



ENTRUST
FAMILY OFFICE

Entrust Family Office

Entrust Disclosure Document



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www.entrustfamilyoffice.com

ENTRUST FAMILY OFFICE INVESTMENT ADVISORS PRIVATE LIMITED

**DISCLOSURE DOCUMENT
FOR
PORTFOLIO MANAGEMENT SERVICES**

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

We confirm that -

- The Disclosure Document has been filed with the Board along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.
- The purpose of the Disclosure Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.
- The Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing and the investor is advised to retain the document for future reference.

Dated: 30/12/2021


Mr. Shashank Khade
Principal Officer

Entrust Family Office Investment Advisors Private Limited
No. 24, 4th Floor, 1stCross, Magrath Road, Bangalore 560025

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1. DISCLAIMER

- 1.1. This Disclosure Document ("Document") has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time and 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 the Document.
- 1.2. This Document is for information only and should not be construed as an offer or solicitation of an offer for managing the portfolio of any client. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this Document.

2. DEFINITIONS

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

Terms	Meaning
Act	The Securities and Exchange Board of India, Act, 1992 (15 of 1992), as amended from time to time.
Agreement	The agreement as executed between the Portfolio Manager and its Clients for Portfolio Management Services (Discretionary and/or Non-Discretionary) in terms of Regulation 22 Schedule IV of the Regulations for contents of agreement between the Portfolio Manager and the client.
Assets	(i) the Portfolio and / or (ii) the Funds.
Cash Account	The account in which the funds handed over by the Client shall be held by the Portfolio Manager on behalf of the Client, including any bank account opened, maintained and operated by the Portfolio Manager in the name of the Clients or a pool account in the name of the Portfolio Manager for the purpose of the portfolio management services to be provided by the Portfolio Manager.
Client	Any individual, body corporate, partnership firm, HUF, association of person, body of individuals, trust, statutory authority, or any other person / entity who enters into an Agreement with the Portfolio Manager for the management of his/its Portfolio.
Corpus	The value of the Funds and the market value of readily realisable investments brought in by the Client and accepted and accounted by the Portfolio Manager. The minimum corpus amount at PAN level will be INR 50,00,000 (Fifty Lakh Rupees Only) as is currently prescribed by Regulations or any such other amount prescribed under the Regulations from time to time.
Depository Account	Any account of the Client or for the Client with an entity registered as depository participant as per the relevant regulations.

Direct Option	Refers to an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services
Discretionary Services	The portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Portfolio (including the Portfolio and Funds) of the Client, where the Portfolio Manager exercises its sole and absolute discretion with respect to investments or management of the Assets of the Client, in such manner as the Portfolio Manager may deem fit.
Document	This disclosure document issued by the Portfolio Manager for offering Portfolio Management Services, prepared in terms of Regulation 22 and Schedule V of the SEBI (Portfolio Managers) Regulations, 2020 and as updated from time to time pursuant to the Regulations.
Funds	The amounts placed by the Client with the Portfolio Manager and any accretions thereto.
Investment Advisory Services	The portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement, whereby the Portfolio Manager shall provide investment advice to the Client based on market research and the Client's requirements.
Non-discretionary Services	The portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Portfolio (including the Portfolio and Funds) of the Client, where the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, invests or manages the Assets of the Client in such manner as the Client may deem fit.
NRI	A non-resident Indian as defined under the Foreign Exchange Management Act, 1999.
Person directly or indirectly connected	Any person being an associate, subsidiary, inter connected company or a company under the same management or in the same group.
Portfolio	The total holding of investments managed by the Portfolio Manager and includes any further securities placed by the Client with the Portfolio Manager or any securities acquired by the Portfolio Manager so long as the same is managed by the Portfolio Manager.
Portfolio Management Fees	The fees payable by the Client to the Portfolio Manager as specified in the Agreement, for the Portfolio Management Services.
PMS or Portfolio Management Services	The Discretionary Services or Non-Discretionary Services, as per the Agreement, as the case may be, and shall include Investment Advisory Services as required.



Service Provider



Client

Portfolio Manager	The meaning assigned to it in the Regulations and for the purpose of this Document, Entrust Family Office Investment Advisors Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at No. 24, 4th Floor, 1st Cross, Magrath Road, Bangalore 560025.
Principal Officer	The officer of the Portfolio Manager who is responsible for the activities of the Portfolio Management Services division and has been designated as Principal Officer by the Portfolio Manager.
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
Regulations	Unless the context indicates otherwise, means all regulations prescribed by SEBI including without limitation, Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended from time to time and other relevant authorities, and all other regulations made under the relevant laws governing the same.
Rules	Unless the context indicates otherwise, means all rules prescribed by SEBI and other relevant authorities and all other rules made under the relevant laws governing the same.
SEBI or the Board	Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992, as amended from time to time.
Securities	As defined under the Securities Contracts (Regulation) Act, 1956;

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

3. DESCRIPTION

- 3.1. **History, Present Business and Background of the Portfolio Manager**
 Entrust Family Office Investment Advisors Private Limited is a private limited company, limited by shares, incorporated under the Companies Act, 1956 on 26th February 2013.

Entrust Family Office has obtained registration as an Investment Advisor from SEBI having registration No. INA200004201 dated 16th February 2016 under SEBI (Investment Advisors) Regulations, 2013 as amended from time to time and Rules, guidelines, circulars issued under the Securities Exchange Board of India Act, 1992. The registration is valid from 16th February 2016 until cancelled or suspended by the board.

In 2013, Entrust Family Office commenced its business with a few high net worth families who entrusted their investment mandates and wealth objectives to our organisation. Entrust Family Office continued to operate on a purely advisory model, completely aligned to its clients with zero conflict of interest. While the key functions are being handled from Bangalore, Entrust Family Office also has presence in Chennai and Mumbai.

As an investment advisory firm, Entrust Family Office has built capabilities and a large team to advise clients on fixed income, equities, mutual funds, private equity and other financial asset classes. Entrust Family Office's investment philosophy reflects a long-term approach coupled with simplicity resulting in addressing the inherent risks clients face on an ongoing basis. Entrust Family Office's purpose was to preserve, nurture, enhance and transition the wealth of our clients across generations.

Entrust Family Office has helped its clientele with investment advice based on their current financial situation, investment objectives, time horizon, risk tolerance and other factors, so as to maximize the overall wealth of the client.

In order to leverage the expertise, Entrust Family Office now have obtained registration as a Portfolio Manager from SEBI having registration No. INP000006314 dated 11th December 2018 and is duly authorised to provide Portfolio Management Services under the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time and other Regulations, Rules, guidelines, circulars issued under the Securities Exchange Board of India Act, 1992. The registration is valid from 11th December 2018 until revoked, suspended or surrendered.

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

(a) Promoters and Directors

Mr. Rajmohan Krishnan, Mr. Shashank Khade are the promoters of Entrust Family Office, who collectively hold 100% of the total paid up equity share capital of Entrust Family Office.

1. Mr. Rajmohan Krishnan (Promoter, Managing Director – DIN: 06466706)

Mr. Krishnan led the team of Kotak Wealth Management, as the Executive Vice President until 2012, across North and South India Regions. He was one of the founding members of Kotak Private Banking business and part of the core team pioneering various business ideas.

Mr. Krishnan has a Master of Arts degree from the University of Madras and executive education certificate from Indian School of Business and IIM Ahmedabad.

2. Mr. Shashank Khade (Promoter, Director – DIN: 06833043)

Mr. Khade has over 23 years of cumulative professional experience in listed and unlisted equity investment management. Until September 2013, Mr. Khade was the Senior Vice-President and Head of Portfolio Management Services division of Kotak Mutual Fund. His stint with Kotak entities including Kotak Securities and Kotak Asset Management Company was over 11 years.

Prior to Kotak Securities, Mr. Khade worked with IL&FS Investment Managers Ltd (then IL&FS Venture Corporation), a private equity investment firm for 5 years. Given his past experience, he is equipped to understand and evaluate both un-listed and listed equity opportunities.

Mr. Khade has a Bachelor of Mechanical Engineering degree (B.E. Mechanical) from Sardar Patel College, Mumbai and a Master of Management Studies (Finance) degree from Jamnalal Bajaj Institute of Management Studies (JBIMS).

3. Ms. Sreepriya Nellicherry Sivaraman
(Director – DIN: 08174076)

With over 22 years of experience in consumer banking, handling high net worth individuals, corporate banking, retail banking, wholesale and private banking, Ms. Sivaraman, acquires many such prestigious wins and business acumen to her profile.

Ms. Sivaraman would be responsible for the overall Client Engagement, Operations and Compliance at Entrust Family Office.

Ms. Sivaraman has a Bachelor of Physics, Mathematics and Statistics from Saint Teresa College in Cochin and an Executive MBA programme from IIM, Kozhikode.

(b) Key Managerial Personnel in Entrust Family Office
(Portfolio Manager)

1. Mr. Shashank Khade
(Principal Officer, Key Advisor)
Profile above (Section 3.2.a.3)

2. Mr. Bhaskar Choudhry
(Investment and Corporate Advisory)

Mr. Choudhry provides investment and corporate advice and has over 15 years of experience in finance, compliance and legal functions. He has worked in start-ups and multi-national companies including being the CFO of Lithium Urban Technologies, CFO of VBHC Value Homes, Associate at Credit Suisse and Associate Vice President of Kotak Securities.

He has a post graduate diploma from IIM Bangalore and a Bachelor of Engineering (Hons) in Computer Science and Mechanical Engineering from BITS Pilani.

3. Mr. Sandeep Pandhare
(PMS Operations and Dealer)

Mr. Pandhare has an overall experience of 20 years in the mutual funds and portfolio management services industry. He started his career with Bank of Baroda mutual fund and thereafter, served 11 years in Kotak's Portfolio Management Services division handling Portfolio/ Performance Analytics. He also assisted portfolio managers in generating orders for PMS clients. He is experienced in handling/tracking and analysing large volumes of client data as well as transactions. He is working with Entrust Family Office for last two years handling Portfolio/ Performance Analytics.

