



**PORTFOLIO MANAGEMENT SERVICES**

**DISCLOSURE DOCUMENT**

**PhillipCapital (India) Pvt. Ltd. (SEBI Registration No. INP000004433)**

(As per the requirement of Fifth Schedule of Regulation 22 of SEBI (Portfolio Managers) Regulation 2020)

- i) The Disclosure Document (hereafter referred to as “the Document”) has been filed with the Securities and Exchange Board (SEBI) Board along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Manager) Regulations, 2020.
- ii) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging PhillipCapital (India) Pvt. Ltd. as a Portfolio Manager.
- iii) The investor has the option of onboarding directly with the Portfolio Manager.
- iv) The necessary information about the portfolio manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.
- v) This disclosure document sets forth concisely the necessary information about PhillipCapital (India) Pvt. Ltd. that a prospective investor ought to know before investing.
- vi) The investor should carefully read the Disclosure document prior to making a decision to avail of the portfolio management services and retain this Disclosure document for future reference.
- vii) Details of the Principal Officer:

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## **1. DISCLAIMER**

This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions.

## 2. DEFINITIONS & INTERPRETATIONS

In this document and agreements to be executed subsequently, unless repugnant to the context or meaning thereof, words and expressions which are used herein but not defined shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Regulations:

Act	means the Securities and Exchange Board of India, Act 1992 as amended from time to time.
Accreditation Agency	means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
Accredited Investor	<p>means any person who is granted a certificate of accreditation by an accreditation agency who:</p> <ul style="list-style-type: none"><li>(i) in case of an individual, HUF, family trust or sole proprietorship has<ul style="list-style-type: none"><li>(a) annual income of at least two crore rupees; or</li><li>(b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or</li><li>(c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.</li></ul></li><li>(ii) in case of a body corporate, has net worth of at least fifty crore rupees;</li><li>(iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;</li><li>(iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:</li></ul> <p>Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.</p>
Advisory Services	means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.
Agreement or Portfolio Management	means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and

Services Agreement or PMS Agreement	annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
Applicable Law/s	means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
Assets Under Management or AUM	means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
Associate	means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
Benchmark	means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
Board” or “SEBI	means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
Business Day	means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
Client(s)” / “Investor(s)	means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
Custodian(s)	means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
Depository	means the depository as defined in the Depositories Act, 1996 (22 of 1996).
Depository Account	means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
Direct on-boarding	means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
Disclosure Document” or “Document	means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.

Distributor	means a person/entity who may refer a client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
Eligible Investors	means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
Fair Market Value	means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
Foreign Portfolio Investors” or “FPI	means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
Financial Year	means the year starting from April 1 and ending on March 31 in the following year.
Funds” or “Capital Contribution	means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
Group Company	shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
HUF	means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
Investment Approach	is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
IT Act	means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
Large Value Accredited Investor	means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
Non-resident Investors” or “NRI(s)	shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
NAV	shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
NISM	means the National Institute of Securities Markets, established by the Board

Person	includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
Portfolio	means the total holdings of all investments, Securities and Funds belonging to the Client
Portfolio Manager	means PhillipCapital (India) Pvt. Ltd, a company incorporated under the Companies Act, 1956, registered with SEBI as a portfolio manager bearing registration number INP000004433 and having its registered office at No.1, 18 <sup>th</sup> floor, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai – 400013.
Principal Officer	means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for: <ul style="list-style-type: none"> <li>(i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and</li> <li>(ii) all other operations of the Portfolio Manager</li> </ul>
Regulations” or “SEBI Regulations	means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
Related Party	means – <ul style="list-style-type: none"> <li>(i) a director, partner or his relative;</li> <li>(ii) a key managerial personnel or his relative;</li> <li>(iii) a firm, in which a director, partner, manager or his relative is a partner;</li> <li>(iv) a private company in which a director, partner or manager or his relative is a member or director;</li> <li>(v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;</li> <li>(vi) anybody corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;</li> <li>(vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:</li> </ul> <p style="padding-left: 40px;">Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;</p> <ul style="list-style-type: none"> <li>(viii) anybody corporate which is— (A) a holding, subsidiary or an associate</li> </ul>



	<p>company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;</p> <p>(ix) a related party as defined under the applicable accounting standards;</p> <p>(x) such other person as may be specified by the Board:</p> <p>Provided that,</p> <p>(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or</p> <p>(b) any person or any entity, holding equity shares:</p> <ol style="list-style-type: none"> <li>i. of twenty per cent or more; or</li> <li>ii. of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding Financial Year; shall be deemed to be a related party;</li> </ol>
Securities	<p>means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.</p>

In this document and agreement to be executed subsequently, headings are used for convenience and ease of reference only and shall not affect the construction or interpretation of any provision of this document and agreement.

In this document and agreement to be signed subsequently, unless repugnant to the context or meaning thereof:

- i. reference to the singular includes a reference to the plural and vice-versa,
- ii. reference to any gender includes a reference to all other genders,
- iii. references to Recitals, Clauses, Schedules and annexure shall be deemed to be a reference to the recitals, clauses, schedules and annexure of or to this document & Agreement,
- iv. reference to a person shall include its personal representative, and
- v. references to any enactment are to be construed as referring also to any amendment or reenactment thereof and to any regulation, business requirement, specification, order or other provision made under it.

### **3. DESCRIPTION OF PORTFOLIO MANAGER**

#### **a. History, Present Business and Background of the Portfolio Manager:**

PhillipCapital (India) Private Limited ('the Company') was incorporated in India on December 29, 1999. The Company is a member of National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE), and a Depository Participant of National Depository Services Limited (NSDL) and Central Depository Services Limited (CDSL).

