

Portfolio Management Services Disclosure Document

INVESTORS SHOULD NOTE THAT:

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

This Disclosure Document sets forth concisely the essential information that a prospective investor ought to know about portfolio management services, to assist and enable the prospective investor before engaging a portfolio manager. Prospective investors should carefully read the Disclosure Document before making a decision of appointing a Portfolio Manager.

The particulars of this Disclosure Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and as amended till date.

No person has been authorized to give any information or to make any representations not set out in this Disclosure Document, in connection with this Disclosure Document, and any information or representations not contained herein must not be relied upon as having been authorized by Prabhudas Lilladher Private Limited.

The following are the Details of the Portfolio Manager

Name of the Portfolio Manager	PRABHUDAS LILLADHER PVT. LTD.
SEBI Registration Number	INP000001231 Dated June 27, 2005
Registered Office Address	3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai - 400018
Phone	022 66322353 / 66322355 / 66322358
Fax No.	022 66322229
Website	www.plindia.com
Email	pmsdesk@plindia.com

The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Name of the Principal Officer	Mr. Nupur Patel
Registered Office Address	3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai - 400018
Phone	022-6632 2350
Email	nupurpatel@plindia.com

Please retain this Disclosure Document for future reference.

This Disclosure Document is dated 31st March 2022, the financial details are effective dated 31st March, 2021 and was certified by Auditor and approved by the Board of Directors of Prabhudas Lilladher Private Limited on 20th May, 2022.

INDEX

SR. NO.	CONTENTS	PAGE NO.
1	DISCLAIMER	3
2	DEFINITIONS AND INTERPRETIONS	3-4
3	DESCRIPTION	4
3.1	HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER	4-5
3.2	PROMOTERS AND DIRECTORS OF THE PORTFOLIO AND THEIR BACKGROUND IN BRIEF	5-6
3.3	TOP GROUP COMPANIES/FIRMS OF THE PORTFOLIO MANAGER ON TURNOVER BASIS	6
4	PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC.	6-7
5	SERVICES OFFERED	7-8
6	INVESTMENT STRATEGIES OFFERED	8-14
7	RISK FACTORS	15
8	CATEGORIES OF CLIENTS SERVICED	16
9	PERFORMANCE OF STRATEGY OF THE PORTFOLIO MANAGER	16
10	DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES	17-18
11	FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER	19
12	TRANSACTIONS WITH CONFLICT OF INTEREST	19
13	GROUP COMPANIES TRANSACTIONS WITH CONFLICT OF INTEREST	19
14	AUDIT OBSERVATIONS	19
15	SIZE OF THE PORTFOLIO	19
16	DIRECT ONBOARDING OF CLIENT ACCOUNT	19
17	LIST OF THIRD PARTY SERVICES AVAILED	19
18	NATURE OF THE COSTS AND EXPENSES FOR CLIENTS	19-20
19	INDEMNITY AND LIEN	20
20	TAX IMPLICATIONS FOR CLIENTS	20
21	ACCOUNTING POLICIES/ VALUATIONS	20-22
22	SECRECY	22-23
23	INVESTOR SERVICES	23-24
24	GENERAL	24
25	FORM C	25

PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT

1 DISCLAIMER

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 and it has been filed with SEBI. This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. The performance related information is not verified by SEBI.

2 DEFINITIONS AND INTERPRETATIONS

2.1 DEFINITIONS

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

"Act" means the Securities and Exchange Board of India, Act, 1992 (15 of 1992);

"Agreement" means the agreement between the Client and the Portfolio Manager for providing Portfolio Management Services to that Client and stating therein the terms and conditions on which the Portfolio Manager shall provide such services to that Client;

"Client" or "Investor" means any person who registers with the Portfolio Manager for availing the services of portfolio management;

"Depository" means a Depository as defined in section 2(1)(e) of the Depositories Act, 1996 (22 of 1996);

"Depository Account" or "DP Account" means any account of the Client or for the Client with a Depository Participant as per the relevant regulations;