Mr. Pandhare has a Master of Business Administration degree.

4. Ms. Savithri Sreeram
(Portfolio Management Services Operations and Compliance Officer)

Ms. Sreeram has more than a decade of experience and holds a senior position in the organization. Prior to Entrust Family Office, she was associated with Kotak Mahindra Bank Ltd Wealth Management and held a senior position. Out of the overall experience of 16 years, she has spent 12 years of experience in Wealth Management division. She has in depth knowledge and experience of mutual funds, securities and banking regulations and risk and internal control.

Ms. Sreeram is a qualified Chartered Accountant and has a Master of Commerce degree and Bachelor of Commerce degree from Mumbai University.

5. Mr. Shreyas SM
(Finance and Accounts)

Mr. Shreyas SM is a Qualified Chartered Accountant with Bachelor of Commerce Degree from Bangalore University. He holds the position of Lead, Finance and Accounts in Entrust Family Office Investment Advisors Private Limited. He has handled areas like Corporate Financial and Management Accounting, statutory and internal audit, opinions on taxation and various compliances other management support services.

In 7 years as a professional, his areas of experience include Financial Reporting and MIS, Budgeting and Forecasting, Reconciliations and Variance Analysis, audit of Financial statements under and Internal Financial Controls.

6. Analysts :-

a. Sarang Joshi:

Sarang is a Research Analyst at Entrust Family Office and has over 5+ years of experience in the listed equities space. As a part of his current role, he analyzes companies that can be potential investment opportunities and cos that are under active/passive coverage. Sarang earlier worked with AMSEC (Asian Market Securities) as a Mid-Cap Equity Research Associate where he was a part of the PMS business tracking multiple sectors.

Sarang earned his Bachelor of Engineering from Dwarkadas J. Sanghvi College of Engineering. In 2013, Sarang was a part of a Financial Analyst Program conducted by Imarticus Learning which consisted of advanced financial modeling, equity research report writing and M&A valuation techniques. He is currently pursuing PGDM in finance from NMIMS Mumbai.

b. Rohit Kadam:

Rohit has a decade of financial services experience across diverse roles in investment banking and equities research with marquee names such as JP Morgan, CLSA and Credit Suisse. Rohit was a part of the top ranked consumer sector team at Credit Suisse for four years and subsequently went on to lead the IT services coverage there. He has interacted and built relationships with numerous large institutional investors during his sell side tenure. He worked with a large India focused FIIs before moving to Entrust.

He has a bachelor's degree in engineering from the Mumbai University and an MBA from the National University of Singapore (NUS). Whilst at the NUS, he attended an exchange program at the NYU Stern School of Business. He is also a CFA charter holder.

c. Nirish Modi

Nirish Modi, Analyst has over 5 years of experience in the investment management industry and has been actively tracking BFSI and Automobiles sector. He is a Chartered Accountant and a CFA Charter Holder. In his previous roles Nirish has worked as a buy-side research analyst with L&T Investment Management as well as a sell side research associate with Haitong Securities.

(c) Board of Directors of Entrust Family Office Investment Advisors Private Limited

Sr.	Name, Designation and Address	Age and Qualification	Present Directorship / Designated Partners
1)	Rajmohan Krishnan, Managing Director DIN:06466706 Villa.No 23A, Prestige Regent Place, No 28/2, Varthur Main Road, Thubarahalli, Whitefield, Bengaluru – 560066	Age: 55 years Qualification: Master of Arts	Director of Entrust Family Office Legal and Trusteeship Services Private Limited (previously known as Entrust Family Office Trusteeship Services Private Limited) Managing Director of Entrust Encore Services Pvt Ltd (erstwhile known as Entrust Family Office Wealth Services Private Limited) Managing Director of Entrust Family Office Investment Advisors Private Limited Designated Partner of Entrust Family Office Advisory Services LLP (previously known as Entrust Family Office Tax Advisory LLP) Designated Partner of NRJN Advisory Services LLP
2)	Shashank Khade, Director DIN: 06833043 B3002, Hiranandani Heritage, SV Rd, Kandivali West, Mumbai 400067	Age: 51 years Qualification: Master's degree in management studies (Finance)	Director of Entrust Family Office Investment Advisors Private Limited
3)	Sreepriya Nellicherry Sivaraman, Director DIN: 08174076 Villa No 23A, Prestige Regent Place, No 28/2, Varthur Main Road, Thubarahalli, Whitefield, Bengaluru – 560066	Age: 44 years Qualification: Executive Master's in Business Administration	Director of Entrust Family Office Legal and Trusteeship Services Private Limited (previously known as Entrust Family Office Trusteeship Services Private Limited) Director of Entrust Encore Services Pvt Ltd (erstwhile known as Entrust Family Office Wealth Services Private Limited) Director of Entrust Family Office Investment Advisors Private Limited Designated Partner of Entrust Family Office Advisory Services LLP (previously known as Entrust Family Office Tax Advisory LLP) Partner of NRJN Advisory Services LLP

3.3. Top 10 group companies/ firms of the Portfolio Manager on turnover basis as of March 31, 2021 (based on latest audited financial statements)

Sr. No.	Name of the company	Turnover for 2019-20	Turnover for 2020-21
1	Entrust Family Office Investment Advisors Private Limited	7,90,39,792	9,50,30,758
2	Entrust Family Office Legal and Trusteeship Services Private Limited (previously Entrust Family Office Trusteeship Services Private Limited)	91,78,333	60,50,000
3	Entrust Encore Services Private Limited (previously known as Entrust Family Office Wealth Services Pvt Ltd)	5,88,84,869	5,57,54,939
4	Entrust Family Office Services LLP (previously known as Entrust Family Office Advisory Services LLP or Entrust Family Office Tax Advisory LLP)	14,12,25,547	13,77,17,016
5	NRJN Advisory Services LLP	10,09,513	6,93,728

3.4. Details of the services being offered by Portfolio Manager:

The Portfolio Manager offers the following Portfolio Management Services to its prospective clients.

- Discretionary – The Portfolio Manager exercises his discretion in managing the funds/investments of the Client.
- Non-Discretionary – The Portfolio Manager manages funds of the Client in accordance with the instructions/directions given by the Client.

- Investment Advisory – The Client is advised on buy/sell decision within the overall risk profile without any back-office responsibility for trade execution, custody or accounting functions.

3.4.1. Discretionary Services

Under the Discretionary Services, the Portfolio Manager shall have the discretion to invest on behalf of the client in the capital markets as per the Agreement, Act and Regulations.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, with regard to the Client's account consisting of investments, 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 monetary value).

The Portfolio Manager will provide Discretionary Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the client in any type of security as per executed Agreement and make such changes in the investments and invest some or all of the funds of the client in such manner and in such markets as it deems fit. The Portfolio Manager's 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 the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and regulations, guidelines and notifications in force from time to time.

3.4.2. Non-Discretionary Services

In NDS, the Portfolio Manager strictly follows the instructions for investment received from the Client under an agreement executed between the Portfolio Manager and the Client. The deployment of Funds is the sole discretion of the Client and is to be exercised by the Portfolio Manager in a manner that strictly complies with the Client's instruction. The decision of the Client in deployment of Funds / dis-investment of portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to investments or divestments upon instructions of the Client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the Client to take appropriate investment decisions. However, the Portfolio Manager will continue to act and be strictly guided by relevant guidelines, Acts, Rules, Regulations and notifications in force from time to time. For the purpose of acting on the Client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as e-mail, fax, telephone or suitable and secured message and may include placement of order with broker for buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite described period, entirely at the Client's risk.

3.4.3. Investment Advisory Services

The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 1993, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio approach and investment and divestment of individual securities on the

clients portfolio, for an agreed fee structure for an agreed period, entirely at the Client's risk; to all eligible category of investors who can invest in Indian market including NRIs, FPIs, etc. The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the investment / divestment of securities and / or any administrative activities on the client's portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the Client, from time to time, in this regard.

Direct Option Facility

The Portfolio Manager provides an option to Clients to invest directly with the Portfolio Manager and avail services of the Portfolio Manager. Such investments can be made without any intermediary or distribution agent.

The Portfolio Manager retains the right to relax the criteria mentioned above on a case to case basis. Under each of the above type of services, the Portfolio Manager may from time to time formulate specific products. Key features of such products shall be made available to the Client through product literature/brochures.

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

- 4.1. To the best of the knowledge of the Portfolio Manager, there are no penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority against the Portfolio Manager or any of its employees or directors of any nature whatsoever.

Sr.	Particulars	Status
1	Cases of penalties imposed by the board or the directions issued by the Board under the Act or Rules or Regulations made there under	Nil
2	The nature of penalty / direction	Nil
3	Penalties imposed for economic offence and / or for violation of any securities laws	Nil
4	Any pending material litigation / legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any	Nil
5	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency	Nil
6	Any enquiry / adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, Principal Officer or employee or any 'person directly or indirectly connected' with the Portfolio Manager or its directors, Principal Officer or employee, under the Act or Rules or Regulations made there under	Nil

5. SERVICES OFFERED

- 5.1. The Portfolio Manager offers Discretionary, Non-discretionary and Advisory services:

5.2. Investment objective

The Portfolio Manager shall manage debt and equity assets on a discretionary basis for its clients. The objective of PMS shall be to seek long term appreciation by creating portfolios suitable to the investor's needs.