The company is one of the leading Broking Houses in the Retail as well as Institutional segment. The major activities and offering of the Company are Equity Broking, Clearing, Depository Participant Services, Institutional Broking and Research Services. The company is also registered with SEBI as a Merchant Banker, Investment Advisor and Alternative Investment Funds.

#### **b. Promoters and Directors of the Portfolio Manager and their background in brief**

As on August 2, 2012, Phillip Brokerage Pte Limited (the "ultimate parent company"), a company incorporated in Singapore, acquired controlling interest in the Company.

PhillipCapital Group started out as a stock broker in Singapore in 1975 has since then evolved into a fully integrated financial services provider which offers a full range of quality and innovative financial services to retail, corporate and institutional clients.

The Group is head quartered in Singapore and regulated by the Monetary Authority of Singapore. Currently, it operates in financial hubs of 15 countries, with offices in Singapore, Malaysia, Cambodia, Indonesia, Vietnam, Thailand, China, Hong Kong, Japan, India, UAE, UK, France, Turkey, Australia and USA. Total worldwide Assets under Management USD 65 Billion.

#### **c. Particulars of Directors**

##### **Nihit Parikh – Director**

Nihit Parikh, 46, has over 19 years of experience in the financial markets. He is associated with PhillipCapital (India) Pvt. Ltd since November 2013. His education qualifications are Chartered Accountant, M.Com, Certified Public Accountant and Certified Treasury Manager.

##### **Kalpesh Vora – Director**

Kalpesh Vora, 51, has over 23 years of experience in the financial markets. He is associated with PhillipCapital (India) Pvt Ltd since June 2001. His education qualifications are Chartered Financial Analyst and B.Com.

#### **d. Key entities in the group.**

For the purposes of disclosure under this section, key entities in the group are considered to be only those, which are subsidiaries or fellow subsidiaries in India.

The following are subsidiaries/fellow subsidiaries of PhillipCapital (India) Pvt. Ltd. reckoned on the basis of their Total Income and Net Profit (latest audited financial statements). (Name of the entity, main business area)

Entity	Membership Details	Relationship
Phillip Commodities India Private Limited	Membership of IEX	100% Subsidiary
Phillip (India) Private Limited		Fellow subsidiary company
Phillip Centralised Services India Private Limited		Fellow subsidiary company
Phillip Finance & Investment Services India Private Limited	NBFC Company registered with RBI	Fellow subsidiary company
Phillip Capital Management India Private Limited		100% Subsidiary
Phillip Services India Private Limited	IRDA registered	49% Subsidiary Co.
Phillip Ventures IFSC Pvt. Ltd.	Membership of India INX & NSEIFSC	100% Subsidiary.
PhillipCapital (DIFC) Pvt. Ltd.		100% Subsidiary.

#### e. **DETAILS OF SERVICES OFFERED**

##### **Types of Services Offered:**

The Portfolio Manager broadly offers services under the following categories:

##### **Discretionary Services**

The portfolio account of the client is managed at the full discretion and liberty of the Portfolio Manager. The choice and timing of investment rests solely with the Portfolio Manager. The securities invested / disinvested by the Portfolio Manager for clients may differ from client to client. The portfolio managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the tenure of the

agreement or any time thereafter except on the ground of gross negligence and/or willful misfeasance.

Currently, under the discretionary services, the following investment approaches are offered to investors:

- i) Phillip Signature India Portfolio (PSIP)
- ii) Phillip Emerging India Portfolio (PEIP)
- iii) Phillip Ethical India Portfolio (PIP)
- iv) Phillip Alpha Creation Equity Strategy (PACES)
- v) Phillip Star Portfolio (PSP)
- vi) Phillip Income Builder Portfolio - Growth (PIBP-G)
- vii) Phillip Income Builder Portfolio - Regular Income (PIBP-RI)
- viii) Phillip Income Builder Portfolio – Premier (PIBP-P)
- ix) Phillip Conservative Credit Portfolio Growth (PCCP - G)
- x) Phillip Conservative Credit Portfolio Regular Income (PCCP - R)
- xi) Phillip Treasury Plus Portfolio (PTPP)

- **Non-Discretionary Services**

Under these services, the Client decides their own investments, with the Portfolio Manager facilitating the execution of transactions. The Portfolio Manager's role is limited to providing research, investment advice, guidance and trade execution at the Client's request. The Portfolio Manager (in good faith) shall execute orders as per the mandate received from Clients. The rights and obligations 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. Periodical statements in respect of Client's Portfolio shall be sent to the respective Client.

- **Advisory Services**

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations 2020, which shall be in the nature of investment advisory and shall include the responsibility of advising on the investment approach and investment and divestment of securities or investment products on the client's portfolio, for an agreed fee structure, entirely at the Client's risk; to all eligible categories of investor who can invest in Indian markets including NRI's, FPI's etc. The Portfolio Manager shall be solely acting as an advisor to the client and shall not be responsible for the investments / disinvestments of securities and / or administrative activities of the client's portfolio. The Portfolio Manager shall act in fiduciary capacity towards its client. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the clients, from time to time, in this regard.

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

- All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there-under – None
- The nature of the penalty/direction – Not Applicable
- Penalties imposed for any economic offence and/or for violation of any securities laws – None
- Any pending material litigation/legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any – None
- Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency – None
- 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 – SEBI has issued an order dated November 29, 2022 on one of our associate companies i.e. Phillip Commodities India Pvt. Ltd. The company has filed an appeal before Securities Appellate Tribunal (SAT) against the SEBI order and the same is pending.

There are no pending litigations against the Company in its capacity as a Portfolio Manager. However, the Company also provides broking (execution and clearing) services to clients in the normal course of which there are no pending material litigations against it as at March 31, 2024.