"Depository Participant" means a person registered as a depository participant under sub-section (1A) of section 12 of the Act, and with whom a DP Account will be maintained on behalf of the Client;

"Disclosure Document" means this disclosure document for Portfolio Management Services;

"Discretionary Portfolio Management Services" means Portfolio Management Services where the Portfolio Manager exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities and/or the Funds of the Client, as the case may be;

"Financial year" means the year starting from April 1 of a year and ending on 31st March of the following year;

"Funds" means the moneys placed by the Client with the Portfolio Manager and any accretions thereto;

"Funds managed" means the market value of the Portfolio of the Client as on date;

"Initial Corpus" means the value of the Funds and/or the market value of readily realizable investments brought in by the Client at the time of registering him as a Client with the Portfolio Manager and accepted by the Portfolio Manager;

"Portfolio" means the total holdings including accretions of all investments, securities and Funds belonging to the Client with the Portfolio Manager;

"Portfolio Manager" means Prabhudas Lilladher Private Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai - 400018;

"Portfolio Management Services" means the Discretionary Portfolio Management Services or Investment Advisory Services or Structured Products, as the context may require;

"Principal Officer" means an employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for: -

i. the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and

ii. all other operations of the portfolio manager.

"Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 made by SEBI under the Act;

"Rules" means the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993 made by the Government of India under the Act;

"Strategy" means the current investment Strategy or such other Strategy that may be introduced at any time in the future by the Portfolio Manager;

"SEBI" means the Securities and Exchange Board of India;

"Securities" means

iii. Shares, scrips, stocks, bonds, debentures, debenture stocks or other marketable securities of a like nature in or of any incorporated company or other body corporate;

iv. Derivative;

v. Units or any other instrument issued by any collective investment scheme to the investors in such schemes;

vi. Security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

vii. Government securities;

viii. Such other instruments as may be declared by the Central Government to be securities;

ix. Rights or interest in securities provided that with respect to NRI's, "Securities" means only those securities in which NRIs are permitted to invest under FEMA and the rules and regulations made there under and other statutes, rules and regulations as may be applicable to NRI investments in Indian companies

"Services" means investment in securities, consultancy/management, and may include the responsibility of managing, reviewing and reshuffling the Portfolio, buying and selling or securities, keeping safe custody of securities, monitoring

book closures, dividends, bonus and rights and keeping track of corporate performance and other developments to ensure that all benefits accrue to the Client's Portfolio for an agreed fee structure;

"**Stock Exchange**" means BSE Ltd. or National Stock Exchange of India Ltd. or such other exchange in which the Portfolio Securities are traded;

"**Structured Products**" means the products that the Portfolio Manager may, from time to time launch that are structured towards meeting specific needs of a particular Client and that shall be managed in accordance with the specifications provided by the Portfolio Manager to the Client;

"**Taxes**" means all taxes, cesses, stamp duties, registration fees and all taxes including service tax, turnover tax, securities transaction tax, withholding tax, whether direct or indirect, including any tax to be deducted at source by the Portfolio Manager or any other tax payable on the income earned on the investments made for and on behalf of the Clients by the Portfolio Manager;

The terms that are used but not defined herein shall, unless repugnant to the context or meaning thereof, have the same meanings as are assigned to them under the Act, the Regulations or the Rules.

2.2 INTERPRETATIONS

- a. Reference to any gender includes any other gender;
- b. In this Disclosure Document, the headings are for convenience only and shall not constrain or affect its construction or interpretation in any way whatsoever;
- c. Where a word or phrase is defined, other parts of speech and grammatical of that word or phrase shall have corresponding meanings;
- d. A word importing the singular shall include the plural and vice versa;
- e. A reference to any statute, documents or any provision therein shall be deemed to be reference to it as amended or any replacement or substitution thereof;
- f. If by the terms of this Disclosure Document, any act would be required to be performed on a day which is Public Holiday, that act shall be deemed to have duly performed, if performed on or within the period ending on the immediately Business Day after that day;
- g. Business Day shall refer to the day on which there is no, or has not been declared, public holiday under the Negotiable Instruments Act, 1881, and shall not include Saturdays and Sundays.