The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in the document for easy understanding of the potential investor. The types of securities in which the Portfolio Manager will generally invest or advise are:

- Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- Derivatives;
- Units or any other instrument issued by any scheme to the investors in such schemes;
- Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- Units or any other such instrument issued to the investors under any mutual fund scheme;
- Government securities;
- Such other instruments as may be declared by the Central Government to be securities; and Rights or interest in securities;
- Overseas fixed income or other securities / instruments as permitted by the concerned regulatory authorities in India;
- The Portfolio Manager will not invest in associate or group companies of the Portfolio Manager

5.3. Investment Strategies

5.3.1. Beyond Horizons Equity Portfolio

- (a) Investment Objective: The objective of the approach is to generate capital appreciation through investments in equities with long-term perspective.
- (b) Securities in which investments would be done: The approach shall invest in equity and equity related instruments of listed and unlisted companies with long term business growth potential. The portfolio using this approach shall be a mix of Large, Mid and Small Cap stocks.
- (c) Basis for selection of securities: A bottom-up approach shall be followed in stock selection. Primarily the stock selection shall be based on fundamental analysis of the business and the sector it belongs to.
- (d) Allocation across types of securities: The allocation to equities shall vary from 0 to 100% based on assessment of market conditions.
- (e) Benchmark: BSE 500
- (f) Indicative time horizon: 2-3 years
- (g) Risks of investment approach: Beyond the portfolio being subject to market risk, the portfolio may carry risks of portfolio concentration, sectoral exposure, market capitalization exposure and company specific business risk. This approach will be suited for high risk-taking investors with a long-term investment commitment.
- (h) Any others: The Portfolio Manager may invest in futures and options to hedge, to generate returns or to balance the portfolio. The quantum of exposure to derivatives shall not normally exceed 50% of the portfolio invested by the Client. The portfolio of

each client may differ from that of the other client in the same portfolio approach, as per the discretion of the Portfolio Manager. The Client may give informal guidance to customize the portfolio approach, however the final decision rests with the Portfolio Manager.

5.3.2. Dividend Yield Portfolio

- (a) Investment Objective: The objective of the approach is to generate returns through a combination of dividend income and capital appreciation. The approach is aimed at investors seeking to build a portfolio that provides a combination of dividend yield and a reasonable capital appreciation.
- (b) Securities in which investments would be done: The portfolio using this approach will try to invest in equity stocks that have a relatively high dividend yield (i.e. dividend paid in the previous year divided by the current market price), at the point of investment.
- (c) Basis for selection of securities: Though dividend yield would be one of the prime criteria for selection of stocks, every investment would be done taking into account besides others, the following factors such as business fundamentals, quality of management, industry trends, growth prospects, track record and consistency of dividend payments and volatility of the stock. Investment choice may also be influenced by other parameters like price to book value ratio (price-to-book) and market capitalization to sales ratio (market cap-to-sales), and PE ratio.
- (d) Allocation across types of securities: The allocation to equities shall vary from 0 to 100% based on assessment of market conditions.
- (e) Benchmark: BSE 500
- (f) Indicative time horizon: 2-3 years
- (g) Risks of investment strategies: Beyond the portfolio being subject to market risk, the portfolio may carry risks of portfolio concentration, sectoral exposure, market capitalization exposure and company specific business risk. This approach will be suited for moderate risk-taking investors with a long-term investment commitment.
- (h) Other: The Portfolio Manager may invest in futures and options to hedge, to generate returns or to balance the portfolio. The quantum of exposure to derivatives shall not normally exceed 50% of the portfolio invested by the Client. The portfolio of each client may differ from that of the other client in the same approach, as per the discretion of the Portfolio Manager. The Client may give informal guidance to customize the approach, however the final decision rests with the Portfolio Manager.

5.3.3. Neonate Equity Portfolio

- (a) Investment Objective: The objective of the portfolio is to generate capital appreciation through investments in equities with medium to long-term perspective. The portfolio using this approach shall invest in equity and equity related instruments of newly listed companies, pre-IPO companies and companies undertaking IPOs. The portfolio shall be a mix of Large, Mid and Small Cap stocks. The portfolio concentration shall vary based on market conditions. A bottom-up approach shall be followed in stock selection.

- (b) Securities in which investments would be done: The approach shall invest in equity and equity related instruments of companies that have been listed over the past 5 years, pre-IPO companies and companies undertaking IPOs. The portfolio shall be a mix of Large, Mid and Small Cap stocks. The portfolio concentration shall vary based on market conditions.
- (c) Basis for selection of securities: A bottom-up approach shall be followed in stock selection. Primarily the stock selection shall be based on fundamental analysis of the business and the sector it belongs to.
- (d) Allocation across types of securities: The allocation to equities shall vary from 0 to 100% based on assessment of market conditions.
- (e) Benchmark: BSE 500
- (f) Indicative time horizon: 2-3 years.
- (g) Risks of investment approaches: Beyond the portfolio being subject to market risk, the approach may carry risks of portfolio concentration, sectoral exposure, market capitalization exposure and company specific business risk. This approach will be suited for moderate risk-taking investors with a long-term investment commitment.
- (h) Other: The Portfolio Manager may invest in futures and options to hedge, to generate returns or to balance the portfolio. The quantum of exposure to derivatives shall not normally exceed 50% of the portfolio invested by the Client. The portfolio of each client may differ from that of the other client in the same approach, as per the discretion of the Portfolio Manager. The Client may give informal guidance to customize the approach, however the final decision rests with the Portfolio Manager.

5.3.4 Asset Allocation Portfolio

- (a) Investment Objective: The investment objective of the approach is to generate long term capital appreciation from the portfolio
- (b) Securities in which investments would be done: The approach shall invest in mix of (i) equity and equity related instruments including Equity MFs, Exchange Traded Funds, PMS portfolios, AIFs, Structured products, Preference Shares, Equity shares of listed and unlisted companies and (ii) debt instruments, which shall include Bonds, Debentures, Short term Deposits of banks (both public and private sector).
- (c) Basis for selection of securities: The exposure to equity and equity related instruments (excluding arbitrage funds) shall not usually exceed a certain % of portfolio allocation at cost basis depending on the risk profile of the investor. The proportion of debt and debt related instruments shall be decided on market conditions and risk profile of the client.
- (d) Allocation across types of securities: The allocation to equities shall vary from 0 to 100% based on assessment of market conditions.
- (e) Benchmark: BSE 500
- (f) Indicative time horizon: 2-3 years
- (g) Risks of investment approaches: Beyond the portfolio being subject to market risk, the approach may carry risks of portfolio

concentration, sectoral exposure, market capitalization exposure and company specific business risk. This approach will be suited for moderate risk-taking investors with a long-term investment commitment.

- (h) Other: The Portfolio Manager may invest in futures and options to hedge, to generate returns or to balance the portfolio. The quantum of exposure to derivatives shall not normally exceed 50% of the portfolio invested by the Client. The portfolio of each client may differ from that of the other client in the same approach, as per the discretion of the Portfolio Manager. The Client may give informal guidance to customize the approach, however the final decision rests with the Portfolio Manager.

5.3.5 Deltabet Equity Portfolio

- (a) Investment Objective: The objective of the approach is to generate capital appreciation through investments in equities with long-term perspective.
- (b) Securities in which investments would be done: The approach shall invest in equity and equity related instruments of companies which are essentially mis-priced situations not reflecting underlying positive change in business drivers, sectoral turnaround and special situations. The portfolio using this approach shall be a mix of Large, Mid and Small Cap stocks. The portfolio concentration shall vary based on market conditions.
- (c) Basis for selection of securities: A bottom-up approach shall be followed in stock selection. Primarily the stock selection shall be based on fundamental analysis of the business and the sector it belongs to.
- (d) Allocation across types of securities: The allocation to equities shall vary from 0 to 100% based on assessment of market conditions.
- (e) Benchmark: BSE 500
- (f) Indicative time horizon: 2-3 years
- (g) Risks of investment approaches: Beyond the portfolio being subject to market risk, the approach may carry risks of portfolio concentration, sectoral exposure, market capitalization exposure and company specific business risk. This approach will be suited for high risk-taking investors with a long-term investment commitment.
- (h) Other: The Portfolio Manager may invest in futures and options to hedge, to generate returns or to balance the portfolio. The quantum of exposure to derivatives shall not normally exceed 50% of the portfolio invested by the Client. The portfolio of each client may differ from that of the other client in the same approach, as per the discretion of the Portfolio Manager. The Client may give informal guidance to customize the approach, however the final decision rests with the Portfolio Manager.

6. RISK FACTORS:

- 6.1. Securities investments are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- 6.2. Investment decisions made by the Portfolio Manager may not always be profitable, as actual market movements may be at variance with anticipated trends.

- 6.3. The Portfolio Manager has no previous experience/track record in the management of portfolio. However, in any event, past performance of the portfolio manager does not indicate its future performance.
- 6.4. Clients are not being offered any guaranteed/assured returns. The Portfolio Manager does not guarantee any capital protection for any of the risk profiles. The Portfolio Manager does not guarantee that at the very least the value of the Client's portfolio shall remain unchanged. The Portfolio Manager would attempt to stay within the risk bands for each of the risk profiles on a best effort basis.
- 6.5. The Portfolio Management Services is subject to risk arising from the investment objective, investment approach and asset allocation; resultantly the value of the Client's portfolio may reduce relative to the initial value of the Client's portfolio.
- 6.6. The Portfolio is subject to risk arising out of non-diversification.
- 6.7. Investments are subject to certain risks viz. limited liquidity in the market, settlement risk, impeding readjustment of portfolio composition, highly volatile stock markets in India etc. Such loss could arise due to factors which by way of illustration, include, default or non-performance of a third party, company's refusal to register a security due to legal stay or otherwise, disputes raised by third parties. Mis-judgment by the Portfolio Manager or his incapacitation due to any reason however remote is also a risk, thus the investment in Indian capital markets involves above average risk for Client compared with other types of investment opportunities. Investments will be of a longer duration compared to trading in securities. There is a possibility of the value of investment and the income there from falling as well as rising depending upon the market situation.
- 6.8. The investments made are subject to external risks such as war, natural calamities, policy changes of local/international markets which affects stock markets.
- 6.9. Any policy change / technology change / obsolescence of technology would affect the investments made in a particular industry.
- 6.10. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolios.
- 6.11. The value of the Portfolio investments may be affected generally by various factors affecting securities markets, including price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments. Consequently, the Portfolios may fluctuate and can go up or down.
- 6.12. Liquidity of the investments made by the Portfolio Manager may be restricted by the trading volumes, settlement periods and transfer procedures. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Portfolio due to the absence of a well-developed and liquid secondary market for debt securities would result, at times, in potential losses to the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.
- 6.13. The monies to the extent invested in debt and money market securities, are likely to be affected by changes in the prevailing rates of interest and are likely to affect the value of the holdings and thus the value of the Portfolios.
- 6.14. The monies to the extent invested in debt and money market securities or debt and money market mutual fund schemes, are subject to credit risk and interest rate risk associated with the portfolio and underlying securities. Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk. Changes in the prevailing rates of interest are likely to affect the value of the holdings and thus the value of the Portfolios.
- 6.15. 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 is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- 6.16. The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields. This may increase the risk of the Portfolio.
- 6.17. Currency Risk: The Portfolio Manager may also invest in overseas Fixed Income or other Securities / instruments as permitted by the concerned regulatory authorities in India. To the extent that the portfolio of the Product / Services will be invested in securities / instruments denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes / fluctuation in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.
- 6.18. Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the Client, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the Portfolio.
- 6.19. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio and may lead incurring losses till the security is finally sold.
- 6.20. The Portfolio Manager may, subject to authorisation by the Client in writing, participate in securities lending. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

