Client's portfolio may be adversely affected by the individual company's changes in the marketplace and industry specific and macro-economic factors.

i. Risk arising from the investment objective, investment strategy and asset allocation: Each portfolio will be exposed to various risks depending on the investment objective, investment strategy and the asset allocation, market risk, political and geopolitical risk and risk arising from changing business dynamics, which may affect portfolio returns. The investment objective, investment strategy and the asset allocation may differ from client to client. However, generally, highly concentrated portfolios with lesser number of stocks will be more volatile than a portfolio with a larger number of stocks. Portfolios with higher allocation to equities will be subject to higher volatility than portfolios with low allocation to equities.

j. Risk arising out of non-diversification - diversified portfolios (allocated across companies and broad sectors) generally tends to be less volatile than non-diversified portfolios.

k. At times, portfolios of individual Clients may be concentrated in certain companies/industries. The performance of the portfolios would depend on the performance of such companies / industries / sectors of the economy.

l. Any policy change / technology change / obsolescence of technology would affect the investments made in a particular industry.

m. Unrated / lower rated securities: The Portfolio Manager may invest in lower rated / unrated securities offering higher yields. This may increase the risk of the Portfolio. Such investments will be subject to the scope of investments as laid down in the Agreement.

n. Risk due to participation in securities lending: The Portfolio Manager may subject to the authorization given by the Client in writing, participate in securities lending. In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks.

o. Debt and fixed income securities: Given below are some of the common risks associated with investments in fixed income and money market securities. These risks include but are not restricted to: Interest rate risk: As with all debt securities, changes in interest rates will affect 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. 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 characteristic of the Indian fixed income market. 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. 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. Reinvestment 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 reinvestment is the "interest on interest" component. The risk refers to the fall in the rate for reinvestment of interim cashflows.

p. Risks associated with investment in securitised instruments: As with any other debt instrument, the following risk factors have to be taken into consideration while investing in pass through certificate (PTCs): a. Credit risk: Since most of the PTCs are drawn from a cherry-picked pool of underlying assets, the risk of delay / default due to poor credit quality is low. Furthermore, most of the PTCs enjoy additional cashflow coverage in terms of subordination by another lower class of PTCs or in terms of excess cash collateralisation. b. Liquidity risk: Since the maturity of the PTCs will be in line with the maturity of the Portfolio, the risk arising from low secondary market liquidity of such instruments is low. c. Price risk / interest rate risk: The price risk of these instruments shall be in line with the maturity / duration of such instruments. However given the fact that these instruments will have a maturity profile up to 2 years, the duration risk is relatively less. d. Domestic securitised debt can have different underlying assets and these assets have different risk characteristics. These may be as given in the following example: Security 1 -Backed by receivables of personal loans originated by XYZ Bank. Specific risk factors: Loss due to default and/or payment delay on receivables, premature termination of facility agreements, limited loss cover, delinquency and credit risk, limited liquidity and price risk, originator/collection agent risk, bankruptcy of the originator, co-mingling of funds. Security 2 - senior series pass through certificates backed by commercial vehicles and two-wheeler loan and loan receivables from ABC Bank Limited.

q. Different types of securities in which the Client's funds would be invested carry different levels and types of risks. Accordingly, the portfolio's risk may increase or decrease depending upon its investment pattern; e.g. corporate bonds carry a higher amount of risk than government securities. Further, even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

r. 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, scheme 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.

s. 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. The Client may incur a higher rate of TDS/ dividend distribution tax in case the investments are aggregated.

t. 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.

u. 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.

6. **Client representation:**

Category of Clients	No. of Clients				Funds Managed (Rs. Cr)				Discretionary/ Non-Discretionary (if available)
	As on 31.08.2024	**As on 31.03.2024**	**As on 31.03.2023**	**As on 31.03.2022**	**As on 31.08.2024**	**As on 31.03.2024**	**As on 31.03.2023**	**As on 31.03.2022**	
Associates / Group Companies	0	3	3	3	0.00	21.86	46.04	49.44	Discretionary
Directors / Relatives of Directors	1	1	3	4	1.63	1.37	2.87	4.26	Discretionary
Others	252	280	347	385	1555.40	1390.85	1171.75	1216.16	Discretionary
Others	5	5	7	8	34.32	19.77	13.77	21.07	Non-Discretionary
Total	**258**	**289**	**360**	**400**	**1591.35**	**1433.85**	**1234.43**	**1290.92**	

Notes:

(i) The Portfolio Manager has introduced non-discretionary portfolio management services as on 26th June, 2019.

Direct Onboarding of Clients:

Pursuant to SEBI Circular no. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 on 'Guidelines for Portfolio Managers', Clients can on-board directly with Multi-Act Equity Consultancy Private Limited, Portfolio Manager, without intermediation of persons engaged in distribution services and no charges except statutory charges shall be levied at the time of on-boarding.

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

a. Parties where control exists

Associate, Group entities and holding company:

i. Multi-Act Trade and Investments Private Limited (holding company)
ii. Multi-Act Realty Enterprises Private Limited (Group Company with common Directorship)
iii. The Indian Card Clothing Company Limited (Group Company with common Directorship)
iv. Multi-Act Private Equity Investment Trust (AIF Trust)
v. Multi-Act Select Opportunities Trust (AIF Trust)

Key Management Personnel:
i. Mr. Prashant K. Trivedi – Non-Executive Director
ii. Mr. Sanjeevkumar W. Karkamkar – Non-Executive Director
iii. Mr. Sekar Iyer – Executive Director

Relatives of Key Management Personnel:
i. Late Mr. K. K. Trivedi
ii. Mr. M. K. Trivedi
iii. Mrs. S. P. Trivedi

b. Transactions with related parties

Particulars	2023-24 Rs.	2022-23 Rs.	2021-22 Rs.
(i) Associate, Group entities and holding company:			
Reimbursement made to Multi-Act Trade and Investments Private Limited (holding company)	4,34,434	4,78,883	3,83,197
Received portfolio management fees from Multi-Act Trade and Investments Private Limited (holding Company) in terms of Discretionary Portfolio Management Agreement (Excluding GST)	12,73,992	16,61,983	22,32,667
Investment Research & Analytical Services received from, and fees paid to Multi-Act Trade and Investments Private Limited	30,81,000	29,40,753	22,03,767
Rent paid to The Indian Card Clothing Company Limited	2,92,440	2,84,760	47,460
Reimbursement made to The Indian Card Clothing Company Limited	24,929	45,998	-
(ii) Key Management Personnel:			
Remuneration to Directors:			
Mr. Sanjeevkumar Karkamkar	NIL	NIL	NIL
Mr. Sekar Ramasubramanian Iyer	50,90,243	42,85,012	36,37,393
Reimbursement to Directors			
Mr. Sanjeevkumar Karkamkar	1,06,828	96,377	1,11,849
Mr. Sekar Ramasubramanian Iyer	23,128	3,658	210
(iii) Related Parties:			
Received portfolio management fees from Mr. Mehul K Trivedi (Relative of Director) in terms of Discretionary Portfolio Management Agreement (Excluding GST)	1,18,288	1,41,966	1,69,165
Received portfolio management fees from Late. Kunjbihari K Trivedi (Relative of Director) in terms of Discretionary Portfolio Management Agreement (Excluding GST)	NIL	NIL	14,70,650