3 DESCRIPTION

3.1 HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER - PRABHUDAS LILLADHER PRIVATE LIMITED

Prabhudas Lilladher Private Limited (hereinafter referred to as "PL") is a company incorporated under the Companies Act, 1956. Mr. Prabhudas Lilladher Sheth set up a brokerage business in the year 1944. Integrity and devotion were his seed capital. He built the company around his name and a brand around his company. A name that soon became synonymous with transparency and accountability in the broking business. Integrity and steadfast adherence to its founding principles have enabled PL, to rise to the top ranks of brokerage houses in the country.

PL has been adding value through innovation and has seized every opportunity to phase in new services, new ideas and novel technologies. In 1989 it became the first corporate member of the Bombay Stock Exchange ("BSE"), followed by a membership in National Stock Exchange ("NSE"). It joined the BSE Composite Corporate Members list in 1998 and also became a depository participant of CDSL.

The Portfolio Manager offers a bouquet of services to its Clients and is continuously adding more and more products. It currently offers following services:

- **Fundamental Research** The fundamental research that the Portfolio Manager carries out is an extension of its operating ethos in providing a broader and clearer picture in stock specific as well as industry specific research. With over seven decades of rich experience to fall back on, the Portfolio Manager generates in-depth research reports with unbiased recommendations to enable the Clients to take confident decisions.
- **Technical Research** The Portfolio Manager's technical research team is always on the pulse of the market. Through various indicators, the team gives intra-day, daily and weekly calls to the sales teams to help them advise the clients better.
- **Derivatives Segment** The Portfolio Manager is a corporate member of the Derivatives Segment at BSE, NSE. A team of qualified professionals in the Portfolio Manager's derivatives team takes care of the specific needs of the Clients and helps maximize their returns by applying various strategies devised by the team.
- **Index Basket Trading** The Portfolio Manager also offers Index Basket Trading facility through which an investor can buy the entire basket of shares comprising an index at a time, in the same weights as those in the index. This provides prospective investors with a diversified investment option.
- **Primary Market** The Portfolio Manager commands a key position in the Primary Market segment. It provides advice and recommendations on forthcoming Initial Public Offers issued through the normal and book building routes.
- **Mutual Fund** The Portfolio Manager also offers distribution of products like Public & Private Sector Mutual Fund schemes, Infrastructure & Tax saving bonds, Reserve Bank of India relief bonds and company fixed deposits. It adds value by providing the Client with comparative statements of different schemes along with past dividend history, write up on select mutual fund schemes as well as its recommendations on investments in Mutual Funds.

- **Currency Derivatives** The Portfolio Manager has been registered with SEBI to provide currency derivatives trading at NSE, BSE.
- **Depository Participant of the Central Depository Services (India) Limited ("CDSL")** As a Depository Participant of CDSL the Portfolio Managers services include Dematerialization, Pledge and Rematerialization of securities. It offers the Client savings on account opening, custody and transaction charges. This gives the Client an advantage of dealing within single entity for his/its broking and Depository Participant activities.
- **Depository Participant of the National Securities Depository Limited ("NSDL")** The Portfolio Manager has registered itself with NSDL. However, the Portfolio Manager has yet to commence its activities with NSDL for providing depository services to Clients.