6.21. To implement a decision of the client regarding investments, the Portfolio Manager would have to employ the services of persons and bodies who are not the Portfolio Manager's employees and rely on them. While the Portfolio Manager, would exercise all care and take all precautions while employing such persons, it should be understood that the Portfolio Manager would not be liable for any act or omission on the part of such persons engaged by the Portfolio Manager for the purpose of making an investment or disposing off an investment and that the Portfolio Manager would not be liable for any loss caused by any act or omission on the part of such person.

6.22. The Portfolio Manager will also not be liable for any bona fide act of omission or commission or delay in carrying out the instructions of the Client.

6.23. Risks associated with investments in derivatives: The Portfolio Manager may use derivatives instruments like Stock / Index Futures, Stock Options, Interest Rate Swaps, Forward Rate Agreements or other derivative instruments, as permitted under the Regulations and guidelines. As and when the Portfolio Manager trades in the derivatives market, there are risk factors and issues concerning the use of derivatives that Clients should understand. Derivative products are specialised instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk

that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

7. AUDIT OBSERVATIONS

7.1. Audit Observations in the preceding three (3) years – Nil.

8. CLIENT REPRESENTATION

8.1. Category of Clients

Category of Clients	No. of Clients			Funds Managed (INR Cr.)			Discretionary / Non-Discretionary (if available)		
	Nov 21	Mar 21	Mar 20	Nov 21	Mar 21	Mar 20	Nov 21	Mar 21	Mar 20
Associate / Group Companies									
Last 3 years	NIL	NIL	NIL	NIL	NIL	NIL	Discretionary		
Others (last 3 years)	7	1	2	403.49	340.52	230.57	Discretionary		
Total	7	1	2	403.49	340.52	230.57	Discretionary		

Related Party Transactions

A. Summary of transactions with related parties, during the year, is as follows

Sr. No	Name of the Related Party	Nature of transaction	Status	31-Mar-21 (Rs.)	31-Mar-20 (Rs.)
a. Revenue					
i.	Rajmohan Krishnan	Investment Advisory Services	Director & Shareholder		-
ii.	NRJN Family Trust	Investment Advisory Services	Entities in which the key managerial personnel have control or can exercise significant influence	1,20,000	1,20,000
iii.	Entrust Family Office Legal and Trusteeship Services Pvt Ltd	Finance Support Services	Company under the same management		-
b. Expenses					
i.	Entrust Family Office Legal and Trusteeship Services Pvt Ltd	Shared Expenses/ (Recovery)	Company under the same management	(1,79,081)	(1,76,972)
		Administrative Supporting Charges			-
ii.	"Entrust Encore Services Pvt Ltd (Formerly known as Entrust Family Office Wealth Services Private Limited)"	Shared Expenses/ (Recovery)	Company under the same management	(8,56,625)	(8,62,177)
		Shared Expenses/ (Recovery)		2,87,285	1,51,519
		Interest on Loan		-	86,110
iii.	"Entrust Family Office Services LLP (Formerly known as Entrust Family Office Advisory Services LLP)"	Shared Expenses/ (Recovery)	Company under the same management	(13,72,110)	(7,86,111)
		Professional Charges			-
iv.	Rajmohan Krishnan	Director Remuneration & Incentive	Director & Shareholder	75,08,032	95,81,997
		Reimbursement of Expenses			-
		Gratuity		-	3,76,922
v.	Ramesh Kumar Bukka	Director Remuneration & Incentive	Former Director & Former Shareholder	-	16,43,405
		Reimbursement of Expenses			-
		Gratuity			-

vi.	Shashank Sharad Khade	Director Remuneration & Incentive	Director & Shareholder	109,82,000	107,07,000
		Reimbursement of Expenses			-
		Gratuity		-	8,53,846
vii.	Shreyas Rajmohan	Salaries & Incentives	Son of Director	9,99,996	8,99,997
		Membership & Subscription			-
		Gratuity		-	26,923
viii.	Sreepriya N S	Director Remuneration & Incentive	Director & Shareholder	60,00,000	27,50,001
		Gratuity		-	76,923
		Reimbursement of Expenses			-
ix.	Nada Veda Mithram Trust	Donation	Trust in which Mr. Rajmohan & Mrs. Sreepriya are trustees		-
c. Receivables/(Payables)					
i.	Entrust Family Office Legal and Trusteeship Services Pvt Ltd	Net Balance	Company under the same management	1,17,002	13,56,770
ii.	"Entrust Ericore Services Pvt Ltd (Formerly known as Entrust Family Office Wealth Services Private Limited)"	Net Balance	Company under the same management	3,05,572	5,27,691
		Loan Taken			-
iii.	"Entrust Family Office Services LLP (Formerly known as Entrust Family Office Advisory Services LLP)"	Net Balance	Company under the same management	9,19,841	13,29,122
iv.	Nada Veda Mithram	Net Balance	Trust in which Mr. Rajmohan & Mrs. Sreepriya are trustees		-
v.	Rajmohan Krishnan	Trade Receivables	Director & Shareholder		-
d. Accounts Payable/(Receivable)					
i.	Rajmohan Krishnan	Reimbursement of Expenses payable	Director & Shareholder	31,913	-
		Incentives Payable			-
ii.	Ramesh Kumar Bukka	Reimbursement of Expenses payable	Former Director & Former Shareholder		-
		Incentives Payable			-
ii.	Shashank Sharad Khade	Reimbursement of Expenses payable	Director & Shareholder	4,546	-
		Incentives Payable			-
iii.	Sreepriya N S	Reimbursement of Expenses payable	Director & Shareholder	8,940	2,460
		Incentives Payable		23,79,150	-
e. Assets (Sale)/ Purchased					
i.	Rajmohan Krishnan	Sale of Computers and Accessories	Director & Shareholder	(3,000)	-
ii.	Sreepriya N S	Sale of Computers and Accessories	Director & Shareholder	(7,000)	
iii.	"Entrust Encore Services Pvt Ltd (Formerly known as Entrust Family Office Wealth Services Private Limited)"	Sale of Computers and Accessories	Company under the same management	-	(11,000)
		Computer Software			-
		Office Equipments			-
		Staff Loan			-
		Purchase of Computers and Accessories		-	11,000

Names of related parties and description of relationship	
Particulars	Names of related parties
Key Managerial Personnel	
Director & Shareholder	Rajmohan Krishnan
Director & Shareholder	Shashank Sharad Khade
Director	Sreepriya N S
Former Director & Former Shareholder	Ramesh Kumar Bukka
Relative to Key Managerial Personnel	
Son of Director	Shreyas Rajmohan
Son of Director	Siddharth Rajmohan
Other parties where control exists	Entrust Encore Services Pvt Ltd. (Formerly known as Entrust Family Office Wealth Services Private Limited)
Entities under the same management	Entrust Family Office Services LLP. (Formerly known as Entrust Family Office Advisory Services LLP)
Entities in which the key managerial personnel have control or can exercise significant influence	NRJN Family Trust NRJN Advisory Services LLP
Trust in which the key managerial personnel are Trustees	Nada Veda Mithram

8.3. Financial Performance of the Portfolio Manager for Last Three Years:

EENTRUST FAMILY OFFICE INVESTMENT ADVISORS PRIVATE LIMITED			
STATEMENT OF PROFIT AND LOSS	FOR THE YEARS ENDED		
	31-03-2021	31-03-2020	31-03-2019
	Rs.	Rs.	Rs.
Income			
Revenue from operations	9,50,30,758	7,90,39,792	7,51,17,991
Other income	16,27,643	20,17,389	24,17,958
	9,66,58,401	8,10,57,181	7,75,35,949
Expenditure			
Employee benefits expense	5,84,40,122	5,60,91,850	5,82,48,732
Operating expense	69,35,239	1,10,61,604	1,17,65,189
Preliminary Expenses			
Prior Period Items			65,000
Bank and Finance Charges		86,110	3,02,633
Depreciation and amortization expense	12,40,606	15,13,233	13,81,396
	6,66,15,967	6,96,52,806	7,17,62,950
Profit before tax	3,00,42,434	1,14,04,375	57,72,999
Less: Tax expense			
- Current Tax	86,00,000	37,22,000	19,27,900
- Deferred Tax Charge/(Credit)	(1,63,604)	(4,97,300)	(4,58,767)
- Short/(Excess) provisions of Previous Years	(662)	(17,227)	(1,61,316)
	84,35,734	32,07,473	13,07,817
Profit after tax	2,16,06,700	81,96,902	44,65,182