Received portfolio management fees from Mrs. Shveta P Trivedi (Relative of Director) in terms of Discretionary Portfolio Management Agreement (Excluding GST)	NIL	16,823	1,09,510
Received portfolio management fees from Multi-Act Realty Enterprises Pvt. Ltd. (Common Director) in terms of Discretionary Portfolio Management Agreement (Excluding GST)	5,92,312	5,63,301	7,85,088
Received portfolio management fees from Mr. Sanjeevkumar Karkamkar (Director) in terms of Discretionary Portfolio Management Agreement (Excluding GST)	1,68,525	1,06,275	1,31,432
Investment Management Fee received from Multi-Act Private Equity Investment Trust	61,60,000	61,60,000	49,00,000
Investment Management Fee received from Multi-Act Select Opportunities Trust	1,06,289	NIL	NIL

Conflicts of Interest:

The Company has adopted an extensive Conflict of Interest Policy which primarily aims to ensure that the Company's clients are treated fairly and at the highest level of integrity and that their interests are protected at all times. The policy lays down the framework to identify and adequately manage / mitigate such conflict of interest thereby safeguarding the Client's interest.

The portfolio manager, its employees may purchase/ sell securities in ordinary course of business and in that manner, there may arise conflict of interest with transactions in any of the client’s portfolio. Such conflict of interest shall be dealt with in accordance of the Conflict of Interest Policy of the Company.

The Holding Company, Multi-Act Trade and Investments Private limited is registered with SEBI as an Investment Adviser in terms of SEBI (Investment Advisers) Regulations, 2013 vide registration number INA000008589. Business transactions between the Portfolio Manager and Related Parties will be conducted on commercial terms which are on arm’s length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations.

Details of investments in the securities of related parties of the Portfolio Manager (Regulation 22 (4) (da):

Investments in the securities of associates/related parties of 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	Not Applicable	NIL	NIL	NIL

Details Of Diversification Policy of The Portfolio Manager (Regulation 22 (4) (db):

The Board of Directors of the Portfolio Manager has adopted a Diversification Policy for the portfolio of the PMS Clients as mandated under the amendment to the SEBI (Portfolio Managers) Regulations, 2020 and has decided not to invest in the Securities of any of the Associates / Related Parties of the Portfolio Manager.

8. Financial Performance of the Portfolio Manager:

The Portfolio Manager was incorporated on 22nd October, 1993. The Portfolio Manager commenced Portfolio Management Services on 27th January, 2011. The Portfolio Manager satisfies with the minimum net-worth criteria as mandated by SEBI of INR 5 Crores as per the SEBI (Portfolio Managers) Regulations, 2020. The financial performance of the Portfolio Manager for the previous three Financial Years till 31st March 2024 is presented below based on the Audited Financials:

Balance Sheet as at	**March 31, 2024 Rs.**	**March 31, 2023 Rs.**	**March 31, 2022 Rs.**
SOURCE OF FUNDS			
Shareholders' funds			
Share capital	3,92,51,750	3,92,51,750	3,92,51,750
Reserves & Surplus	8,15,45,435	5,45,56,031	5,75,34,894
Total	**12,07,97,185**	**9,38,07,781**	**9,67,86,644**
APPLICATION OF FUNDS			
Fixed assets			
Gross block	1,90,96,249	1,83,24,058	2,01,35,134
Less: Accumulated depreciation	1,25,38,576	1,15,61,582	1,35,41,095
Net block	**65,57,673**	**67,62,476**	**65,94,039**
Investments	**4,98,80,598**	**7,86,93,444**	**8,35,21,738**
Current & Non-Current assets, loans and advances			
Sundry debtors	2,02,75,912	87,47,543	1,00,36,413
Cash and bank balances	5,26,25,295	29,44,757	27,37,438
Loans and advances	84,95,155	65,21,711	71,77,420
Other current assets	32,93,623	43,63,025	78,47,376
Total Current assets, loans and advances	**8,46,89,985**	**2,25,77,036**	**2,77,98,647**
Less: Current liabilities and provisions			
Current liabilities	1,11,21,786	54,12,041	1,37,86,515
Provisions	92,09,285	88,13,134	73,41,266
Total current liabilities and provisions	**2,03,31,071**	**1,42,25,175**	**2,11,27,781**
Net Current Assets	**6,43,58,914**	**83,51,861**	**66,70,866**
Total	**12,07,97,185**	**9,38,07,781**	**9,67,86,644**

Profit and Loss account for year ended	March 31, 2024 Rs.	March 31, 2023 Rs.	March 31, 2022 Rs.
INCOME			
Investment activities and Other Income	55,87,457	1,28,91,288	29,44,773
PMS Management & Performance Fees	12,46,23,721	9,64,00,497	12,43,35,251
Advisory/ Research Fees	NIL	NIL	16,57,500
Total	**13,02,11,178**	**10,92,91,785**	**12,89,37,524**
EXPENDITURE			
Employee costs	6,53,01,593	7,37,53,117	6,42,93,132
Administration and other expenses	3,63,52,602	3,57,21,890	3,87,07,444
Depreciation & Amortization expenses	15,67,578	14,89,567	21,41,829
Total	**10,32,21,773**	**11,09,64,574**	**10,51,42,405**
Profit/ (Loss) Before Tax	**2,69,89,404**	**(16,72,789)**	**2,37,95,119**
Provision for current tax (including pertaining to earlier years and MAT Credit)	-	13,06,074	13,14,330
Profit / (Loss) After Tax	**2,69,89,404**	**(29,78,863)**	**2,24,80,789**

Previous year's figures are regrouped/reclassified, wherever necessary, to make them comparable with current year.