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

Name	Designation, Age (yrs.), Qualification	Experience
Mr. Arun Sheth	Chairman & Director, 73 years, B.Com.	A man with a vision for India. Arun Sheth, the Chairman & Managing Director of Prabhudas Lilladher Pvt. Ltd., believes in an India where the benefit of financial prudence and growth is accessible to all. Passionate about his industry and organization, he thinks ahead of his times. Way back in 1977, he had the vision of building a network of associates and was the first in the industry to open up a branch. He is respected and admired by his peers, competitors, clients and government authorities alike for his adherence to ethical practices. He is a profoundly religious man with guiding principles like integrity and honesty in all walks of life. Under his guidance PL has not only grown in size and offerings but also in stature and respectability with an unblemished record for over seven decades now. Today PL is geared to grow at an accelerated pace not only in India but at a global level.
Mr. Dhiren Sheth	Managing Director, 66 years, B.E. (Electronics)	A pioneer with passion for technology. Dhiren Sheth is an eclectic mind with interests straddling across engineering, technology, finance and customer initiatives. With a BE Hons in electronics, he has a penchant for technological advancements – he has been instrumental in initiating many technological initiatives that have hugely enhanced client interface and experience of PL products and services. In fact, it was under his pioneering influence that PL became the first financial services organization to undergo computerization. In a career spanning over three decades, he has amply demonstrated how technology and systems can ensure smoother, transparent and reliable transactions.
Mr. Dilip Bhat	Joint Managing Director, 61 years, B.Com.; C.A.	Dynamic trendsetter and an expert investor. A Chartered Accountant by qualification, Dilip Bhat is a much respected and sought after thought leader in the Indian financial markets. Being one of the top ranked equity experts in India his views on the market are much in demand and he makes frequent appearances on television to share his views on economy and the markets and contributes to articles in the print media. He has travelled across the globe to analyse and promote business as well as meet the top honchos in these territories. Having done his CA from India's top-notch audit firm, he started his career as a management consultant and then started his capital market experience with JM Financial in 1988. From then to 2000 he took the entrepreneurial route to finally joining PL where he is Joint MD and equal stakeholder with his 3 partners. According to him, Research is the most important differentiator for a company in the financial sector. At Prabhudas Lilladher, he has put together a very capable and agile Equity Research Team. Under his leadership PL's Equity Research has been rated as no. 1 in India for research for Large Cap, Mid Cap and Small Cap by MarketsMojo, an independent website which evaluates all Indian brokers' calls for accuracy with PL having the highest success rates of calls. (90% in Large & Mid Caps and 100% in Small Caps) Also PL's Top Picks have consistently outperformed the major indices. He has also restructured and reformed the PMS Team with the right people in place and due to excellent research inputs and sound funds management, PL's PMS schemes are amongst the top performing in the country. He took over the reins of PL PMS in Aug 2013 at a time when it was lagging and through sustained efforts and a capable team he effected a turnaround in the PMS business. He is of the opinion that for an organisation to succeed it is imperative to have the right team in place. Selecting and nurturing the right talent for the right job is the key to organisational success. According to him, believing in your team

		and delegating to them the requisite power and responsibilities with complete faith and trust is the way to getting results. He stresses the importance of being informed of the happenings in the business world and gaining insights into the inner workings of various industries. He was recently a part of the CNBC TV18 Get Rich summit where he shared his knowledge on business, investment and equities. He was awarded as one of "Asia's Most Admired Business Leaders 2017-18" by Whitepage International in Singapore and chosen as one of "India's 50 Most Admired Leaders - 2018" by ERTC Media.
Mrs. Amisha Vora	Joint Managing Director, 55 Years, B.Com.; C.A.	Respected for her views and determined in her opinions. An Equity expert, Ms. Amisha Vora is a Chartered Accountant with over 27 years of venerable experience in financial services. Zee Business Market Analyst Awards has honoured her with the Editor's Choice Award for "Outstanding Contribution to the Equity Markets". She was also awarded "The 10 Powerful Women -Rising Star" by India Business Today and also conferred as the "Best Sales Person of the Year" by Asiamoney for 3 consecutive years. She is a member of the CII National Committee on Capital Markets for 2015-2016 and was on the Advisory Committee (SME) of National Stock Exchange of India Limited. A frequent opinion maker in the TV and Print media, her views on the markets and investment strategies are sought after by CNBC TV 18, NDTV Profit, Zee Business, ET NOW, Bloomberg TV and The New York Times. Under the leadership and guidance of Ms. Vora & Mr. Bhat, Prabhudas Lilladher Group has grown into a holistic financial services organization. They have added various complementary businesses -promoted PL Capital Market to carry on full-fledged Merchant Banking business, besides promoting PL NBFC to complement the broking business with margin funding and beyond. They have been instrumental in making PL one of the most respected and recognized research houses of India.
Mr. Sandeep Suresh Raichura	Designated Director, 49 Years, B.com, MA & Executive Leadership Program	Experience of 25 years in Capital Market including 1997-1998 : Acumen Securities, Delhi 1998-2010 : Economist Office Murugappa Group and then Business Head Broking, DBS Cholamandalam Securities 2010-2011 : Business Head Broking- Pinc Momey 2013 Onwards : Business Head and Now CEO, Retail and Distribution, Prabhudas Lilladher Pvt. Ltd.