ENTRUST FAMILY OFFICE INVESTMENT ADVISORS PRIVATE LIMITED			
BALANCE SHEET	AS AT		
	31-Mar-21	31-Mar-20	31-Mar-19
	Rs.	Rs.	Rs.
Equity and Liabilities			
Shareholders' Fund			
Share Capital	1,80,00,000	1,80,00,000	1,80,00,000
Reserves and Surplus	5,52,78,108	3,36,71,408	2,54,74,506
	7,32,78,108	5,16,71,408	4,34,74,506
Non-Current Liabilities			
Long-Term Provisions	48,24,853	47,66,269	36,41,270
Current Liabilities			
Short-Term Borrowings			12,50,650
Trade Payables	7,35,536	1031370	8,16,940
Other Current Liabilities	82,39,547	3124459	1,10,33,529
Short-Term Provisions	4,26,644	1377852	
	9401726.91	5533681	1,31,01,119
TOTAL	8,75,04,688	6,19,71,358	6,02,16,895
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7,43,449	6,60,050	9,18,806
Intangible Assets	5,71,616	15,25,111	27,01,340
Capital work-in-progress	10,29,417	8,91,954	7,63,550
	23,44,482	30,77,115	43,83,696
Current Assets			
Financial Investments	5,83,66,598	3,65,44,366	95,11,434
Trade Receivables	32,64,559	41,46,861	1,01,89,121
Cash and Cash Equivalents	1,66,49,022	85,67,119	2,22,25,846
Short-Term Loans and Advances	18,09,143	31,65,816	41,63,961
Other Current Assets	32,52,070	48,14,870	52,59,018
	8,33,41,392	5,72,39,032	5,13,49,380
Non Current Assets			
Deferred Tax Assets (Net)	18,18,814	16,55,211	11,57,911
Other Non Current Assets			33,25,908
	18,18,814	16,55,211	44,83,819
TOTAL	8,75,04,688	6,19,71,358	6,02,16,895

8.4. Portfolio Management Performance of The Portfolio Manager for the Last Three Years:

Sr. No.	Approach Name	Last 1 Year	Since Inception
1	Dividend Yield Portfolio	33.55%	14.60%
2	Asset Allocation Portfolio	-	-
3	Beyond Horizon	-	-21.48%
4	Deltabet		-0.98%

Note: The portfolio management activities started on 28/11/2019 (Dividend Yield Approach), 13/2/2020 (Beyond Horizon Approach), 18/11/2019 (Asset Allocation Approach), 01/11/2021 (Deltabet)

* For the period 01/4/2021 to 31/10/21

9. NATURE OF EXPENSES:

9.1. Client(s) may note that, the fees / expenses that may be charged to Clients mentioned below are indicative only. The same will vary depending upon the exact nature of the services to be provided to the Client(s).

9.2. The following are the indicative costs and expenses to be borne by the Client availing the services of the Portfolio Manager.

Sr.	Nature of Expenses (Indicative)	Extent Expenses
(I)	Fixed Fee	1.5% of the average daily portfolio value. Fees shall be charged quarterly/semi-annually/annually.
	Performance Linked Fee	15% of portfolio returns above a pre-determined hurdle rate of 8% of the value of the portfolio, charged annually.
		Note: The 'High Water Mark' principal shall apply. The High-Water Mark shall be the highest value that the portfolio 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.
		Performance based fee shall only be charged on increase in portfolio value in excess of the previously achieved high water mark.
	Exit fee***	Within 1 year of investment - 3% Within 2 years of investment - 2% and Within 3 years of investment - 1%; The exit fee is calculated on the redemption value. The period is calculated from the date of inception or the date of inflow as per the Agreement.
(II)	Custodian Fee**	Custody Charges 0.02% per annum of the combined value of the assets held under custody including corporate action and benefit collection. On Market Transaction Charges Equity: Rs.15/- per transaction Debt & MF Transaction Charges MF: Rs.100/- per transaction Off Market transactions: Rs.15/- per transaction Depository Charges Annual AMC: Rs 500/- per annum per DP Account
(III)	Registrar and Transfer Agent Fees	At actuals. Fees payable to R&T agents for effecting transfers of all or any of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and courier charges.
(IV)	Brokerage and Transaction Cost	Equity: Maximum of 0.5% on each transaction subject to a minimum of five paise per security Debt: Maximum of 5 paise on each transaction subject to a minimum of one paise per security
(V)	Fund Accounting and Audit	At actuals.
(VI)	Other Incidental/ ancillary Charges	At actuals. All other charges not recovered above but incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client.
	Basis of charge could be any one or combination of following • Average Daily Assets Under Management • Capital Invested * Exit fees Applicable only in case of early redemption of portfolio as agreed under agreement.	

Note:

- 1) **Management fee:** The Management Fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed.
- 2) **Performance fee:** The Performance Fee relates to the share of profits charged by the Portfolio Manager, subject to high water mark principle.
- 3) **Upfront fee:** No upfront fee will be charged by the Portfolio Manager.
- 4) **Exit (Termination) fee:** The Portfolio Manager may charge early withdrawal fee as a percentage of the value of the Portfolio / withdrawn Portfolio as per the terms and conditions of a particular Product and in line with the Regulations.
- 5) **Other fees and expenses:** Custodian fees, costs associated with investor servicing & fund accounting, registrar and transfer agent fees, depository charges, franking, notarization charges, brokerage, any taxes including but not limited to goods and services tax, security transaction tax & other statutory levies, audit fees and legal fees would be charged from the Client Portfolio, based on actual.
- 6) **Other charges viz. Custodian Fee, Registrar Fee Transfer Agent Fee, Fund Accounting & Audit Fee and Other Incidental Expenses** shall not exceed 0.50% p.a.
- 7) **Average daily Portfolio value** means the value of the portfolio of each Client determined in accordance with the relevant provisions of the agreement executed with the Client and includes both realized and unrealized gains / losses
- 8) The Portfolio Manager shall deduct directly from the Cash Account of the Client all the fees / costs specified above or require the Client to make the payments separately to the Portfolio Manager, at the option of the Portfolio Manager. Other expenses which could be attributable to the Portfolio Management Services would also be directly deducted and the Client would be provided details of the same.
- 9) The exact fees charged to the Client relating to each of the above services will vary depending upon the exact nature of the services to be provided. These fees can be fixed or a performance-based fees or a combination of both as mutually agreed upon between the Client and the Portfolio Manager. The performance / profit sharing fee shall be charged by the Portfolio Manager pursuant to SEBI Circular IMD/DF/13/2010 dated October 5, 2010. An illustration for the fees and charges have been hereto annexed as ANNEXURE A.
- 10) The fees charged to the Client for Portfolio Management Services come under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961 ("the Act"). Hence the Individuals, HUF and Corporate Clients who are covered by the said section will have to deduct Tax at Source at the applicable rates and remit the deducted tax in accordance with Section 194 J.
- 11) This implies the Client (as mentioned in point (a) and (b) above) while making payment of the fees would deduct tax at source.
- 12) For the purpose of enabling Client to deduct the tax at source, if applicable, Portfolio Manager shall furnish details of fees directly recovered by the Portfolio Manager. Upon production of Tax Deducted at Source certificate by Client, the amount to the extent of tax so deducted would be refunded to the Client either by adding back to their portfolio as fresh funds inward or shall be paid back to the Client as per Client's choice.

10. TAXATION

The general information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Services of the Company. This information gives the direct tax implications on the footing that the securities are/will be held for the purpose of investments. In case the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case to case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment shall endure indefinitely.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Company to induce any client, prospective or existing, to invest in the portfolio management schemes of the Company. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of individual nature of the tax benefits,

Level of Income	Surcharge on Income tax
Less than INR 50 lakhs	Nil
INR 50 lakhs to INR 1 crore	10%
INR 1 crore to INR 2 crore	15%
INR 2 crore to INR 5 crore	25%
More than INR 5 crore	37%

Interpretation of circulars for distinguishing between capital asset and trading asset, etc., the Client is advised to best consult its or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by the Company. It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the investments.

The following summary is based on the law and practice of the Income-tax Act, 1961 (the "IT Act"), the Income-tax Rules, 1962 (the "IT Rules") and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects changes to the date. The tax rates specified below are for the Financial Year ('FY') 2021-22 (Assessment Year 2022-23) as prescribed under the current provisions of the IT Act. The rates are inclusive of surcharge and health and education cess (unless stated otherwise) and are stated at the highest applicable slabs.

The applicable rate of surcharge in case of foreign companies is 2% where the total income exceeds INR 1 crore but is less than or equal to INR 10 crore and is 5% where the total income exceeds INR 10 crore. In case of resident companies having total income exceeding INR 1 crore but not exceeding INR 10 crore, surcharge of 7% on income tax is applicable. In case of resident companies having total income exceeding INR 10 crore, surcharge of 12% is applicable. In case of domestic companies opting for special tax rate under Section 115BAA and Section 115BAB of the IT Act, surcharge of 10% is applicable. In case of firms having total income exceeding INR

1 crore, surcharge of 12% is applicable. Surcharge rate for resident and non-resident assesses other than one mentioned above (individuals, HUFs, AOP, BOI).

However, the surcharge rate in case of income arising due to dividend, capital gains on transfer of listed equity shares or unit of an equity-oriented fund or unit of a business trust shall not exceed 15%. Surcharge rate on and Buy Back Distribution Tax ('BBT') is 12%.

In addition to the above, Health and Education Cess at the rate of 4% shall be leviable on aggregate of tax and surcharge. In this Disclosure document, we have assumed that the highest surcharge rate would be applicable to an investor.

I. Taxation in hands of Clients

A. Characterization of income

Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gains'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.