9. Portfolio Management Performance

(all performance data in %)

Strategies	Current Period 01.04.2024 to 31.08.2024	Financial Year Ended 31.03.2024	Financial Year Ended 31.03.2023	Financial Year Ended 31.03.2022	Date of Inception
(1) Moat and Special Situations Portfolio (MSSP)	20.54	29.57	2.45	8.81	January 27, 2011
Benchmark Performance (S&P BSE 500 TRI)	17.74	40.16	-0.91	22.26	
(2) Mid & Small cap & Special Situations Portfolio	17.51	43.41	14.57	21.76	May 21, 2015
Benchmark Performance (S&P BSE 500 TRI)	17.74	40.16	-0.91	22.26	
(3) All Seasons Portfolio	12.51	18.65	6.93	8.03	July 1, 2015
Benchmark Performance (NSEMULTIASSET)	10.82	23.62	1.13	15.06	
(4) Emerging Corporates India Portfolio	23.21	17.55	-8.85	8.57	April 28, 2017
Benchmark Performance (S&P BSE 500 TRI)	17.74	40.16	-0.91	22.26	

(5) Sankhya India Portfolio	22.48	35.94	-3.46	22.83	October 17, 2017
Benchmark Performance (S&P BSE 500 TRI)	17.74	40.16	-0.91	22.26	
(6) Moats and Special Situations Portfolio (MSSP) – Non-Discretionary	26.01	30.39	1.30	7.15	July 18, 2019
Benchmark Performance (S&P BSE 500 TRI)	17.74	40.16	-0.91	22.26	

Notes:

1. Past performance of the Portfolio Manager does not indicate its future performance. Performance / returns of the Portfolio Manager are calculated using the 'Time Weighted Rate of Return' method in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations 2020.
2. Returns for the periods provided above are cash flow adjusted and time (Daily) weighted returns after all expenses including Performance Fees.
3. Also note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of
   - the timing of inflows and outflows of funds; and
   - differences in the portfolio composition because of restrictions and other constraints
4. Benchmark returns are absolute returns.
5. As per and in compliance with SEBI Circular dated 16th December, 2022 and APMI Circular dated 23RD March, 2023 appropriate benchmark has been selected for respective Investment Approaches.
6. The above Portfolio Management Performance numbers from inception till the FY 2019-20 has been prepared as per the Global Investment Performance Standards (GIPS) and has claimed GIPS compliance verification for the Financial Year 2024. The Benchmark returns used for the said GIPS reporting is including the Dividend and other Corporate Actions.

10. Audit Observations:

There are no observations made by the Statutory Auditor of the Portfolio Manager for the three preceding financial years.

11. Nature of Expenses

The following are indicative types of costs and expenses for Clients availing the portfolio management services. Clients may note that the fees/expenses mentioned below are indicative. The same will vary depending upon the nature of services which would be provided to the Client. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement in respect of each of the services provided-

a) Portfolio / Investment Management & Advisory Fees:

The Portfolio / Investment Management and Advisory fees charged may be a fixed fee (range 0% to 2.50% per annum) or a performance / profit sharing fee (0% to 25% of portfolio returns) or a combination of both as detailed in the Fee Annexure to the Agreement. The Fees may be charged periodically at the end of a specified tenure as agreed between the Client and the Portfolio Manager.

The Portfolio Manager shall comply with SEBI Master Circular SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 dated 07th June, 2024 in respect of the matters dealt with by the said circular with respect to fees and charges.

Pursuant to the aforesaid circular, for charging of performance/ profit sharing fee, performance/ profit of the portfolio shall be computed on the basis of highwater mark principle over the life of the investment, as prescribed by the aforesaid circulars.

High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly. The Portfolio Manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

All fees and charges shall be levied on the actual amount of Clients' assets under management. High Water Mark shall be applicable for discretionary and non-discretionary services and not for advisory services. In case of interim contributions/ withdrawals by Clients, performance fees may be charged after appropriately adjusting the high-water mark on proportionate basis.

Clients availing Investment Advisory services of the Portfolio Manager shall be charged an advisory fee based on mutually agreed terms of the Investment Advisory Services Agreement.

b) Custodian/Depository Fees

The Custody of all Securities of the Clients shall be with the Custodians viz., HDFC Bank Limited, Axis Bank Limited and Kotak Mahindra Bank Limited appointed by the Portfolio Manager. The Custodians shall act on the instructions of the Portfolio Manager. All such custodian fees charged by the Custodian shall be payable by the Client. The Portfolio Manager shall not be liable for any act of the Depository Participant, done with or without the instructions of the Portfolio Manager, which may cause or is likely to cause any loss or damage to the Clients.

Custody Charges – based on the Client's assets under management per year, payable on a monthly/quarterly/annual basis as determined by the portfolio manager. The safe custody charges ranges from 1 bps – 5 bps per annum plus transaction cost which differs from each custodian.

c) Registrar and Transfer Agent's Fees: On Actuals
d) Brokerage and Transaction Cost: On Actuals
e) Demat Charges: On Actuals
f) GST + Securities Transaction Tax (STT) + Exchange Transaction Charges + Stamp Duty + any other statutory levies: On Actuals
g) Bank Charges: On Actuals
h) Fees, Exit Loads and Charges in respect of Investment in Mutual Funds: On Actuals
i) Certification charges or professional Charges: On Actuals
j) Taxes as may be applicable from time to time.
k) Such other cost and expenses incurred by the Portfolio Manager directly in connection with the provision of Portfolio Management Services – On actuals

Note: All the 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). It shall include charges payable for outsourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by Bankers or regulatory authorities including legal fees and day-to-day operations charges etc.

Distributor's Commission: If the Client is on-boarded through a Distributor then the Portfolio Manager shall pay a percentage of management, performance and / or other fees to the Distributor as mutually agreed between the Portfolio Manager and the Distributor. The percentage of Distributor commission shall be disclosed to the Client at the time of signing of Contract with the client and whenever there is any change. The Distributor's commission shall be paid from the total management and performance fees as mutually agreed between the Portfolio Manager and the Client in the PMS Agreement.

12. Taxation:

It may be noted that the information given hereinafter is only for general information purposes and is based on the Portfolio Manager's understanding regarding the Tax laws and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment will be accepted by the tax authorities or will continue to be accepted by them indefinitely.

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Portfolio Manager to induce any investor to invest whether directly from the Portfolio Manager or indirectly from any other persons by the secondary market operations. In view of the above, and since the individual nature of tax consequences may differ in each case on its merits and facts, each Investor is advised to consult his / her or its own professional tax advisor with respect to the specific tax implications arising out of its participation in the Portfolio Management Services, as an investor. In view of the above, it is advised that the Investors appropriately consult their investment / tax advisors in this regard.

The tax implications given hereunder are broad level implications as amended by the Finance Act (No. 2) 2024 enacted on August 16, 2024. Such implications may differ taking into account the specific facts of each individual case. Further, the tax rates and provisions are as applicable as on the date of issue of this document and would need to be considered as on the date of the taxable event.

The Clients are accordingly advised to avail the services of a professional consultant in determining their exact tax implications.