3.3 TOP GROUP COMPANIES/ FIRMS OF THE PORTFOLIO MANAGER ON TURNOVER BASIS

Sr. No.	Company
1	Prabhudas Lilladher Financial Services Pvt. Ltd.
2	Prabhudas Lilladher Advisory Services Pvt. Ltd.
3	PL Capital Markets Pvt. Ltd.
4	PL Distribution Company Pvt. Ltd.
5	PL Commodity Markets Pvt. Ltd.
6	PL Fund Advisors Pvt. Ltd.
7	PL Insurance Broking Services Pvt Ltd

4 PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC. DURING THE PERIOD AS ON 31st Mar, 2022.

There has been no instance of penalty imposed or direction issued or proceeding initiated by SEBI under the Act or Rules or Regulations or by any Regulatory authority against the Portfolio Manager for any economic offence and/or for violation of any securities laws or for any deficiency in the systems and operations of the Portfolio Manager during the period ended Mar 31st, 2022. Except as stated below there are no pending legal proceedings, civil or criminal initiated against the Portfolio Manager or its key personnel by any entity, nor there have been any cases of enquiry/ adjudication proceedings initiated by SEBI against any persons or group entities either directly or indirectly connected with the Portfolio Manager under the Act or Rules on Mar 31st, 2022.

No.	Party	Nature of Dispute
1	Shivam Multimedia Pvt Ltd	Mr. Rajendra Mehta & Others have filed an appeal against the Bombay High Court's Decree dated 2May, 2005 in favor of the Company in which Court made Shivam Multi Services Pvt. Ltd. and its Director Mr. Rajendra Mehta and others Directors personally liable to pay Rs 2.85 cr+ Rs. 0.88 (Interest from 16.03.2001 to 30.11.2001) for trades executed in Cyberspace Infosys Ltd. (NSE Arbitration passed award against