## 5. SERVICES OFFERED

### a) Specific Details of Investment approach offered under Discretionary Portfolio Management Services

#### **i) Phillip Signature India Portfolio- (PSIP)**

**Assets Class: Equity**

##### ***Investment Objective:***

- To generate superior returns over medium to long term by investing in cherry picked stocks across Large, Mid and Small capitalization companies. The emphasis is to invest in a diversified portfolio of companies having good corporate governance, sustainable growth prospects, in emerging sectors and in turn around stories.
- FlexiCap investment approach.
- Combination of Long- and Medium-term investment approach.
- Focused portfolio of around 15-25 carefully chosen names.
- Combination of top-down & bottom-up approach.
- Focus on companies which are well managed, have sustainable growth and good Balance Sheet.
- Lookout for emerging sectors and turn around stories.
- Take cash calls based on market volatility.

##### ***Description of Securities***

Funds would be invested in equity shares and equity linked instruments in Indian markets. Some of the client's funds (cash) might be deployed in liquid funds, debt oriented schemes, gilt schemes, ETF, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

##### ***Basis of Selection of type of security***

The selection is based on screening on various parameters like return ratios, quarterly and yearly trends, cash flow etc. Track is also kept on turnaround stories, management change, emerging opportunities etc. Investments and allocation of securities across clients might be different.

##### ***Allocation of portfolio across types of securities***

Equity and equity linked instruments: 0-100% Cash:  
0-100%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable.

##### ***Benchmark and basis for choice of benchmark***

S&P BSE 500. It is multicap investment approach wherein significant funds are invested across market capitalizations companies and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

Minimum 3 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

***ii) Phillip Emerging India Portfolio- (PEIP)***

*Assets Class:* Equity

***Investment Objective:***

- To tap the potential of small cap & mid cap companies that are expected to benefit from the wide range of opportunities arising in India. The emphasis is to invest in a diversified portfolio to generate returns over medium to long term.
- Invest in a diversified portfolio of Mid & Small Cap
- Combination of top-down & bottom-up approach
- Lookout for emerging sectors and turn around stories
- Focused portfolio of around 15-25 carefully chosen names
- Tactical positions in large cap
- Take cash calls based on market volatility

***Description of Securities***

Funds would be invested in equity shares and equity linked instruments in Indian markets. Some of the client's funds might be deployed in liquid funds, debt oriented schemes, gilt schemes, ETF, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

The selection is based on screening on various parameters like return ratios, quarterly and yearly trends, cash flow etc. Track is also kept on turnaround stories, management change, emerging opportunities etc. Investments and allocation of securities across clients might be different.

***Allocation of portfolio across types of securities***

Equity and equity linked instruments: 0 - 100%

Cash: 0-100%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable

***Benchmark and basis for choice of benchmark***

S&P BSE 500. It is a mid & small cap investment approach and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

Minimum 4 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

***iii) Phillip Ethical India Portfolio- (PIP)***

***Assets Class:*** Equity

***Investment objective***

- To invest into socially responsible companies and avoid companies that engage in activities that are deemed to be against beliefs. The emphasis is to invest in a diversified portfolio across market capitalization to generate returns over medium to long term.
- Multicap investment approach for Shariah compliant stocks.
- Focused portfolio of around 15-25 carefully chosen names.
- Take cash calls based on market volatility.
- Combination of top-down & bottom-up approach

***Description of Securities***

Funds would be invested in equity shares and equity linked instruments in Indian markets. Some of the client's funds might be deployed in liquid funds, debt oriented schemes, gilt schemes, ETF, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account

***Basis of Selection of type of security***

The selection is based on screening on various parameters like return ratios, quarterly and yearly trends, cash flow etc. Track is also kept on turnaround stories, management change, emerging opportunities etc. Investments and allocation of securities across clients might be different.

***Allocation of portfolio across types of securities***

Equity: 0-100%

Cash: 0-100%

Cash levels in clients portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable.

***Benchmark and basis for choice of benchmark***

S&P BSE 500. It is a multicap investment approach; wherein significant funds are invested across market capitalizations companies and the stated benchmark is closest attributable benchmark.



***Indicative tenure or investment horizon***

Minimum 3 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

***iv) Phillip Alpha Creation Equity Strategy- (PACES)***

***Assets Class:*** Equity

***Investment objective***

To generate returns over medium to long term by creating a customized portfolio for each client by making investments which primarily comprise of equity shares and the funds may also fully or partially invest in units of mutual funds and/or debt instruments etc. A customized portfolio may be created for each client and it may completely different from that of the other clients.

***Description of Securities***

Funds would be invested in either/or/and equity shares, equity linked instruments, units of mutual schemes, ETF, short term debt instruments, bonds, preference shares etc. Some of the client's funds might be deployed in liquid funds, debt oriented schemes, gilt schemes, ETF, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account

***Basis of Selection of type of security***

The selection is based on screening on various parameters like return ratios, past track record, ratings etc. Track is also kept on turnaround stories, management change, emerging opportunities etc. Investments and allocation of securities across clients might be different

***Allocation of portfolio across types of securities***

Equity and equity linked instruments: 0- 100%

Units of Mutual Funds: 0-100%

Debt Instruments: 0-100%

Cash: 0-100%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable.

***Benchmark and basis for choice of benchmark***

S&P BSE 500. The investment approach invests funds across market capitalizations, different securities and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

Minimum 3 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

**v) Phillip Star Portfolio**

***Assets Class:*** Equity

***Investment Objective:***

- To generate capital appreciation in long term through investments primarily in mutual fund units. Investment approach includes investment into equity mutual schemes across the market capitalization and investment philosophies, thematic/sector specific equity funds, commodity related funds, international/global equity funds, close ended equity funds, hybrid funds, balanced funds ETF etc.
- Focused portfolio construct of 4-8 equity mutual fund schemes.
- Philosophy is to stay invested for long-term and if necessary rebalance as per changing market dynamics.
- Take cash calls based on market volatility.