Regarding characterization of income from transactions in listed shares and securities, the Central Board of Direct Taxes ("CBDT") had issued a clarificatory Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as its stock-in-trade and transfer thereof as its business income.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ITA-II dated May 2, 2016 stating that income arising from transfer of unlisted shares would be considered under the head 'Capital Gains' irrespective of the period of holding with a view to avoid dispute/litigation and to maintain uniform approach. However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

B. Taxation of Resident clients

The tax implications in the hands of resident clients on different income streams are discussed below:

a) Dividend income

Prior to the amendments by the Finance Act, dividends declared by an Indian company were exempt in the hands of all shareholders, irrespective of their residential status. However, the Indian company declaring, distributing or paying the dividends was required to pay a Dividend Distribution Tax ('DDT') of 15% (exclusive of surcharge and health and education cess). The DDT rate was to be on a grossed-

up basis. DDT was the Indian company's liability and not the recipient shareholder's liability.

As per the amendments made by the Finance Act, the Indian Company declaring dividend on or after 1 April 2020, would not be required to pay any DDT on dividend distributed/ paid/ declared to its shareholders. The dividend income shall be taxable in the hands of the shareholders under section 56 of the IT Act under the head 'Income from Other Sources' at the applicable rates (except where DDT and tax under section 115BBDA of the IT Act has been paid). Further, the taxpayer can claim a deduction of interest expenditure under section 57 of the IT Act against such dividend income up to 20% of the dividend income.

Section 80M is introduced by the Finance Act. As per Section 80M, in case any Indian company receives dividend from another Indian company or foreign company or business trust and the dividend is distributed by the first mentioned Indian company before the specific due date (i.e. one month prior to the date of filing tax return under section 139 of the IT Act), then deduction can be claimed by such Indian company of so much of dividend received from such another Indian company or foreign company or business trust.

The Indian Company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors) and at rates in force i.e. 20% (in case of payment to non-resident investors). In case, the dividend income is paid to FPI, the rate of tax deduction as per section 196D is 20%.

As per the amended provisions, the dividend income (net of deductions, if any) shall be taxable at the following rates:

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	34.94%
Firms / LLPs	34.94%
Others (Refer Note 3)	As per applicable slab rates and surcharge being restricted to 15%, maximum being 35.88%

Note 1: The Finance Act, has reduced tax rate to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2018-19 (Assessment Year 2019-20).

Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said ./ sections.

Note 3: The Finance Act, has inserted a new section 115BAC in the IT Act. As per the said section, resident Individual and HUF will have an option to pay tax on their total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.

Prior to Finance Act, 2020, distributions from a mutual fund were also exempt in the hands of all unitholders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01 April 2020,

distributions from mutual fund shall be taxable in the hands of the investor at applicable rates.

b) Interest income

Under the IT Act, interest income should be taxable in the hands of the resident clients as under:

Interest income received by	Tax Rate for the domestic clients
Resident companies (Refer Note 1 and 2)	34.94%
Firms	34.94%
Others (Refer Note 3)	As per applicable slab rates, maximum being 42.744%

Note 1: The Finance Act, has reduced tax rate to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2018-19 (Assessment Year 2019-20).

Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.

Note 3: The Finance Act, has inserted a new section 115BAC in the IT Act. As per the said section, resident Individual and HUF will have an option to pay tax on their total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.

c) Capital gains

Assuming the gains arising from sale of capital assets such as shares and securities of the Indian portfolio companies is characterized as capital gains in hands of the resident Client, such Client be liable to pay taxes on capital gains income as under:

i. Period of holding

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

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

ii. Taxation of capital gains

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

Nature of Income	Tax rate for beneficiaries who are resident companies beneficiaries who are resident companies	Tax rates for resident Individuals / HUF / AOP / BOI	Tax rates for other residents (Firms, LLPs)
STCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which Securities Transaction Tax ("STT") has been paid	17.472 %	17.94 %	17.472 %
Other STCG	34.944% (Note 1)	42.744 %	34.944 %
LTCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which STT has been paid (Note 2)	11.648% (without indexation)	11.960% (without indexation)	11.648% (without indexation)
LTCG on transfer of listed securities (other than units of mutual funds, listed bonds and listed debentures) and on which STT has not been paid	11.648% (without indexation) or 23.296% (with indexation), whichever is lower	14.248% (without indexation) or 28.496% (with indexation), whichever is lower	11.648% (without indexation) or 23.296% (with indexation), whichever is lower
LTCG on transfer of listed bonds and listed debentures (Note 3)	11.648% (without indexation)	14.248% (without indexation)	11.648% (without indexation)
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity oriented fund	23.296% (with indexation)	28.496% (with indexation)	23.296% (with indexation)
LTCG on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	23.296% (with indexation)	28.496% (with indexation)	23.296% (with indexation)
LTCG on transfer of unlisted bonds and unlisted debentures	23.296% (with indexation)	28.496% (with indexation)	23.296% (with indexation)

Note 1: As per the Finance Act, 2020, corporate tax at the rate of 29.120% should be applicable for the financial year 2020-21 in the case of domestic companies having total turnover or gross receipts in the financial year 2018-19 not exceeding INR 400 crores. As per the Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019, companies may opt for beneficial tax rate of 25.168% in case of existing domestic companies (as per section 115BAA of the ITA) and 17.16% for new domestic manufacturing companies (as per section 115BAB of the ITA) subject to prescribed conditions.

The Finance Act, 2020 has inserted a new section 115BAC in the IT Act. As per the said section, Individuals and HUFs will have an option to pay tax on its total income at the reduced tax rates. The income would however have to be computed without claiming prescribed deductions or exemptions.

Note 2: The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from April 1, 2018. As per section 112A of the IT Act, the LTCG above INR 0.01 crore on following transfers shall be taxable at 10%:

- listed equity shares (STT paid on acquisition and transfer); and
- units of equity oriented mutual fund and business trust (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.

The CBDT has issued a notification on October 1, 2018, specifying the transactions where the condition of STT on acquisition would not apply for applying tax rate of 10% on transfer of listed equity shares.

Further, the CBDT has clarified by way of FAQs that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.

Note 3: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures.

Note 4: In case of an individual or HUF, being a resident of India, where the total income as reduced by such long-term capital gains or short-term capital gains is below the maximum amount which is not chargeable to income-tax then such long-term capital gains or short-term capital gains shall be reduced by such shortfall amount and only the remaining balance of such long-term capital gains or short-term capital gains shall be subject to tax at the applicable rate.

Note 5: For the purpose of calculation of long-term capital gains (with indexation), the base year for indexation has been shifted from 1981 to 2001. In other words, if an asset is acquired prior to 01 April 2001, the fair market value as on 01 April 2001 will have to be considered as the cost of acquisition and the indexed cost of acquisition will have to be worked out accordingly with the cost of inflation for the year 2001. The CBDT has vide Notification No: SO 1790(E) [No. 44/2017 (F.No. 370142/11/2017 – TPL)] dated 05 June 2017 notified the revised cost inflation index u/s. 48 of the IT Act.

C. Taxation of Non-resident clients

A non-resident investor would be subject to taxation in India only if;

- it is regarded a tax resident of India; or
- being a non-resident in India, it derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received

in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management ("POEM") is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT had vide its Circular dated January 24, 2017 issued guiding principles for determination of POEM of a company ("POEM Guidelines"). The POEM Guidelines lays down emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of Sec 6(3)(ii) relating to POEM would not apply to companies having turnover or gross receipts less than Rs 50 crore during the Financial Year.

Tax Treaty Benefits

As per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("Tax Treaty") between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore clients. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

Tax Residency Certificate ("TRC")

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.

The details required to be furnished are as follows;

- Status (individual, company, firm, etc.) of the assessee;
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- Assessee's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- Period for which the residential status, as mentioned in the TRC, is applicable; and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The additional information prescribed above may not be required to be provided if it already forms a part of the TRC.

The taxability of income of the offshore investor, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, would be as per the provisions of IT Act as discussed below:

a) Dividend Income

As per the amendments in The Finance Act 2020, the dividend income would be taxable directly in the hands of investors. Deduction of interest expense should be allowed under section 57 of IT Act against such dividend income, with overall capping of 20% of dividend income. Such net dividend income should be chargeable to tax at the rate of 20% as per the provisions of the IT Act.

However, if treaty benefits are available, gross amount of dividend should be chargeable to tax at the rates stated in treaty.

Prior to Finance Act, 2020, distributions from a mutual fund were also exempt in the hands of all unitholders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01 April 2020, distributions from mutual fund shall be taxable in the hands of the investor at applicable rates.

b) Interest

- Under the IT Act, interest income should be taxable in the hands of the non-resident clients as under:

Interest income received by	Tax Rate for the clients
Foreign companies	43.68%
Firms	34.94%
Others	As per applicable slab rates; maximum being 42.744%

The above rates would be subject to availability of Tax Treaty benefits, if any.

- In case the investments made by the non-resident Indian ('NRI') Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act, the interest income from specified assets should be taxable at the rate of 28.496% on gross basis. 'Specified asset' means shares in an Indian Company, debentures issued by an Indian public Company, deposits with an Indian public Company and any security of the Central Government as defined in Public Debt Act.
- As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to FPI would be subject to tax at the rate of 5.46% if following conditions are satisfied:

- Such interest is payable on or after 1 June 2013 and 1 July 2020
- Rate of interest does not exceed the rate notified by Central Government

If the above concessional tax rate is not available, then the interest income would be subject to tax rate at the rate of 21.84% for FPI clients.

c) Capital Gains

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

i. Period of holding

Period of holding of investment in the hands of non-resident investor will be same as resident clients stated above.

ii. Taxation of capital gains:

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

Nature of Income	Tax rate for beneficiaries who are non resident companies	Tax rates for non resident individuals / HUF / AOP / BOI	Tax rates for other non residents (Firms, LLPs)
STCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which STT has been paid	16.38%	17.94%	17.472%
Other STCG	43.68%	42.74%	34.94%
LTCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which STT has been paid (Note 1)	10.92% (without indexation)	11.960% (without indexation)	11.648% (without indexation)
Long-term capital gains on transfer of listed bonds / listed debentures or other listed securities (other than units of mutual fund) on which STT has not been paid (Note 2 & 3)	10.92% (without indexation)	14.248% (without indexation)	11.648% (without indexation)
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity oriented fund	21.84% (with indexation)	28.496% (with indexation)	23.296% (with indexation)
LTCG on transfer of unlisted securities	10.92% on gains computed in INR (without indexation)	14.248% on gains computed in INR (without indexation)	11.648% on gains computed in INR (without indexation)

Note 1: The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from April 1, 2018. As per section 112A of the IT Act, the LTCG above INR 0.01 crore on following transfers shall be taxable at 10%:

- listed equity shares (STT paid on acquisition and transfer); and
- units of equity oriented mutual fund and business trust (STT paid on transfer). Benefit of the computation of gains in foreign

currency and cost inflation index shall not be available on such gains.