A. Treatment of Dividend from Companies and Mutual Funds:

a). Dividends declared, distributed or paid up to March 31, 2020:

Any dividend income from a domestic company, which is subject to dividend distribution tax (DDT) under section 115-O of the Income-tax Act, 1961 ('Act') is exempt from tax under section 10(34) of the Act. However, as per the proviso to section 10(34) of the Act, nothing contained under section 10(34) shall apply to any income by way of dividend chargeable to tax in accordance with the provisions of section 115BBDA of the Act. As per section 115BBDA of the Act, any income earned by a specified assessee who is resident in India, by way of dividend declared, distributed or paid by a domestic company in excess of INR 10,00,000, the same shall be chargeable to tax at 10% (excluding surcharge and health and education cess) on a gross basis. Accordingly, the said tax shall be over and above the DDT paid by the domestic company distributing the dividend.

'Specified assessee' means a person other than (i) domestic company; or (ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution as referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 of the Act; or (iii) a trust or institution registered under section 12A or section 12AA or section 12AB of the Act.

Income (other than on transfer of units) from units of a Mutual Fund, registered with the Securities and Exchange Board of India (SEBI), is exempt from tax under section 10(35) of the Act.

b) Dividends declared, distributed or paid from April 01, 2020:

With effect from April 01, 2020, Finance Act 2020 has abolished the DDT charged under section 115-O and section 115R of the Act on the dividends paid by the domestic company and Mutual Fund, respectively, thereby transferring the tax burden completely in the hands of the shareholders/unitholders. Resultantly, section 10(34) and section 10(35) of theAct has also been deleted. Currently, the dividend is taxable in the hands of the unitholders/shareholders and also, subject to withholding of taxes at source by the Mutual Fund/Company, at applicable rates.

In addition to the above, where any income distributed up to March 31, 2020 which is subject to tax on distribution is received on or after April 01, 2020, the same shall continue to be exempt in the hands of shareholders/unitholders under section 10(34)/10(35) of the Act.

B. Proceeds on buy-back of shares by company:

As per Section 10(34A) of the Act, gains arising on buy-back of shares (not being shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the Act, a distribution tax at the rate of 20% (plus applicable surcharge and health and education cess) is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is 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 company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of the Income tax Rules, 1962 ('Rules') provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

As per the Finance (No. 2) Act, 2019, any buy back of listed shares, on or after July 05, 2019, shall also attract buy-back tax under section 115QA of the Act. Accordingly, exemption under section 10(34A) of the Act is also extended on such buy-back transactions. However, as per the Ordinance 2019, there shall be no buy-back tax w.r.t those shares for which public announcement of buy-back was made before July 05, 2019.

The Finance (No. 2) Act, 2024 (FA 24) amended the taxation of buyback of shares effected on or after 1 October, 2024 in the hands of shareholder as under:

1. Buyback amount taxable as “Deemed Dividend”
2. Cost incurred for purchase of shares to be treated as “Capital Loss”

FA 24 has also made a consequential amendment in section 194 of the Act to provide for tax withholding at 10% on such consideration paid by the company.

C. Characterisation of Income earned from Transfer/ Sale of Securities

Transaction in shares/ securities/ units of Mutual Fund may be either on the capital account (and chargeable to tax 'Capital gains' under section 45 of the Act) or on the trading account (and chargeable to tax as 'Profits and gains of business or profession' under section 28 of the Act).

The issue of income characterization as above is essentially a question of fact and dependent on various factors. Guidance can be sought from judicial precedents and clarifications issued by the Central Board of Direct Taxes (CBDT) vide circular/instructions.

In this regard, CBDT issued Circular No 6 dated February 29, 2016 on the tax treatment of surplus arising from transfer of listed shares/ securities whether capital gains or business income with a view to reduce litigation and uncertainty and in partial modification to earlier CBDT Circulars, the 2016 Circular instructs tax authorities to consider certain guidelines for classifying listed shares/ securities as under:

i. Where the taxpayer itself, irrespective of the period of holding of the listed securities treats the gains from sale of such securities as business income, the same should be accepted by the tax authorities.

ii. Where the taxpayer wishes to treat the gains arising from transfer of listed securities held for a period more than 12 months immediately preceding the date of its transfer as capital gains, the same should not be put to any dispute by the tax authorities. However, this stand, Once taken in a particular year, shall remain applicable to subsequent years and taxpayers shall not be allowed to adopt a different stand in this regard in subsequent years

iii. In all other cases, the nature of transaction (i.e. whether the same is in the nature of capital gains or business income) shall continue to be decided keeping in view the other notifications/ circulars issued by CBDT in this regard.

The aforementioned circular shall not apply in a case where the genuineness of the transaction itself is questionable. Based on the earlier Central Board of Direct Taxes ('CBDT') circulars and judicial decisions, following are inter alia the key factors and principles which need to be considered while determining the nature of assets as above:

- Motive for the purchase of shares;
- Frequency of transactions and the length of period of holding of the shares;
- Treatment of the shares and profit or loss on their sale in the accounts of the assessee;
- Source of funds out of which the shares were acquired – borrowed or own;
- Existence of an object clause permitting trading in shares – relevant only in the case of corporate bodies;
- Acquisition of the shares – from primary market or secondary market;
- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares.

CBDT has clarified that, it is possible for a taxpayer to have two portfolios, i.e., an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as "Profits or Gains of Business or Profession" under section 28 of the Act or as "Capital Gains" under section 45 of the Act.

D. Short-Term and Long-Term Capital Gains on Sale of Securities:

Type of instrument	Period of holding	Characterization
Listed Equity or preference Share, Securities (other than units) and units of equity-oriented mutual funds,	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Units of Funds other than equity-oriented fund and market linked debentures	Irrespective of period of holding	Short-term capital Asset
Unlisted shares of a company	More than twenty four (24) months	Long-term Capital Asset
	Twenty four (24) or less	Short-term Capital Asset
Other securities	More than thirty six (36) months	Long-term Capital Asset
	Thirty six (36) months or less	Short-term Capital Asset

FA 24 rationalized the holding period for classification of capital assets as long-term or short-term from 23 July 2024. It is proposed that for all listed securities, the holding period is proposed to be 12 months and for all other assets, it shall be 24 months.

As per the provisions of section 48 of the Act, capital gains/ losses are computed by reducing from the sale consideration:

i. any expenditure incurred wholly and exclusively in connection with the transfer;

ii. the cost of acquisition of the asset transferred and the cost of any improvement thereto; and

where long-term capital gain arises from the transfer of a long-term capital asset, other than capital gain arising to a non-resident from the transfer of shares in, or debentures of, an Indian company referred to in the first proviso, the provisions of clause (ii) shall have effect as if for the words "cost of acquisition" and "cost of any improvement", the words "indexed cost of acquisition" and "indexed cost of any improvement" had respectively been substituted.

Vide FA 24, it is enacted that the indexation benefit on cost of acquisition and cost of improvement shall not be available for long-term capital assets transferred on or after 23 July 2024. However, for cost step up based on fair market value as on 31 January 2018/1 April 2001 shall continue to be available.