***Description of Securities***

Funds would be primarily invested in units of equity mutual fund schemes. Some of the client's funds (cash) might be deployed in liquid funds, debt oriented schemes, gilt schemes, ETF, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

The selection is based on screening on various parameters like past performance, fund management capability, AMC track record, constituents of the portfolio, future outlook of markets, sector and market cap etc.

***Allocation of portfolio across types of securities***

Units of Mutual funds: 0- 100%

Cash: 0-100%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable

***Benchmark and basis for choice of benchmark***

S&P BSE 500. The investment approach invests in Mutual fund schemes across market caps and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

Minimum 3 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

**vi) Phillip Income Builder Portfolio - Growth (PIBP-G)**

***Assets Class:*** Debt

***Investment Objective:***

To generate superior returns over G-Sec in mid to long term through investments in fixed income securities with an emphasis on capital preservation. The strategy aims to generate capital appreciation and income predominantly through a combination of accrual, duration and credit strategies.

- Focus on companies which are well managed, have sustainable growth and solid balance sheet
- Invest in securities of Corporates, Banks and NBFCs having superior track record
- Take advantage of mispriced opportunities which aid in alpha generation
- Manage returns and risk via robust proprietary risk management framework
- Follow a core and a satellite approach of investing that assist in generation of consistent stable yields without much volatility

***Description of Securities***

Funds would be primarily invest in PSU bonds, Non-convertible debentures, G-Sec/SDL, Market linked debentures, bonds, REITs, Invits, Preference Share and all other permissible fixed income instruments. Some of the client's funds might be deployed in liquid funds, T-bills, gilt schemes, ETF, mutual fund units, Gold ETF, direct equity stocks wherein corporate action is expected, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

- Due diligence via various Quantitative and Qualitative checks
- Spread compression play; Analysis of historical spreads; Spread remains adequately high and mean reversion may fetch capital gains
- Secondary market trading opportunities
- Event Arbitrage opportunities

***Allocation of portfolio across types of securities***

Fixed Income Securities: 0- 100%

Cash: 0-100%

Others: 0-50%

Cash levels in clients portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable

***Benchmark and basis for choice of benchmark***

CRISIL Composite Bond Fund Index. The investment approach invests in securities across fixed income securities and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

Minimum 3 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

**vii) Phillip Income Builder Portfolio - Regular Income (PIBP-RI)**

***Assets Class:*** Debt

***Investment Objective:***

To generate superior returns over G-Sec in mid to long term through investments in fixed income securities with an emphasis on capital preservation. The strategy aims to generate capital appreciation and income predominantly through a combination of accrual, duration and credit strategies.

- Focus on companies which are well managed, have sustainable growth and solid balance sheet
- Invest in securities of Corporates, Banks and NBFCs having superior track record
- Take advantage of mispriced opportunities which aid in alpha generation
- Manage returns and risk via robust proprietary risk management framework
- Follow a core and a satellite approach of investing that assist in generation of consistent stable yields without much volatility.

***Description of Securities***

Funds would be primarily invest in PSU bonds, Non-convertible debentures, G-Sec/SDL, Market linked debentures, bonds, REITs, Invits, Preference Share and all other permissible fixed income instruments. Some of the client's funds might be deployed in liquid funds, T-bills, gilt schemes, ETF, mutual fund units, Gold ETF, direct equity stocks wherein corporate action is expected, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

- Due diligence via various Quantitative and Qualitative checks
- Spread compression play; Analysis of historical spreads; Spread remains adequately high and mean reversion may fetch capital gains
- Secondary market trading opportunities
- Event Arbitrage opportunities

***Allocation of portfolio across types of securities***

Fixed Income Securities: 0- 100% Cash: 0-100%

Others: 0-50%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable

***Benchmark and basis for choice of benchmark***

CRISIL Composite Bond Fund Index. The investment approach invests in securities across fixed income securities and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

Minimum 3 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

***viii) Phillip Income Builder Portfolio- Premier (PIBP-P)***

***Assets Class:*** Debt

***Investment objective***

To generate consistent/superior returns over G-Sec in mid to long term through investments in fixed income securities with an emphasis on capital preservation. The strategy aims to generate capital appreciation and income predominantly through a combination of accrual, duration and credit strategies.

- Focus on companies which are well managed, have sustainable growth and solid balance sheet
- Invest in securities of Corporates, Banks and NBFCs having superior track record
- Take advantage of mispriced opportunities which aid in alpha generation
- Manage returns and risk via robust proprietary risk management framework
- Follow a core and a satellite approach of investing that assist in generation of consistent stable yields without much volatility.

***Description of Securities***

Funds would be primarily invest in PSU bonds, Non-convertible debentures, G-Sec/SDL,

Market linked debentures, bonds, REITs, Invits, Preference Share and all other permissible fixed income instruments. Some of the client's funds might be deployed in liquid funds, T-bills, gilt schemes, ETF, mutual fund units, Gold ETF, direct equity stocks wherein corporate action is expected, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

The selection is based on screening on various parameters like

- Spread compression play; Analysis of historical spreads; Spread remains adequately high and mean reversion could fetch capital gains
- Secondary market volumes
- Event Arbitrage opportunities
- Adequate liquidity
- Due diligence via various Quantitative and Qualitative checks (various debt ratios, management expertise, sustainability of earnings).

***Allocation of portfolio across types of securities***

Fixed Income Securities: 0-100%

Cash: 0-100%

Others: 0-50%

Cash levels in clients portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable.

***Appropriate benchmark to compare performance***

CRISIL Composite Bond Fund Index.

***Basis for choice of benchmark***

The investment approach invests in securities across Fixed income securities and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

1-10 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

**ix) Phillip Conservative Credit Portfolio Growth (PCCP - G)**

***Assets Class: Debt***

***Investment objective***

To generate consistent/superior returns over G-Sec in mid to long term through investments in fixed income securities with an emphasis on capital preservation. The strategy aims to generate capital appreciation and income predominantly through a combination of accrual, duration and credit strategies.