The CBDT has issued a notification on October 1, 2018, specifying the transactions where the condition of SIT on acquisition would not apply for applying tax rate of 10% on transfer of listed equity shares.

Further, the CBDT has clarified by way of FAQs that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.

Note 2: Based on judicial precedents, non-residents may avail the concessional tax rate (as mentioned above). However, the possibility of Indian Revenue Authorities disregarding the said position and applying a tax rate of 20% (plus applicable surcharge and cess) cannot be ruled out.

Note 3: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures.

Note 4: In case of a non-resident individual or HUF where the total income as reduced by such long term capital gains or short term capital gains is below the maximum amount which is not chargeable to income tax then such long term capital gains or short term capital gains shall be reduced by such shortfall amount and only the remaining balance of such long term capital gains or short term capital gains shall be subject to tax at the applicable rate.

Note 5: For the purpose of calculation of long-term capital gains (with indexation), the base year for indexation has been shifted from 1981 to 2001. In other words, if an asset is acquired prior to 01 April 2001, the fair market value as on 01 April 2001 will have to be considered as the cost of acquisition and the indexed cost of acquisition will have to be worked out accordingly with the cost of inflation for the year 2001. The CBDT has vide Notification No. SO 1790(E) [No. 44/2017 (F.No. 370142/11/2017 – TPL)] dated 05 June 2017 notified the revised cost inflation index u/s. 48 of the IT Act.

- In case the investments made by the NRI Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act, (i) any income from LTCG other than a specified assets should be taxable at 20% (plus applicable surcharge and cess) and (ii) any long-term capital gains on specified asset should be taxable at the rate of 10% (plus applicable surcharge and cess).
- As per Section 115F of the IT Act, long term capital gains arising to a non-resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in any specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. "Foreign exchange asset" means any specified asset which the assessee has acquired or purchased with, or subscribed to in, convertible foreign exchange.

D. Other relevant provisions for resident as well as non-resident clients under the IT Act

- If gains are categorised as business income
If the gains are categorised as business income, it shall be taxable at the slab rate highest being 42.744% in case of clients being individual/HUF/AOP/BOI (resident as well as non-resident), and at the rate of 34.944% in case of resident and non-resident clients other than stated above. For a foreign company it shall be taxable at the rate of 43.68%.

b) Proceeds on buy-back of shares by company

As per the Section 10(34A) of the IT Act, gains arising on buy-back of shares (both listed and unlisted) are exempt in the hands of clients. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.296% is payable by an Indian company on distribution of income by way of buy-back of its shares if the buyback is in accordance with the provisions of the Companies Act, 2013. Such distribution tax should be payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, CBDT notified final buyback rules by inserting new Rule 40BB to IT Rules for determining the amount received by the Indian company in respect of issue of shares.

c) Deemed Sale Consideration on sale of unquoted shares

As per Section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the Fair Market Value ('FMV'), then the FMV would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued rules for computation of FMV for the purpose of section 50CA of the IT Act. The taxability of such gains would be as discussed above.

As per the Finance (No. 2), Act, 2019 the above provision shall not apply to any consideration received / accruing on transfer from such class of persons and subject to fulfilment of conditions as may be prescribed. Notification in this regard is awaited.

d) Deemed income on investment in shares / securities of unlisted companies in India

Section 56(2)(x), provides that any assessee receives any property (including shares, debentures etc.) without consideration or for inadequate consideration in excess of INR 0.005 crore as compared to the FMV shall be taxable in the hands of the recipient as income from Other Sources.

Rule 11UA provides mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.

As per the Finance (No. 2), Act, 2019, the above provision shall not apply to any sum of money or any property received from such class of persons and subject to fulfilment of conditions as may be prescribed. Notification in this regard is awaited.

Such income is categorised as other income, it shall be taxable at the slab rate highest being 42.744% in case of clients being individual/HUF/AOP/BOI (resident as well as non-resident), and at the rate of 34.944% in case of resident and non-resident clients other than stated above. For a foreign company it shall be taxable at the rate of 43.68%.

e) Issue of shares at a premium by a private company

In case, a resident subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the face value of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as income from other sources. The same would be subject to tax in the hands of the investee companies under section 56(2)(viiB) of the IT Act.

For the above purposes, the FMV of shares would be determined as per detailed rules prescribed or as may be substantiated by the Company to the satisfaction of the tax officer based on the value of assets and liabilities, whichever is higher.

f) Redemption premium

There are no specific provisions under the IT Act, with regard to the characterisation of the premium received on redemption

of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as 'interest' or as 'capital gains'. The characterisation of premium on redemption of securities as interest or a capital gain has to be decided based on factors surrounding the relevant case. Taxability of 'interest' and 'capital gains' in the hands of the investors is provided in earlier paragraphs.

g) Dividend stripping

In terms of Section 94(7) of the IT Act, losses arising on sale of securities or units of a mutual fund purchased within a period of 3 months prior to the record date for entitlement of exempt dividends and sold within a period of 3 months (or 9 months in case of units of mutual funds) after such record date, is to be ignored to the extent of the dividend received or receivable on such securities or units for the purpose of computing the taxable income.

h) Bonus stripping

In terms of Section 94(8) of the IT Act, where additional units of mutual fund have been issued to any person without any payment, on the basis of existing units held by such person, the loss on sale of the original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within a period of 3 months prior to the record date fixed for the receipt of additional units and sold within 9 months from such record date. However, the loss so ignored shall be considered as the cost of acquisition of all or any of the additional units held on the date of sale of such units.

i) Minimum Alternate Tax

The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable in a financial year. This credit should be eligible to be carried forward for 15 years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year.

As per the Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019, MAT should not apply in case of domestic companies exercising option under section 115BAA and section 115BAB of the ITA.

If MAT is held to be applicable to the clients, then income receivable by such clients from their investment in the Fund shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

- j) Capital Gains Tax Implications on conversion of convertible debentures: Conversion of debentures of a company into shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the Fund on conversion of convertible debentures of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible debenture would be deemed to be the cost of acquisition of such equity shares. Further, the holding period of the equity shares would commence from the date of subscription of debentures irrespective of date of conversion.

- k) Capital Gains Tax implications on conversion of preference shares: Conversion of preference shares of a company into equity shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the Fund on conversion of convertible preference shares of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible preference shares would be deemed to be the cost of acquisition of such equity shares. Further, the period of holding of the convertible preference shares will be considered for determining the period of holding of the resultant equity shares.

II. Securities Transaction Tax

Transactions/Particulars	Payable by Purchaser	Payable by Seller
Delivery based purchase/sale transaction in equity shares or a unit of business trust entered into in a recognised stock exchange	0.10%	0.1%
Non-delivery based sale transaction in equity shares or units of equity oriented fund or unit of a business trust entered in a recognised stock exchange	N.A.	0.025%
Delivery based sale transaction of unit of equity oriented fund	N.A.	0.001%
Sale of options in securities	0.125% of the difference between the strike price and settlement price of the option (In case option is exercised)	0.05%
Sale of futures in securities	N.A.	0.01%
Sale of unlisted shares under an offer for sale to the public	N.A.	0.2%

III. Withholding at a higher rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ("PAN"), then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

1. Name, e-mail id, contact number;
2. Address in the country or specified territory outside India of which the deductee is a resident;
3. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
4. Tax identification number of the deductee in the country or specified territory of his residence and in case no such number

is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident

IV. Carry-forward of losses and other provisions:

In terms of Section 70 read with Section 74 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

V. General Anti Avoidance Rule ("GAAR")

GAAR provisions have been introduced in chapter X-A of the IT Act (effective from Financial Year beginning on April 1, 2017), which provides that an arrangement whose main purpose is to obtain tax benefit and which also satisfies at least one of the four specified test as mentioned below, can be declared as an 'impermissible avoidance arrangement'.

- Arrangement creates rights or obligations, which are not ordinarily created between persons dealing at arm's length price;
- Arrangement directly or indirectly results in the misuse or abuse of the provisions of the IT Act;
- Arrangement lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- Arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed by bonafide purposes.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the IT Rules.

The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 30 million.

On January 27, 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause ('LOB') in a Tax Treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is, with respect to an arrangement or part of the arrangement and limit of INR 3 crore cannot be read in respect of a single taxpayer only.

VI. FATCA Guidelines:

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in

India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 618 for every calendar year by 31 May. The Reporting Financial Institution is expected to maintain and report the following information with respect to each reportable account:

- the name, address, taxpayer identification number (('TIN') (assigned in the country of residence)) and date and place of birth ('DOB' and 'POB' (in the case of an individual));
- where an entity has one or more controlling persons that are reportable persons:
 - o the name and address of the entity, TIN assigned to the entity by the country of its residence; and
 - o the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
- account number (or functional equivalent in the absence of an account number);
- account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and Other reportable accounts (i.e. under CRS).