		Shivam Multi Services Pvt. Ltd, but did not lifted corporate veil and did not made its directors personally liable to pay Rs 3.73 cr) The case is still at pre-admission stage.
2	Shekhar Davda	We have filed criminal complaint filed u/s. 138 r/w. s. 142 of the Negotiable Instruments Act, 1881 against Mr. Shekhar Davda in Additional Metropolitan Magistrate, Ballard Pier for the claim of Rs. 11 lakh.
3	Vaishnavi BS	We have filed appeal u/s. 34 of the Arbitration & Conciliation Act, 1991 in Bombay High Court against order to the NSE Arbitral Tribunal in favour of the counter-party for the claim of Rs. 10.92 lakh. The case is still at pre-admission stage.
4	NSE/NSCCL	We have filed Writ Petition filed before the Bombay High Court to compel the performance of a legal obligation in connection with trades wrongfully annulled by the exchange for the sum involved 2.85cr. The case is still at pre-admission stage.
5	K.K. Gadhvi	Execution petition filed before the Mirzapur District Court for execution of Arbitration award in favour of PLPL for the sum involved 23.62 Lakh.
6	Vipul Patel	Execution petition filed before the Ahmedabad Civil Court for execution of Arbitration award in favour of PLPL for the sum involved 4.22 Lakh.
7	Mamta Rani	Civil suit filed at Ludhiana civil court by Mamta Rani who was a sub-broker of PL, pursuant to an Agreement MoU signed . Rs. 1,00,000/- deposited by Mamta Rani as security deposit. As on 18/1/2015 Plaintiff decided to surrender the sub-broker Registration and discontinue business with PL, Mamta Rani claiming Rs. 1,00,000/- i.e. the security deposit as per Agreement.
8	Delhi FIR - Prabhudas Lilladher pvt ltd vs state	FIR was filed by PLPL in 2015 againts its two employees for conducting unauthorised trades. At Moti Nagar Police station.
9	Nasser Investment	Appeal u/s 34 is Filed in Hyderabad City Civil Court for challenging Arbitration Award . The Appeal is dismissed. We intent to Appeal the order in the High Court.
10	State of Gujarat vs PLPL; Dilip Bhatt; Dhiren sheth	Matter going on at Ahemadabad Labour court under Minimum Wages Act.
11	State of Gujarat vs Prabhudas Lilladher Pvt Ltd, Sandip Raichura	Filed by Mehul Patel, Matter going on Ahemadabad Labour Court under Minimum Wages Act.
12	Mehul Savijibhai Patel Vs Prabhudas Lilladher Pvt Ltd.Namitha Kalmady and Sandeep Raichura	Filed by Mehul Patel, Matter going on at Ahemadabad Labour Court under Industrial Dispute Act.
13	Mehulbhai S Patel V/s Prabhudas Lilladher Pvt Ltd	Matter going on at Ahemadabad Labour Court under Industrial Dispute Act.
14	Ravi Sharma	Execution petition filed before the Ghaziabad District Court for execution of Arbitration award in favour of PLPL for the sum involved 2.81 Lakh.

SEBI or any other regulatory authority has not observed major deficiency in the systems and operations of the Portfolio Manager.

5 SERVICES OFFERED

5.1 Discretionary Services:

Under these services, the choice as well as the timings of the investment decision rest solely with the Portfolio Manager in consultation with the investment committee. The Portfolio Manager shall have the sole and the absolute discretion to invest in respect of the Client's account in any type of security as per the agreement and make such changes in the investments and invest some or all of the Client's account in such a manner and in such a market at it deems fit. However, the final decision rests with the Portfolio Manager. The securities invested/disinvested by the Portfolio Manager for the Clients in the same Strategy may differ from Client to Client. The Portfolio Manager's decision taken in good faith in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of Portfolio Manager shall be exercised strictly in accordance with the relevant acts, Rules, and Regulations, guidelines and notification in force from time to time.

The Portfolio Manager shall not invest the funds of the Client in the units of schemes of mutual fund, which may be sponsored by Portfolio Manager and other short-term products, if any, of other group Companies.

Based on the Client's profile, overall investment objective and other relevant factors, the Portfolio of the Clients are at present managed under one or more of the following Investment Strategies:

- Multi Strategy
- EDGE 200 Strategy
- Rising Star Strategy
- Specialise Strategy
- Tactical Alpha Portfolio Strategy
- Multi Asset Dynamic Portfolio

5.2 Non-Discretionary Services:

Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client. Under this service, the Assets will be managed as per express prior instructions issued by the Client from time to time. The Client will have complete discretion to decide on the investment (Stock Quantity and Price or amount). The Portfolio Manager inter alia manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

5.3 Advisory Services:

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Clients and agreed upon in the Client agreement. The Portfolio Manager will render the best possible advice to the client having regard to the client's needs and the environment, and his own professional skills. The same can be binding or non-binding in nature or in such terms as mentioned in the Client agreement. For such services, the Portfolio Manager charges the Client a fee for services rendered mentioned in the Client agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry / exit timing, execution and settlement are solely the Client's responsibility.