- Focus on companies which are well managed, have sustainable growth and solid balance sheet
- Invest in securities of Corporates, Banks and NBFCs having superior track record
- Take advantage of mispriced opportunities which aid in alpha generation
- Manage returns and risk via robust proprietary risk management framework
- Follow a core and a satellite approach of investing that assist in generation of consistent stable yields without much volatility.

***Description of Securities***

Funds would be primarily invest in PSU bonds, Non-convertible debentures, G-Sec/SDL, Market linked debentures, bonds, REITs, Invits, Preference Share and all other permissible fixed income instruments. Some of the client's funds might be deployed in liquid funds, T-bills, gilt schemes, ETF, mutual fund units, Gold ETF, direct equity stocks wherein corporate action is expected, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

The selection is based on screening on various parameters like

- Spread compression play; Analysis of historical spreads; Spread remains adequately high and mean reversion could fetch capital gains
- Secondary market volumes
- Event Arbitrage opportunities
- Adequate liquidity
- Due diligence via various Quantitative and Qualitative checks (various debt ratios, management expertise, sustainability of earnings).

***Allocation of portfolio across types of securities***

Fixed Income Securities: 0-100%

Cash: 0-100%

Others: 0-50%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable.

***Appropriate benchmark to compare performance***

CRISIL Composite Bond Fund Index.

***Basis for choice of benchmark***

The investment approach invests in securities across Fixed income securities and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

1-10 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no

assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

**x) Phillip Conservative Credit Portfolio Regular Income (PCCP - R)**

***Assets Class: Debt***

***Investment objective***

To generate consistent/superior returns over G-Sec in mid to long term through investments in fixed income securities with an emphasis on capital preservation. The strategy aims to generate capital appreciation and income predominantly through a combination of accrual, duration and credit strategies.

- Focus on companies which are well managed, have sustainable growth and solid balance sheet
- Invest in securities of Corporates, Banks and NBFCs having superior track record
- Take advantage of mispriced opportunities which aid in alpha generation
- Manage returns and risk via robust proprietary risk management framework
- Follow a core and a satellite approach of investing that assist in generation of consistent stable yields without much volatility.

***Description of Securities***

Funds would be primarily invest in PSU bonds, Non-convertible debentures, G-Sec/SDL, Market linked debentures, bonds, REITs, Invits, Preference Share and all other permissible fixed income instruments. Some of the client's funds might be deployed in liquid funds, T-bills, gilt schemes, ETF, mutual fund units, Gold ETF, direct equity stocks wherein corporate action is expected, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

The selection is based on screening on various parameters like

- Spread compression play; Analysis of historical spreads; Spread remains adequately high and mean reversion could fetch capital gains
- Secondary market volumes
- Event Arbitrage opportunities
- Adequate liquidity
- Due diligence via various Quantitative and Qualitative checks (various debt ratios, management expertise, sustainability of earnings).

***Allocation of portfolio across types of securities***

Fixed Income Securities: 0-100%

Cash: 0-100%

Others: 0-50%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable.

***Appropriate benchmark to compare performance***

CRISIL Composite Bond Fund Index.



***Basis for choice of benchmark***

The investment approach invests in securities across Fixed income securities and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

1-10 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

**xi) Phillip Treasury Plus Portfolio (PTPP)*****Assets Class: Debt******Investment objective***

To generate consistent/superior returns over G-Sec in mid to long term through investments in fixed income securities with an emphasis on capital preservation. The strategy aims to generate capital appreciation and income predominantly through a combination of accrual, duration and credit strategies.

- Focus on companies which are well managed, have sustainable growth and solid balance sheet
- Invest in securities of Corporates, Banks and NBFCs having superior track record
- Take advantage of mispriced opportunities which aid in alpha generation
- Manage returns and risk via robust proprietary risk management framework
- Follow a core and a satellite approach of investing that assist in generation of consistent stable yields without much volatility.

***Description of Securities***

Funds would be primarily invest in PSU bonds, Non-convertible debentures, G-Sec/SDL, Market linked debentures, bonds, REITs, Invits, Preference Share and all other permissible fixed income instruments. Some of the client's funds might be deployed in liquid funds, T-bills, gilt schemes, ETF, mutual fund units, Gold ETF, direct equity stocks wherein corporate action is expected, bank deposits and other short-term avenues for investment and/or it might be retained as bank balance in bank account.

***Basis of Selection of type of security***

The selection is based on screening on various parameters like

- Spread compression play; Analysis of historical spreads; Spread remains adequately high and mean reversion could fetch capital gains
- Secondary market volumes

- Event Arbitrage opportunities
- Adequate liquidity
- Due diligence via various Quantitative and Qualitative checks (various debt ratios, management expertise, sustainability of earnings).

***Allocation of portfolio across types of securities***

Fixed Income Securities: 0-100%

Cash: 0-100%

Others: 0-50%

Cash levels in client's portfolio can be high up to 100% either at the initial portfolio construction stage or when the portfolio manager thinks the risk reward is not favorable.

***Appropriate benchmark to compare performance***

CRISIL Composite Bond Fund Index.

***Basis for choice of benchmark***

The investment approach invests in securities across Fixed income securities and the stated benchmark is closest attributable benchmark.

***Indicative tenure or investment horizon***

1-10 years

***Risks associated with investment approach***

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details, please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

***Note applicable to all the above investment approaches:***

- The portfolio of each client may differ from that of the other client in the same portfolio / investment approach, as per the discretion of the Fund / Portfolio Manager depending on the investment horizon and capital preservation level. The un-invested amounts in all the above investment approaches may be deployed in liquid fund schemes, debt oriented schemes of mutual funds, Gilt schemes, bank deposits and other short-term avenues for investment. In all the above schemes, the securities invested / disinvested by the Fund / Portfolio Manager for clients in the same scheme may differ from client to client. The Portfolio Manager may, with the consent of the Client, lend the securities through an Approved Intermediary, for interest.
- The Portfolio Manager may at its sole and absolute discretion decide to invest/divest in portfolios that may not be specified in the investment objectives.