Further, as per the FA 24 indexation benefit for the purpose of computing capital gain tax liability on sale of immovable property acquired on or before 23 July, 2024 by Resident Individual and Hindu Undivided Family (HUF) would be available. The tax payable by the taxpayer would be lower of following:

1. 12.5% without indexation benefit or
2. 20% of capital gains after considering the benefit of indexation

Further, section 48 of the Act provides that in the computation of capital gains, no deduction shall be allowed in respect of STT paid.

Additionally, the status of tax payer (i.e. whether the taxpayer is an individual, a corporate, etc.), whether the transfer has been subject to Securities Transaction Tax (STT), the nature of the instrument sold, etc. also impact the rate of tax applicable to capital gains arising from the transfer of a capital asset. Some of these aspects have been discussed below.

The Finance Act 2023 inserted new section 50AA providing that capital gains arising from transfer or redemption, or maturity of specified market linked debentures (MLD) shall be deemed to be short-term capital gains (STCG) arising from transfer of a short-term capital asset.

In addition to the MLD, the Finance Act 2023 also included unit of a ‘Specified Mutual Fund’ acquired on or after 1 April 2023 under the ambit of above provisions of section 50AA of the ITA.

Explanation to section 50AA is amended to provide the meaning of ‘Specified Mutual Fund’: ‘Specified Mutual Fund’ means a Mutual Fund by whatever name called, where not more than thirty five percent of its total proceeds is invested in the equity shares of domestic companies: Provided that percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.’

FA 24 further amends the definition of “Specified Mutual Fund” under section 50AA of the Act, to provide clarity regarding the proportion of investment being made in terms of debt and money market instruments, and investment requirements in case of a Fund of Fund (FOF). A Specified Mutual Fund shall mean: - a Mutual Fund by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments; or - a fund which invests 65% or more of its total proceeds in units of a fund referred to in sub-clause (a). This amendment will be effective from 1 April 2026 and shall be applicable from AY 2026-27 onwards.

Securities Transaction Tax (“STT”)

The following table provides the details in respect of the rate of STT applicable (as on date) to some of the taxable securities transactions:

Nature of Transaction	Payable by	Value on which tax shall be levied	Rates applicable (%)
Delivery based purchase transaction in units of equity oriented fund entered into in a recognized stock exchange	Purchaser	Value at which units are bought	Nil
Delivery based purchase transaction in equity shares or units of a business trust entered in a recognized stock exchange	Purchaser	Value at which shares/ units are bought	0.1
Delivery based sale transaction in equity shares or units of a business trust entered in a recognized stock exchange	Seller	Value at which shares/ units are sold	0.1
Delivery based sale transaction in units of equity oriented fund entered into in a recognized stock exchange	Seller	Value at which units are sold	0.001
Non-delivery based sale transaction in equity shares or units of equity oriented fund or units of a business trust entered in a recognised stock exchange	Seller	Value at which shares/ units are sold	0.025
Sale of units of an equity oriented fund to the mutual fund	Seller	Value at which units are sold	0.001

FA 24 has increased the rate of STT in case of future and option sale transactions as follows:

Particulars	Existing Rates	Revised Rates
Sale of Futures	0.0125% of the price at which such futures are traded	0.02% of the price at which such futures are traded
Sale of options	0.0625% of the option premium	0.1% of the option premium

Capital gains tax on sale transaction on which STT is chargeable:

i) Long-term capital gains:

Finance Act 2018 has, with effect from April 01, 2018, withdrawn the exemption on long term capital gains on sale of specified assets on which STT is chargeable and has introduced new section 112A of the Act.

Under the provisions of new section 112A of the Act, in respect of transfer of an equity share in a company or a unit of an equity oriented fund or a unit of a business trust on or after April 01, 2018, tax at the rate of 10 per cent (plus applicable surcharge and cess) shall be levied on long-term capital gains, exceeding Rs.1,00,000, where in case of an equity share in a company, STT has been paid on acquisition and transfer of such capital asset in nature of asset being an equity shares in a company, or in a case of a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

FA 24 enacted that the tax rate on long-term capital gains would be 12.5% and the tax rate on short-term capital gains would be 20% (on which STT is paid). It is also enhanced that the exemption for long-term capital gains arising from the transfer of a listed equity share or unit of equity-oriented mutual fund or unit of a business trust on which STT has been paid. It is increased from INR 100,000 to INR 125,000. Unlisted debentures and unlisted bonds are considered as debt instruments and it has been amended that capital gains on them should be taxed at applicable rate, whether short-term or long-term. Further, FA 24 provides that Long Term Capital Gains arising to Non-Resident taxpayer on transfer of specified assets (unlisted shares and securities) shall be as under:

1. where transfer takes places before 23 July, 2024, 10% without benefit of indexation and foreign exchange fluctuation.
2. where transfer takes place on or after 23 July, 2024 – 12.5% without indexation benefit and foreign exchange fluctuation.

The long-term capital gains are required to be computed without giving effect to the first and second proviso to section 48 of the Act, i.e. benefit of computation of capital gains in foreign currency and indexation in respect of cost of acquisition and improvement.

Further, for the purpose of computing capital gains in relation to a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust, acquired before February 01, 2018, the cost of acquisition is deemed to be the higher of:

- The cost of acquisition of such asset; and
- The lower of –

a) the fair market value of the asset; and

b) the full value of consideration received or accruing as a result of the transfer of the asset. i.e. Sale Price "fair market value" means,—

(i) in a case where the capital asset is listed on any recognised stock exchange as on the 31st day of January, 2018, the highest price of the capital asset quoted on such exchange on the said date:

Provided that where there is no trading in such asset on such exchange on the 31st day of January, 2018, the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2018 when such asset was traded on such exchange shall be the fair market value;

(ii) in a case where the capital asset is a unit which is not listed on a recognised stock exchange as on the 31st day of January, 2018, the net asset value of such unit as on the said date;

(iii) in a case where the capital asset is an equity share in a company which is

(A) not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer;

(B) listed on a recognised stock exchange on the date of transfer and which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31st day of January, 2018 by way of transaction not regarded as transfer under section 47, an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later;

As stated above, to avail benefits of section 112A of the Act, equity shares should be subject to STT both at the time of acquisition and transfer of assets. However, to protect certain transactions, the CBDT issued a Notification(Notification No. 60/2018/F. No. 370142/9/2017-TPL dated October 01, 2018) stating that the condition of chargeability to STT at the time of acquisition, shall not apply to all transactions of acquisitions of equity shares entered into on or after October 01, 2004 other than the specified transactions.

ii) Short-term capital gains

Section 111A of the Act provides that short-term capital gains arising on sale of equity shares of a company or units of equity-oriented fund and on which STT is chargeable are liable to income-tax at a concessional rate of 15% plus surcharge as applicable and cess.