6 INVESTMENT STRATEGIES OFFERED

6.1 Multi Strategy:

i. Fund Manager : Mr. Siddharth Vora

ii. Investment Objective

The strategy aims to generate steady returns in varying market conditions in the long run. The portfolio aims to provide capital appreciation by investing primarily in listed equity instruments. The strategy will invest in companies across the market capitalization spectrum.

iii. Description of types of securities

Listed equities, ETFs, Equity Derivatives & Mutual Funds

iv. Basis of selection of such types of securities as part of the investment approach

Focused portfolio investing in well researched companies across the market capitalization spectrum following a combination of top down and bottom up approach. The portfolio will comprise of around 15 to 20 high quality companies which have strong management, attractive business models & strong balance sheet.

v. Allocation of portfolio across types of securities

Ideally strategy will invest in 15 to 20 stocks; however some time depending on market number of securities can go up to 25. At the time of purchase the maximum exposure to a single stock will be upto 15%.

vi. Benchmark to compare performance

NIFTY 500

vii. Basis for choice of benchmark

Since this strategy aims to invest in companies across market cap the benchmark is NSE 500

viii. Indicative tenure or investment horizon

The objective of the strategy is to create wealth from long term investing thus investment time horizon should be 5 years and above.

ix. Risks associated with the investment approach:

Multi strategy primarily invests in listed equities across market cap i.e. large cap, mid cap and small cap. Strategy may invest substantially in equity and equity related securities. The risks associated with such strategy are likely higher than a well-diversified equity investment/fund. As the strategy will be invested in a limited number of stocks, since strategy follows a concentration stock strategy, in case the chosen stock does not perform, it could adversely impact the returns of the strategy. Consequently, the value of investment may be affected. Equity securities and equity related securities are volatile and proven to price fluctuations. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. Settlement period may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchase due to settlement problems could cause the portfolio miss certain investment opportunities. Similarly, the inability to sell securities, held in the strategies portfolio may result, at times, in potential losses to the strategy, should there be a subsequent decline in the value of securities held in the strategies portfolio. Investments in equity and equity related securities involve a degree of risk and investors should not invest in the strategy unless they can afford to take the risk of losing their investment.

6.2 EDGE 200 Strategy:

i. Fund Manager : Mr. Siddharth Vora

ii. Investment Objective

The strategy aims to generate steady returns in varying market conditions in the long run. The portfolio aims to provide capital appreciation by investing primarily in listed equity instruments. The strategy will invest in companies from Nifty 200 Universe.

iii. Description of types of securities

Listed equities, ETFs, Equity Derivatives & Mutual Funds

iv. Basis of selection of such types of securities as part of the investment approach

Focused portfolio investing in companies from Nifty 200 Universe comprising of large cap and mid cap stocks following a combination of top down and bottom up approach. The portfolio will invest in dominant companies selected on the basis of our proprietary EDGE framework.

v. Allocation of portfolio across types of securities

Ideally strategy will invest in large & mid cap companies. At the time of purchase the maximum exposure to a single stock will be upto 15%.

vi. Benchmark to compare performance

NIFTY 200

vii. Basis for choice of benchmark

Since this strategy aims to invest in companies from Nifty 200 Universe comprising of large cap and mid cap stocks, the benchmark is NIFTY 200

viii. Indicative tenure or investment horizon

The objective of the strategy is to create wealth from long term investing thus investment time horizon should be 5 years and above.

ix. Risks associated with the investment approach:

EDGE 200 strategy primarily invests in listed equities from Nifty 200 Universe comprising of large cap and mid cap stocks. Strategy may invest substantially in equity and equity related securities. The risks associated with such strategy are likely higher than a well-diversified equity investment/fund. As the strategy will be invested in a limited number of stocks, since strategy follows a concentration stock strategy, in case the chosen stock does not perform, it could adversely impact the returns of the strategy. Consequently, the value of investment may be affected. Equity securities and equity related securities are volatile and proven to price fluctuations. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. Settlement period may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchase due to settlement problems could cause the portfolio miss certain investment opportunities. Similarly, the inability to sell securities, held in the strategies portfolio may result, at times, in potential losses to the strategy, should there be a subsequent decline in the value of securities held in the strategies portfolio. Investments in equity and equity related securities involve a degree of risk and investors should not invest in the strategy unless they can afford to take the risk of losing their investment.