- The policies for investments in associates / group companies of the portfolio manager and the maximum percentage of such investment therein subject to the applicable laws regulations / guidelines. Since there is no definition of Associates in terms of the SEBI (Portfolio Managers) Regulations, 2020, as per the terms of the definition of associates as per SEBI (Mutual Funds) Regulations, 1996, there are no associates of the Portfolio Manager which are publicly listed in India.
- The Fund / Portfolio Manager may also use various derivatives and hedging products. Derivatives instruments may take the form of Index Futures, Index Options, Currency, Options on individual equities / securities, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be appropriate, from time to time. The Fund / Portfolio Manager may also invest in other instruments / products as allowed by SEBI from time to time.
- Investments in mutual fund units will be through direct plan across all investment approaches.

The Fund / Portfolio Manager may also use various derivatives and hedging products across investment approaches. Derivatives instruments may take the form of Index Futures, Index Options, Currency, Options on individual equities / securities, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be appropriate, from time to time. The Fund / Portfolio Manager may also invest in other instruments / products as allowed by SEBI from time to time across all its investment approaches.

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

Investment in securities of associates/related parties of the Portfolio Manager shall be carried out in accordance with the provisions of SEBI circular SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2022/112 dated August 26, 2022, and as per further communications by SEBI from time-to-time.

## 6. RISK FACTORS

The investments made in the securities are subject to market risk and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. Following are the risk factors as perceived by the Portfolio Manager.

### A. General Risk Factors

1. Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
2. The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
3. [Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.]
4. The names of the Investment Approach do not in any manner indicate their prospects or returns.
5. Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
6. When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
7. Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
8. The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
9. The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

## **B. Risk associated with equity and equity related instruments**

10. Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.
11. Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
12. Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

## **C. Risk associated with debt and money market securities**

### **13. Interest Rate Risk**

Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.

### **14. Liquidity or Marketability**

Risk The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

### **15. Credit Risk**

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.

**16. Reinvestment Risk**

This refers to the interest rate risk at which the intermediate cash flows received from the Securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

**D. Risk associated with derivatives instruments**

17. The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.

18. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. 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 of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

**E. Risk associated with investments in mutual fund schemes**

19. Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

20. As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.

21. Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.

22. The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which

at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.

23. The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
24. The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
25. While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
26. The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

#### **F. Risk arising out of non-diversification**

27. The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

#### **G. Risk arising out of investment in Associate and Related Party transactions**

28. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
29. The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group

companies/associates by ensuring that such dealings are at arm's length basis.

30. The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

## 7. NATURE OF EXPENSES

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

### Portfolio Management Fees:

The Portfolio Management Fees relate to the Portfolio Management Services offered to the Clients. This fee is either a fixed amount, a flat percentage or as a percentage charged on the Average daily portfolio value of the portfolio under investment management and may be fixed, variable or a combination of both as set out in the agreement. Fixed fees will be charged maximum upto 3.00% p.a. subject to applicable regulatory restriction, if any. Variable fees above hurdle rate will be charged upto a maximum of 50% p.a. subject to applicable regulatory restriction, if any.

Exit Load: As may be agreed to between the client and the Portfolio Manager in the PMS agreement.

Depository / Custodian fee: Charges relating to custody and transfer of shares, bonds and units, opening and operation of demat account, dematerialization and dematerialization, and / or any other charges in respect of the investment etc.

Brokerage, transaction costs and other services: The brokerage and other charges like stamp duty, transaction cost and statutory levies such as Goods and Service tax, securities transaction tax, turnover fees, Registrar and Transfer Agent fees/Share Transfer Agent fees and such other levies as may be imposed upon from time to time

Certification charges or professional charges: The charges payable to outsourced professional services like accounting, taxation and any legal services, etc.

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

Any other incidental and ancillary charges: All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the client shall be charged to the Client. The Portfolio



Manager shall deduct directly from the cash account of the client all the fees/costs as specified above and shall send a statement to the client for the same.

## 8. TAXATION

### A. General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws.

### B. Tax deducted at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the IT Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income

### C. Long term capital gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under section 45 of the IT Act.

#### Period of Holding

The details of period of holding for different capital assets for the purpose of determining long term or short-term capital gains are explained hereunder:

Securities	Position upto 22	Position on or after 23	Characterization
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	<b>July 2024 Period of Holding</b>	<b>July 2024 Period of Holding</b>	
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months  Twelve (12) months or less	More than twelve (12) months  Twelve (12) months or less	Long-term capital asset  Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months  Twenty-four (24) or less	More than twenty-four (24) months  Twenty-four (24) or less	Long-term capital asset  Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months  Thirty-six (36) months or less	More than twenty-four (24) months  Twenty-four (24) or less	Long-term capital asset  Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months  36 months or less	  Any period	Long-term capital asset  Short-term capital asset

- **Definition of Specified Mutual Fund:**

Before 1st April 2025:

“Specified Mutual Fund” means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.

On and after 1st April 2025:

“*Specified Mutual Fund*” means, —

- (a) A Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or
- (b) A fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a)

- **Definition of debt and money market instruments:**

“Debt and money market instruments” shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

- **Definition of Market Linked Debenture:**

“Market Linked Debenture” means a security by whatever name called, which has an underlying principle component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.

- **For listed equity shares in a domestic company or units of equity oriented fund or business trust**

The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of equity-oriented fund or business trust.

As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, is also taxed at a rate of 10%. This benefit is available to all assesses. This tax rate is increased from 10% to 12.5%.