The FA 24 increased the tax rate of short-term capital gains covered under section 115A of the Act, from existing 15% to 20% on any transfer which takes place on or after 23 July, 2024.

In case of Resident individuals and Resident HUFs, where the taxable income as reduced by short-term capital gains is below the maximum amount not chargeable to tax, the short-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance short-term capital gains will be charged at the applicable rate plus cess.

Capital gains tax on sale transaction on which STT is not chargeable:

For resident individuals, HUFs, partnership firms (including limited liability partnership) and Indian companies:

i) Long-term capital gains

Long-term capital gains earned in respect of a long-term capital asset, is chargeable to tax under section 112 of the Act at the rate of 20% plus surcharge as applicable and cess. Capital gains are computed after taking into account the cost of acquisition as adjusted by the cost inflation index notified by the Central Government (indexed cost) and expenditure incurred wholly and exclusively in connection with such transfer.

Further, in case of Resident individuals and Resident HUFs, where taxable income as reduced by long-term capital gains is below the maximum amount not chargeable to tax, the long-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance long-term capital gains will be charged at the rate of 20% or 10% plus surcharge as applicable, and cess.

In the case of capital assets being bonds or debentures (other than capital indexed bonds issued by the Government and sovereign gold bonds issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015), the benefit of indexation is not available.

The FA 24 has removed the indexation benefit on cost of acquisition and cost of improvement for long-term capital assets transferred on or after 23 July 2024. However, for cost step up based on fair market value as on 31 January 2018/1 April 2001 shall continue to be available.

However, as per FA 24 in the case of transfer of long-term capital asset, being land or building or both, which is acquired before 23 July 2024, if the tax computed at the rate of 12.5% (i.e., without consideration of indexation benefit) exceeds the tax computed under the old mechanism i.e., tax at the rate of 20% along with the indexation benefit then such excess tax shall be ignored. The said amendment is applicable only in the case of Resident Individual and Resident HUF. In simple words, the tax payable by the taxpayer would be lower of following:

1. 12.5% without indexation benefit or
2. 20% of capital gains after considering the benefit of indexation

ii) Short-term capital gains

Short-term capital gains earned are chargeable to tax as per the normal rates applicable to the taxpayer.

For non-residents (Other than NRIs, who may elect to be covered by the provisions of section 115E of the Act, as regards tax on investment income and long-term capital gains, where beneficial.)

i) Long-term capital gains

Under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, other than unlisted securities, are chargeable to tax at the rate of 20% plus surcharge as applicable and cess. In case of non-resident, capital gains arising from transfer of a capital asset being shares in, or debentures of, an Indian company (other than unlisted securities) shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital asset into the same foreign currency as was initially utilised in the purchase of the shares or debentures, and the capital gains so computed in such foreign currency shall be reconverted into Indian currency (hereinafter referred to as FC computation mechanism).

Further, the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing or arising from every reinvestment thereafter in, and sale of, shares in, or debentures of, an Indian company.

Further, under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, being units of a mutual fund, to tax at the rate of 20% plus surcharge as applicable and cess; capital gains are computed by taking into account the indexed cost and expenditure incurred wholly and exclusively in connection with such transfer.

Long-term capital gains arising from transfer of a capital asset, being unlisted securities (or shares of a company not being a company in which the public are substantially interested) and unlisted units are chargeable to tax at the rate of 10% plus applicable surcharge and education cess. Such long-term capital gains would be calculated without indexation of cost of acquisition and FC computation mechanism.

FA 24 increased the tax rate on long-term capital gains from 10% to 12.5% on transfer to long term capital assets on or after 23 July 2024 (on which STT is paid). Further, FA 24 enhanced the exemption for long-term capital gains arising from the transfer of a listed equity share or unit of equity-oriented mutual fund or unit of a business trust on which STT has been paid, from INR 100,000 to INR 125,000. Unlisted debentures and unlisted bonds are considered as debt instruments and it has been amended that capital gains on them should be taxed at an applicable rate, whether short-term or long-term.

The FA 24 provides that Long-term Capital Gains arising to Non-Resident taxpayer on transfer of specified assets (unlisted shares and securities) shall be as under:

1. where transfer takes places before 23 July 2024, 10% without benefit of indexation and foreign exchange fluctuation
2. where transfer takes place on or after 23 July 2024 – 12.5% without indexation benefit and foreign exchange fluctuation

Further, the FA 24 reduced the rate of tax for long-term capital assets other than unlisted shares and securities. The same shall be taxed as under:

1. where transfer takes places before 23 July 2024, 20% with benefit of indexation and foreign exchange fluctuation
2. where transfer takes place on or after 23 July 2024 – 12.5% without indexation benefit and foreign exchange fluctuation

ii) Short-term capital gains

Short-term capital gains earned are chargeable to tax as per the normal rates applicable to the taxpayer. The FC computation mechanism is available to non-resident/ NRI for computing the short-term capital gains arising from the transfer of shares.

The FA 24 increased the tax rate on short-term capital gains from existing 15% to 20% on any transfer which takes place on or after 23 July 2024 (on which STT is paid).

E. Business Income from Purchase and Sale of Securities:

If the investment under the portfolio management services is regarded as "Business/Trading Asset" then the gain arising there from is taxed as business income on Net Income basis. Where income referred to above is treated as business income, the person is eligible for deduction under section 36(1)(xv) of the Act for the amount of STT paid.

F. Losses under the head capital gains/business income

In terms of section 70 read with section 74 of the 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.

Business loss (other than speculative business losses) is allowed to be carried forward for 8 assessment years. Business losses are allowed to be set-off against any other income (except income under the head 'salaries') in the relevant assessment year. Further, if the business losses cannot be fully set-off in the relevant assessment year then it can only be set-off against business income in the subsequent years.

G. Bonus Stripping

Where any person buys or acquires any securities; or units of a mutual fund or the Unit Trust of India or business trust or Alternate Investment Fund within a period of three months prior to the record date (i.e., the date that may be fixed by a company or a Mutual Fund or the Administrator of the specified undertaking or the business trust or Alternate Investment Fund or the specified company, for the purposes of entitlement of the holder of the securities or units to receive additional security or unit, as the case may be, without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

H. Tax Deduction at Source:

As per section 194, the company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, shall, before making any payment by any mode in respect of any dividend or before making any distribution or payment to a shareholder, who is resident in India, deduct from the amount of such dividend, income-tax at the rate of ten per cent. Provided that no such deduction shall be made in the case of a shareholder, being an individual, if—

a) the dividend is paid by the company by any mode other than cash and
b) the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder, does not exceed five thousand rupees

Finance Act 2020 inserted a new section 194K of the Act whereby a person responsible for paying to a resident any income in respect of units of mutual fund specified under section 10(23D) of the Act shall withhold taxes at the rate of 10% provided such income exceeds INR 5,000. Further, the proviso to section 194K of the Act clarifies that such taxes are not required to be withheld where the income is in the nature of capital gains.