VII. Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The final impact of the MLI on a Tax Treaty is dependent on both the contracting states to the Tax Treaty having deposited their respective instruments of ratification with their final MLI Positions with the OECD Depository. The MLI includes both mandatory provisions (i.e. the minimum standards under the BEPS Project) as well as non-mandatory provisions.

India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs. The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty.

On June 25, 2019, India has taken the final step for implementation of MLI by depositing its Instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Once MLI evolves and is implemented in future, one would need to analyse its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Revenue authorities and applied.

VIII. Proposed change in the India tax regime

The Government of India intends to replace the current Income-Tax Act, 1961 with a new direct tax code ('DTC') in consonance with the economic needs of the country. The task force is in the process of drafting a direct tax legislation keeping in mind, tax system prevalent in various countries, international best practices, economic needs of the country, among others. At this stage, it is not possible to comment on the final provisions that the new DTC will seek to enact into law and consequently, no views in that regard are being expressed. There can be no assurance as to the implications of the final new DTC for the Company and its investors.

IX. GST

Goods and Services Tax (GST) will be applicable on services provided by the Portfolio Manager to Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee to the Company.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE IT ACT. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, PARTNER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE IT ACT. CLIENTS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

11. ACCOUNTING POLICIES FOLLOWED BY THE PORTFOLIO MANAGER WHILE ACCOUNTING FOR THE PORTFOLIO INVESTMENTS OF THE CLIENTS

11.1. Accounting Policies -

The Portfolio Manager shall keep proper books of accounts, records and documents for the Assets and any additions, income, receipts and disbursements for each Client so as to explain transactions for each Client and to disclose at any point of time the financial positions of each Client and in particular to give a true and fair view of the state of affairs of the Portfolio of each Client.

Accounting under the respective Portfolios is being done in accordance with general accounting principles followed in India.

Effective from February 10, 2012, in addition to listed securities, each Client's holding in unlisted securities has been segregated in separate accounts by the Portfolio Manager.

As SEBI (Portfolio Managers) Rules and Regulations do not explicitly lay down detailed accounting policies, such policies, which are laid down under SEBI (Mutual Fund) Regulations, 1996, are being followed, in so far as accounting and valuations of equity/equity

related instruments, fixed income securities and other securities are concerned.

11.2. Portfolio Valuation -

a. Investments in listed Securities are valued at the last quoted closing price on the National Stock Exchange of India Limited ("NSE"). In case of the investment amount being received in form of Securities, the same will be valued at the closing price on The National Stock Exchange of India (NSE) on the previous working day of the date on which stock is inwards as Corpus. If on a particular valuation date, the Security is not listed on NSE but is listed only on The Stock Exchange, Mumbai (BSE), the security shall be valued as aforesaid at the closing price on BSE.

b. Non-traded and thinly traded equity securities, including those not traded within 30 days prior to the valuation date are valued at fair value as determined by the Portfolio Manager. Non-trade and thinly traded securities, other than equity securities, included those not traded within seven days prior to the valuation date will be valued at cost plus interest accrual till the beginning of the day plus difference between the redemption value and cost spread uniformly over the remaining maturity period of the instrument.

c. Investments made in Mutual Funds will be valued at the previous day's scheme NAV or latest NAV declared by the Mutual Fund as per the Association of Mutual Funds of India website.

d. In the derivative segment, the unrealised gains/losses for futures and options will be calculated by marking all the open positions to market.

e. In case Securities are transferred from the client towards initial capital contribution, the market value of the Securities on the date immediately preceding the date of such transfer will be considered for the purpose of computing the cost of investments and the corresponding capital contribution in the books of account of the client maintained by the portfolio manager.

For the purpose of reporting of capital gains as well as performance / returns by the Portfolio Manager, the original cost at the date of credit of the Securities and value at the closing price of the stock on The National Stock Exchange of India (NSE) on the previous working day will be considered. If security is not listed on NSE but is listed only on The Stock Exchange, Mumbai (BSE), the security shall be valued as aforesaid at the closing price of the stock on BSE.

f. In case Assets are redeemed in form of Securities, the same will be valued at the closing price of the Securities on The National Stock Exchange of India (NSE) on the previous working day of the date on which stock is recorded as corpus outward. If security is not listed on NSE but is listed on The Stock Exchange, Mumbai (BSE), the Security shall be valued as aforesaid at the closing price of the Security on BSE. The Assets so redeemed in form of Securities will be shown as an investment amount returned to the Client for the purpose of reporting to the Client. For the purpose of accounting and for computing performance / returns by the Portfolio Manager, date of debit as aforesaid shall be taken as date of sale and the value as stated above will be taken as the value received on sale, and gain/ loss would be computed on such transfer which will accordingly reflect in the profit and loss account.

- g Dividend income earned by the Portfolio shall be recognised, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognised on the date of declaration of dividend.
- h In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
- i In determining the holding cost of investments and the gains or loss on sale of investments, the "First In First Out" method shall be followed for each investment.
- j Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisition through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the portfolio obtains an enforceable obligation to pay the price or, in the event of a sale, when the portfolio obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- k Bonus shares to which the portfolio becomes entitled shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. For unlisted investments, bonus units would be recognised on the date of declaration. Accordingly, date of recognition of bonus shares is construed as date of acquisition for the purpose of computing short term / long-term capital gain.
- l Rights entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis. Application for the additional shares would be recognized as acquisition on the date of allotment.
- m The cost of investments acquired or purchased shall include grossed-up brokerage, stamp charges and any charge customarily included in the broker's bought note and transaction-based fees, if any, levied by Portfolio Manager except for security transaction tax. In respect of privately placed debt instruments,

any front-end discount offered shall be reduced from the cost of the investment. Similarly, in case of sale transactions, the above-mentioned charges will be deducted from the sale price.

- n Portfolio Management Fees are recognised / accrued in accordance with the Agreement.
- o Securities Transaction Tax (STT) is recognised on the trade day when the securities are accounted for on which such STT is levied.
- p Where any income receivable on investments has accrued and is due but not received for a period of greater than 6 months adequate provisions shall be made.
- q If the corporate action results in fractional entitlements, the same will be accounted for as gain on fractional entitlement upon receipt of money from the company towards fractional entitlements.

The accounting policies and standards as stated above may be modified from time to time by the Portfolio Manager, subject to such modifications being in conformity with the applicable regulations.

12. INVESTOR'S SERVICES

12.1. Investor's Relations Officer Details -

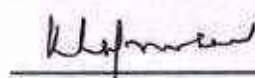
12.2. Grievance redressal and dispute settlement mechanism: -

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

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

Client can also login on SCORES (SEBI Grievances Handling website) and register his/her complaints, if any, against the Portfolio Manager on www.sebi.gov.in.

Signature all the Directors:


Mr. Rajmohan Krishnan


Mr. Shashank Sharad Khade


Ms. Sreepriya Neelicherry
Sivaraman

Date : 30/12/2021
Place : BANGALORE

ANNEXURE A. ILLUSTRATION FOR FEES AND CHARGES

Annexure 2: Illustration - Computation of Performance fee by Portfolio Manager

Particulars	Year 1	Year 2	Year 3	Year 4
Initial Corpus	50,00,000	65,92,000	47,98,976	70,92,887
Hurdle rate of return (A)	8%	8%	8%	8%
Performance fee over hurdle rate (B)	20%	20%	20%	20%
Fixed Fee (C)	1.5%	1.5%	1.5%	1.5%
Brokerage p.a. (D)	0.20%	0.20%	0.20%	0.20%
Other Expenses (E)	0.50%	0.50%	0.50%	0.50%
Rate of return on the portfolio (I)	40%	-25%	50%	40%

Assumptions:

1. Performance linked fee and fixed management fee are calculated on an annual basis (i.e. performance period = 1 year)
2. All figures in the tables have been assumed for the purpose of illustration

Particulars	Year 1		Year 2		Year 3		Year 4		Year 5
	Amount in Rs.		Amount in Rs.		Amount in Rs.		Amount in Rs.		
1. Amount invested by client / Opening value	50,00,000		65,92,000		47,98,976		70,92,887		
2. Portfolio Returns during the year (= I * 1)	20,00,000		-16,48,000		23,99,488		28,37,155		
3. Brokerage and Transaction cost @ 20bps (= D * 1)	10,000		13,184		9,598		14,186		
4. Other Expenses (= E * 1)	25,000		32,960		23,995		35,464		
5. Fixed Management Fee (= C * 1)	75,000		98,880		71,985		1,06,393		
Pre-performance fee closing value of portfolio (1+2-3-4-5)									
Note : If this value exceeds the high water mark, only then shall performance fee be charged to the client.									
6. Returns realised by investor (pre-performance fee) over High Water Mark (= (6-14)/14*100)	68,90,000	70,00,000	47,98,976	49,44,000	70,92,887	71,98,464	97,73,998	99,30,041	
7. [For Year 1, returns over initial corpus would be considered]	37.80%		-30.35%		2.94%		37.80%		
8. Returns realised by investor over hurdle rate (= 7-A, and in case of negative returns, it shall be zero)	29.80%		0%		-5.06%		29.80%		
9. Performance fee levied by PM (in %) (Perf. Fee = 8*B)	5.96%		0%		0%		5.96%		
10. Amount of performance fee recovered by PM (high-watermark applicable) on Capital Amount (= 9*1)	2,98,000		-		-		4,22,736		
11. Total Charges During the year (=3+4+5+10)		4,08,000		1,45,024		1,05,577		5,78,779	
12. Net Value of the portfolio at the end of year (=1+2-11)		65,92,000		47,98,976		70,92,887		93,51,262	
13. Overall Returns to investor in % (= (12-1)/1) * 100		31.84%		-27.20%		47.80%		31.84%	
High Water Mark for calculation of performance fee for the next									
14. performance period			6890000		6890000		7092887		9773998

3. Other expenses mentioned include Custody & FA charges, RTA fees etc
 All amounts in Rs. & all returns are pre-tax



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