The long-term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to “step up” the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

Specifically in case of long-term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of 17 transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

- **For other capital assets (securities and units) in the hands of resident of India**

Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

- **For capital assets in the hands of Foreign Portfolio Investors (FPIs)**

Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii)

determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

Long term capital gains, arising on sale of listed shares in the company or units of equity-oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

- **For other capital asset in the hands of non-resident Indians**

Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

#### **D. Short term capital gains**

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity-oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

#### **E. Profits and gains of business or profession**

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head “Profits and Gains of Business or Profession” under section 28 of the IT Act. The gain/ loss is to be computed under the head “Profits and Gains of Business or Profession” after allowing normal business

expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

Interest income arising on Securities could be characterized as 'Income from other sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

#### **F. Losses under the head capital gains/business income**

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.

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

#### **G. General Anti Avoidance Rules (GAAR)**

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement, or recharacterize or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or recharacterizing any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Recharacterising equity into debt, capital into revenue, etc.

The GAAR provisions would override the provisions of a 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 Income-tax Rules, 1962. The Income-tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 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 crores cannot be read in respect of a single taxpayer only.

## **H. 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 61B 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:

- A) the name, address, taxpayer identification number and date and place of birth;
- B) where an entity has one or more controlling persons that are reportable persons:
  - 1. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
  - 2. the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- C) account number (or functional equivalent in the absence of an account number);
- D) 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
- E) 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).

## **I. Goods and Services Tax on services provided by the portfolio manager**



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

## **9. ACCOUNTING POLICIES**

**Following accounting policies are followed for the portfolio investments of the Client:**

### **A. Client Accounting**

1. The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.
2. The books of account of the Client shall be maintained on an historical cost basis.
3. 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.
4. All expenses will be accounted on due or payment basis, whichever is earlier.
5. The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
6. Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

### **B. Recognition of portfolio investments and accrual of income**

7. In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
8. Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
9. Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
10. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

11. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
12. In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned
13. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

### **C. Valuation of portfolio investments**

14. Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
15. Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.
16. Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.
17. Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.
18. In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

The Investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar Securities. However, such changes would be in conformity with the Regulations.

## 10. INVESTOR SERVICES

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

Mr. Rohan Raut (Compliance Officer)  
PhillipCapital (India) Pvt. Ltd.  
No. 1, 18<sup>th</sup> Floor, Urmi Estate, 95,  
Ganpatrao Kadam Marg, Lower Parel (West),  
Mumbai – 400013  
Tel: +91 2224831919  
Email: [customeraffairs@phillipcapital.in](mailto:customeraffairs@phillipcapital.in)

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and the wherewithal to handle investor complaints

2. Grievance redressal and dispute settlement mechanism.

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations, 2020 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of court in Mumbai only and are governed by Indian laws.

The Compliance Officer will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. The Compliance Officer may also escalate the complaints to the Directors, if necessary.

If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms: -

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit. The award of the arbitrator shall be final and binding on the parties.

Investors may also lodge their complaints on SCORES system by registering through the SCORES facility available on SEBI website. SCORES facilitates the investors to lodge their complaints online with SEBI and subsequently view its status.

If the investors are still not satisfied with the response from Portfolio Manager, the investor can directly initiate dispute resolution through the online Dispute Resolution Portal (ODR) at <https://smartodr.in/login>.

## **11. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER**

The Portfolio Manager offers Discretionary and Non-Discretionary Services, the diversification of the portfolio will be carried out in accordance with the requirements of the client and as per Investment approach selected by the client.

## 12. CLIENT REPRESENTATION

(i) **Details of Client's account active:**

**As on March 31, 2025**

No.	Category of clients	No. of clients	Funds managed (amt in Rs. Lakhs)	Discretionary/ Non Discretionary (if available)
i)	<b>Associates/group companies</b>	1	116.44	Discretionary
ii)	<b>Others:</b>	477	69622.84	Discretionary
	<b>Total</b>	478	69739.3	

(ii) **Disclosure in respect of transactions with related parties as per the standards specified by The Institute of Chartered Accountants of India:**

The Portfolio Manager uses the broking services of PhillipCapital (India) Pvt. Ltd. which is a member of BSE and NSE in equity, equity derivatives and currency derivatives segment. The transaction details with respect to other activities with related parties as per Accounting Standard (AS) 18, 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are as below:

The details given in the table are as per the latest audited financial statements of the Company as on March 31, 2024.

Refer **PMS disclosure annexure** for are the names of related parties and description of relationship:

Refer PMS Disclosure **Annexure 1** the volume of transactions with related parties during the financial year 2023-24 (Audited) and outstanding balances as at the year-end disclosed in aggregate by type of related party: (Rupees In Lacs) - The information is based on audited accounts as on 31<sup>st</sup> March 2024.



### **13. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER**

Refer PMS Disclosure Annexure 2 for financial performance of the portfolio manager

#### 14. PERFORMANCE OF PORTFOLIO MANAGER

	Year ( 2024-2025 )	Year ( 2023-2024 )	Year ( 2022-2023 )
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>Phillip Signature India Portfolio*</b>	0.89	31.18	(6.71)
<b>Benchmark Performance S&amp;P BSE 500</b>	5.21	38.36	(2.26)
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>Phillip Emerging India Portfolio*</b>	1.49	37.97	(2.75)
<b>Benchmark Performance S&amp;P BSE 500</b>	5.21	38.36	(2.26)
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>Phillip Ethical India Portfolio*</b>	0.65	28.25	(5.13)
<b>Benchmark Performance S&amp;P BSE 500</b>	5.21	38.36	(2.26)
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>Phillip Star Portfolio</b>	7.59	38.81	(2.01)
<b>Benchmark Performance % S&amp;P BSE 500</b>	5.21	38.36	(2.26)
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>Phillip Multi Asset Portfolio</b>	-	-	(1.02)
<b>Benchmark Performance% S&amp;P BSE 500</b>	-	-	(2.26)