Any person responsible for paying to a non-resident, any income, which is chargeable to tax under the Act, is required to withhold income-tax thereon under section 195 of the Act, at the prescribed rates, at the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier.

Finance Act 2020 has also amended the provisions of section 196A of the Act whereby a person responsible for paying to a non-resident any income in respect of units of mutual fund specified under section 10(23D) of the Act shall withhold taxes at the rate of 20%.

In case of deduction of tax at source (TDS) on payments made to non-residents, the tax rates would be increased by surcharge and cess. However, in case of TDS on payments made to residents, the tax rates would not be increased by surcharge and cess.

FA 24 introduced the new provisions for tax on Buy-Back of shares. As per the amendment the income would to be taxed as dividend, a corresponding amendment has been made in section 194 of the Act whereby the said income will be subject to the withholding of tax at source @ 10%. This amendment will be effective from 1 October 2024.

There are various amendments to the rate of withholding tax brought by FA 24, relevant changes are outlined as under:

Section	Present TDS Rate	Revised TDS Rate	With effect from
Section 194D - Payment of insurance commission (in case of person other than company)	5%	2%	1st April 2025
Section 194DA - Payment in respect of life insurance policy	5%	2%	1st October 2024
Section 194G – Commission etc on sale of lottery ticket	5%	2%	1st October 2024
Section 194H - Payment of commission or brokerage	5%	2%	1st October 2024
Section 194-IB - Payment of rent by certain individuals or HUF	5%	2%	1st October 2024
Section 194M - Payment of certain sums by certain individuals or Hindu undivided family	5%	2%	1st October 2024
Section 194-O - Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%	1st October 2024
Section 194F - Payments on account of repurchase of units by Mutual Fund or Unit Trust of India	20%	Omitted	1st October 2024

I. Advance Tax Instalment Obligations:

The Client is required to discharge the taxes (if any) on their respective share of income received from mutual funds at the applicable rates. The Client is therefore required to compute the advance tax liability in the manner as prescribed under the Act and discharge the advance tax liability, if any, on their respective share of income from the Mutual Fund.

Any shortfall or delay is discharging the advance tax liability by the Client may attract interest implications under section 234B and 234C of the Act.

It will be the responsibility of the Client to meet the advance tax obligation instalments payable on the due dates under the Act.

J. Benefit of Double Taxation Avoidance Agreement:

As per the provisions of section 90(2) of the Act, in determining the taxability of a non-resident, the provisions of the relevant DTAA or the Act, whichever are more beneficial, shall apply. Accordingly, if the investor is a resident of country with which India has entered into a DTAA, the provisions of the DTAA or of the Act, whichever are more beneficial to the investor, shall apply.

Section 90(4) of the Act, provides that a taxpayer, not being a resident, to whom a DTAA applies, shall not be entitled to claim any relief under such DTAA unless a certificate of it being a resident in any country outside India is obtained by it from the Government of that country.

Further, section 90(5), provides that the taxpayer referred to in section 90(4) of the Act, shall also provide such other documents and information, as may be prescribed. In this connection, on August 01, 2013, the CBDT issued a Notification substituting Rule 21AB of the Income-tax Rules, 1962 (Rules) and prescribing the format of information to be provided under section 90(5) of the Act, i.e. in Form No 10F.

A taxpayer would be required to furnish Form No 10F, where the required information is not explicitly mentioned in the aforementioned certificate of residency; in which case, the Notification additionally requires the taxpayer to keep and maintain such documents as are necessary to substantiate the information provided.

CBDT vide notification no. 03/2022 dated 16th July 2022 has now mandated that certain forms, including Form 10F, to be furnished electronically and e-verified on the Indian Income tax portal (‘Portal’) in a prescribed manner. The notification has come into force with immediate effect from 16 July 2022. However, partial relaxation was granted with respect to electronic submission of Form 10F till September 30, 2023, by non-residents not having PAN and not required to have PAN. Recently, the tax authorities have updated the utilities on the Income Tax Portal to enable such non-residents to electronically file Form 10F without requirement of PAN. Subsequently, the CBDT has introduced a new facility for non-residents who do not have a PAN to e-file Form 10F on the income tax portal by creating an account without the requirement of first obtaining a PAN.

As per the provisions of section 115A of the Act, where the income of a non-resident (not being a company) or a foreign company comprises of inter-alia dividend or interest income and appropriate taxes have been withheld in accordance with the provisions of Chapter XVII-B of the Act on such income by the payer, such non-resident is not required to furnish the return of income under section 139(1) of the Act.*

13. Accounting Policies and Basis of Valuation

Accounting:

The Portfolio Manager shall follow the following accounting policies in respect of the portfolio investment of the Clients:

a. The Portfolio Manager shall keep and maintain proper books of accounts, records and documents for each Client so as to explain transactions for each Client and to disclose at any point of the Portfolio holding of each Client and in particular give a true and fair view of the performance of Portfolio for each Client. The books of accounts for the clients are maintained on historical cost basis.

b. Transactions for purchase or sale of investments shall be recognized as of the trade date.

c. The cost of investments acquired or purchased will include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.

d. Dividend income is recognized post dividend declaration date. For the investments, which are not quoted on the stock exchange, dividend income will be recognized on the date of receipt of dividend from the company.

e. Determining the holding cost of investments and the gains or loss on sale of Investments, the “First in First out (FIFO)” method will be followed.

f. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

g. In respect of interest bearing investments, income would be recognized on accrual basis.

Basis of Valuation:

a. Investments in listed equity and debt securities (“traded securities”) shall be valued on the basis of closing market rates on the National Stock Exchange ("NSE") as on the relevant valuation date. If the security is not listed on the NSE, latest available quote within a period of thirty days prior to the valuation date on the Bombay Stock Exchange or any other major stock exchange where the security may be listed would be considered. In the event of this date being a holiday at the exchange, the rates as on the immediately preceding trading day shall be adopted. If no such quote is available, the security may be considered as non-traded.

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

c. Mutual fund units are valued at latest available net asset value (NAV) of the particular scheme on the valuation date.

d. Debentures and Bonds will be valued at their Last Traded Price (LTP) as quoted on the National Stock Exchange/Bombay Stock Exchange provided the value traded is at least Rs. 1 crore.

   However in case of each of the Bonds, when on the last trading day of such month where LTP is not available, the Portfolio Manager will source the valuation of such bonds from NSE.

   Exception - When in the opinion of the Portfolio Manager, the debentures and bonds, apparently, do not reflect their fair/realizable value, the Portfolio Manager shall deviate from NSE based valuation and such instruments shall be valued using principles of fair valuation.

   Necessary documentation justifying each such deviation and the computation of fair price shall be recorded by the Portfolio Manager.

e. Unlisted, non-traded and all other securities where a value cannot be ascertained shall be valued as determined in good faith by the Portfolio Manager.

f. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or for accounting the same, as may be mutually agreed between them on a case-to-case basis.

g. The securities received towards corpus and added to the portfolio are valued and accounted at the previous day closing rate of NSE to the portfolio. The securities withdrawn as corpus are valued at previous day closing rate of NSE.

h. Mutual fund units received towards corpus are valued and accounted at the latest available NAV on the date of addition to the portfolio. Mutual fund units withdrawn are valued and accounted at the latest available NAV on the date of on the date of withdrawal.

i. Securities transaction tax levied on purchase/sale of securities and derivatives during the financial year is recognized as an expense in the books of accounts.

j. Tax deducted at source on sale of shares / mutual funds, interest or any other income on which tax is liable to be deducted is adjusted against corpus on a yearly basis at the end of the financial year since such amounts are not available to the Portfolio Manager for investment purposes.

14. Investor Services & SCORES:

Service levels and Reports

The Portfolio Manager shall furnish to the Client reports/statements/documents atleast once in six months and as and when required by the Client with a reasonable frequency. Such reports/statements/documents shall contain the following details namely,

a. Report on the composition and value of the portfolio, description of securities, number of securities, value of each security held in the portfolio, cash balance and aggregate value of the portfolio on the date of the report;

b. Report on the transaction undertaken during the period of report including date of transaction and details of purchase and sales;

c. Report on beneficial interest received during that period in respect of interest, dividend, bonus shares, rights shares and debentures;

d. Report on expenses incurred in managing the portfolio;

e. Details of risk foreseen by the Portfolio Manager and the risk relating to the securities recommended by the Portfolio Manager for investment or disinvestments.

The Portfolio Manager shall on a best effort basis endeavor to provide reports to the Client within below mentioned timelines after receipt of request from the Client:

Sr. No.	Report	Timeline for providing the report after receipt of the request
1.	Portfolio holding statement	3 working days
2.	Transaction statement	7 working days
3.	Capital gains register	7 working days
4.	Performance report	7 working days

Contact information

Investor queries and complaints can be addressed to the Compliance Officer -

Name: Sekar Ramasubramanian
Address: Multi-Act Equity Consultancy Private Limited
10th Floor SC, The Ruby Tower,
29, Senapati Bapat Marg,
Dadar (West), Mumbai – 400 028.
Tel: 022- 022-61408989
Email: sekar.iyer@multi-act.com

SEBI SCORES Platform

SEBI has introduced an online registration of complaints whereby investors can lodge their grievances on the SEBI Complaints Redress System i.e., the SCORES portal https://scores.sebi.gov.in/

SCORES enables online tracking of status of a complaint. Investors who are unable to access the online platform continue to have the option to register their complaints in physical form.

15. Grievance Redressal and Dispute Settlement Mechanism

In the event the Client has any grievance on the services standards or reporting that the Portfolio Manager has agreed to provide, then the Client shall write to Customer Services Team of the Portfolio Manager at mapmsdesk@multi-act.com or Tel No. 022 - 61408989. The Customer Services Team shall acknowledge the receipt of email within 2 working days. Further, Customer Services Team shall, within a period of 21 (Twenty-one) calendar days from the date of receipt of the complaint and write to the Client in the form of an Action Taken Report (ATR) stating the action taken, and where the grievance is of the nature that can be repetitive, the steps taken so that the grievance does not arise again.

Where the Client is not satisfied with the ATR of the concern, then the client shall write to the Compliance Officer – sekar.iyer@multi-act.com – Tel: 022 – 61408989. The timelines specified for the Customer Services Team relating to acknowledge and the timelines for writing to the Client in the form of an ATR shall be applicable to the Compliance Officer of the Portfolio Manager.

In the event the Client is not satisfied with the resolution provided by the Customer Services Team or the Compliance Officer, the Client can contact Principal Officer rohan.samant@multi-act.com Tel – 022 - 61408989

In case, the investors does not get a response from the Portfolio Manager, or not satisfied with the response provided by the Portfolio Manager, he/she may approach SEBI to address complaints against the Portfolio Managers, registered with it. The complaint has to be filed in SEBI Complaints Redress System (SCORES) at https://scores.sebi.gov.in/

After exhausting all aforementioned options for resolution, if the client is not satisfied, they can initiate dispute resolution through the Online Dispute Resolution Portal (ODR) at https://smartodr.in/login.

Alternatively, the client can directly initiate dispute resolution through the ODR Portal if the grievance lodged with the Portfolio Manager is not satisfactorily resolved or at any stage of the subsequent escalations mentioned above.

The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in SCOREs guidelines or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law.

The process on Online Dispute Resolution Mechanism is available at https://multi-act.com/

16. Prevention of Money Laundering Act (PMLA) & Know Your Customer (KYC) Requirements:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Consequently, SEBI has mandated all registered intermediaries to formulate and implement a comprehensive policy framework on anti-money laundering and to adopt 'Know Your Customer' (KYC) norms.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not contravene any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time.

Investors are requested to note that KYC is mandatory for all investors. In order to bring about uniformity in the securities market, SEBI has developed a mechanism for centralization of the KYC records in the securities market. Accordingly, KYC registration is being centralised through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA.

The Portfolio Manager is adhering to the requirements of SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023, SEBI Master Circular No. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78 dated June 06, 2024 and other applicable circulars.

16. GENERAL:

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written bilateral agreement in addition to the Standard Agreement ("Discretionary Portfolio Management Services Agreement, Non-Discretionary Portfolio Management Services Agreement and Investment Advisory Services Agreement") between themselves.

For Multi-Act Equity Consultancy Private Limited

SD/-	**SD/-**
Sanjeevkumar W Karkamkar Director	**Sekar Ramasubramanian** Executive Director

Date: September 26, 2024
Place: Mumbai

FORM C

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

Multi-Act Equity Consultancy Private Limited
10th Floor, The Ruby Tower,
29, Senapati Bapat Marg,
Mumbai-400028
Tel No.:022-61408989 / Fax: 022-61408980
rohan.samant@multi-act.com

We confirm that:

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

ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager;

iii) the Disclosure Document has been duly verified by an independent chartered accountant, M. P. Chitale & Co., Chartered Accountants 1/11, 1st Floor, Prabhadevi Industrial Estate, Veer Savarkar Marg, Opposite Siddhi Vinayak Temple, Prabhadevi, Mumbai- 400 025, bearing registration no.101851W dated January 1, 1956, on October 11, 2024. (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 is enclosed).

For **Multi-Act Equity Consultancy Private Limited**

SD/-

Rohan Samant
Principal Officer

Date: 16/10/2024