	<b>Year ( 2024-2025 )</b>	<b>Year ( 2023-2024 )</b>	<b>Year ( 2022-2023 )</b>
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>PACES</b>	4.10	32.52	(6.74)
<b>Benchmark Performance%</b> S&P BSE 500	5.21	38.36	(2.26)
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>Phillip Income Builder Portfolio Growth</b>	13.13	—	—
<b>Benchmark Performance%</b> Crisil Composite Bond Fund Index	8.79	—	—
<b>Portfolio Performance (%)</b> , Net of all fees and Charges levied by the Portfolio Manager – <b>Phillip Income Builder Portfolio Regular Income</b>	13.33	—	—
<b>Benchmark Performance%</b> Crisil Composite Bond Fund Index	8.79	—	—

\* The information provided above with respect to Performance of the Portfolio Manager is not verified by SEBI.

## **15. AUDIT OBSERVATIONS**

There are no observations for the preceding 3 years from the Statutory Auditors

## **16. DETAILS OF INVESTMENTS IN THE SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER**

Client's funds not invested in the securities of its related parties or associates.

**17. DISCLOSURES IN RESPECT OF TRANSACTIONS WITH OTHER DIVISIONS OF THE COMPANY PERTAINING TO PORTFOLIO MANAGEMENT SERVICES:**

- a. The portfolio manager is registered with Securities and Exchange Board of India for providing various services namely:
  - Securities trading as a member of Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Depository services as a member of National Securities Depositories Services Limited (NSDL) and Central Depository Services Limited (CDSL).
  - Distributor of Mutual Fund schemes and other financial products.
  - Portfolio Management as a Portfolio Manager registered under the SEBI (Portfolio Managers) Regulations 2020. The Portfolio Management division of PhillipCapital (India) Pvt. Ltd. avails the aforesaid services for consideration, in managing the Portfolio of the Clients.
- b. The Portfolio Manager is involved in proprietary trading and may have investments in securities which have been recommended to clients. All portfolio management transactions will be carried out in accordance with the Company's Code of Conduct.
- c. The Portfolio Manager intends to use the brokerage services of PhillipCapital and other Stock Brokers to execute and clear the trades for the Portfolio Manager.

## **18. PREVENTION OF MONEY LAUNDERING & KNOW YOUR CUSTOMER (KYC) REQUIREMENTS:**

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Director, FIU-IND and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that all registered intermediaries to formulate and implement a comprehensive policy framework on Anti money Laundering and adopt 'Know Your Customer' (KYC) norms. Further, SEBI vide Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 (which supersedes all the earlier circular) issued a 'Master Circular for Anti Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002' consolidating all the requirements/instructions/obligations of Securities Market Intermediaries. SEBI has also issued guidelines on July 4, 2018 on AML standards and CFT obligations of securities market intermediaries.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti money laundering laws and regulations in all of its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client doesn't comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account / rejection or refund of the application etc. due to non-Compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

Investors are requested to note that KYC is mandatory for all investors. SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011 and CIR/MIRSD/ 11 /2012 dated September 5, 2012 has mandated that the uniform KYC form and supporting documents shall be used by all SEBI registered intermediaries in respect of all new clients from January 1, 2012. Further, SEBI vide circular no. MIRSD/Cir-23/2011 dated December 2, 2011, has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets. Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

## 19. GENERAL

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

For PhillipCapital (India) Pvt. Ltd.



**Nihit Parikh**

**Director**

**Place: Mumbai**



**Kalpesh Vora**

**Director**

**Place: Mumbai**





**PhillipCapital (India) Pvt. Ltd.**

No 1, 18 Floor, Urmi Estate, 95, Ganpatrao Kadam Marg,  
Lower Parel, Mumbai -400 013 India  
Tel.: +91 22 2483 1919 / 2300 2999 Fax: +91 22 2300 2969 www.phillipcapital.in  
CIN : U92403MH1999PTC123359

**FORM C**

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

[Regulation 22]

**PhillipCapital (India) Private Limited**

**No. 1, 18<sup>th</sup> Floor, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai – 400013**


**Tel. No. 022-24831919 Fax: 022-24942056**

**Email: customeraffairs@phillipcapital.in**

We confirm that,

- i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager.
- iii) the Disclosure Document has been duly certified by an independent chartered accountant (Indicate name, address, phone number and registration number of the chartered accountant) on (date).

Approved By,

Sr. No	Name of the Principal officer	Address of the Principal officer	Signature
1	Mr. Nishit Shah	No. 1, 18th Floor, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai – 400013	

Date: 1<sup>st</sup> October 2025  
Place: Mumbai



Date: October 01, 2025

To,

PhillipCapital (India) Pvt. Ltd.No.1, 18th floor,  
Urmi Estate, 95, Ganpatrao Kadam Marg,  
Lower Parel (West), Mumbai – 400013.

**Subject: Certificate of Disclosure Document for Portfolio Management Services.**

Dear Sir/Madam,

As per your request, we have reviewed the enclosed Disclosure Document for Portfolio Management Services rendered by you, with details updated up to October 01, 2025.

On the basis of verification of particulars given in the Disclosure Document and other relevant records and the information and explanation given and the documents produced before us, we certify that the disclosures made in Disclosure Document dated October 01, 2025 are in conformity with the requirement of SEBI (Portfolio Managers) Regulations 2020 and that the information contained therein is true, fair and adequate to enable the investors to make a well-informed decision.

Thanking you,  
Sincerely

**For R L Agrawal and Associates**  
**Chartered Accountants.**

**CA Raj Agrawal**  
**(Partner)**

Membership No.: **1154952**

Firm Registration No.: **0136371W**

UDIN: **25154952BMITLR6993**