6.3 Rising Star Strategy:

i. Fund Manager : Mr. Siddharth Vora

ii. Investment Objective:

Focus is on investing in rewarding yet challenging universe of companies broadly in mid-cap and small-cap space which have superior earnings growth potential with emphasis on good earnings quality available at reasonable valuations.

iii. Description of types of securities

Listed equities, ETFs, Equity Derivatives & Mutual Funds

iv. Basis of selection of such types of securities as part of the investment approach

Bottom up stock selection with portfolio construct that is sector agnostic in the mid and small space. Investment is done in companies broadly in mid-cap and small-cap space. The portfolio will aim to identify companies that are likely to have superior earnings growth improvement in return ratios and strong market position availed at reasonable valuation.

v. Allocation of portfolio across types of securities

Ideally strategy will invest in 15 to 20 stocks; however some time depending on market number of securities can go up to 25. At the time of purchase the maximum exposure to a single stock will be upto 15%.

- vi. Benchmark to compare performance**
BSE SMALL CAP
- vii. Basis for choice of benchmark**
Since strategy aims to invest in companies from small and midcap segment hence strategy will be benchmarked against BSE Small Cap Index.
- viii. Indicative tenure or investment horizon**
The objective of the strategy is to create wealth from long term investing thus investment time horizon should be 5 years and above.
- ix. Risks associated with the investment approach:**
Rising star strategy invests in listed equities, primarily invests in mid and small cap companies which are generally proven to market volatility and price fluctuation. So rising star strategy is higher on risk spectrum. Strategy may invest substantially in equity and equity related securities. The risks associated with such strategy are likely higher than a well-diversified equity investment/fund. As the strategy will be invested in a limited number of stocks, since strategy follows a concentration stock strategy, in case the chosen stock does not perform, it could adversely impact the returns of the strategy. Consequently, the value of investment may be affected. Equity securities and equity related securities are volatile and proven to price fluctuations. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. Settlement period may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchase due to settlement problems could cause the portfolio miss certain investment opportunities. Similarly, the inability to sell securities, held in the strategies portfolio may result, at times, in potential losses to the strategy, should there be a subsequent decline in the value of securities held in the strategies portfolio. Investments in equity and equity related securities involve a degree of risk and investors should not invest in the strategy unless they can afford to take the risk of losing their investment.

6.4 Specialise Strategy

- i. Fund Manager : Mr. Siddharth Vora**
- ii. Investment Objective:**
Specialise strategy is designed to meet the specific investment requirement of investors based on risk and investment profile of the investor.
- iii. Description of types of securities and Benchmark**
Listed equities, ETFs, Equity Derivatives & Mutual Funds – Nifty 500
- iv. Basis of selection of such types of securities as part of the investment approach**
The portfolio would be diversified across one or all asset classes such as equities, ETF and Mutual Funds or any other asset class which portfolio manager may feel appropriate for investing.
- v. Allocation of portfolio across types of securities**
Ideally strategy will invest in 15 to 20 stocks; however some time depending on market number of securities can go up to 25. At the time of purchase the maximum exposure to a single stock will be upto 15%.
- vi. Benchmark to compare performance**
NIFTY 500
- vii. Basis for choice of benchmark**
Since this strategy aims to invest in companies across market cap the benchmark is NSE 500
- viii. Indicative tenure or investment horizon**
The objective of the strategy is to create wealth from long term investing thus investment time horizon should be 5 years and above.
- ix. Risks associated with the investment approach:**
The nature of strategy is to invest as per specific requirement of the investor risk associated may vary as per the construct of the portfolio. Strategy may invest substantially in equity and equity related securities. The risks associated with such strategy are likely higher than a well-diversified equity investment/fund. As the strategy will be invested in a limited number of stocks, since strategy follows a concentration stock strategy, in case the chosen stock does not perform, it could adversely impact the returns of the strategy. Consequently, the value of investment may be affected. Equity securities and equity related securities are volatile and proven to price fluctuations. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. Settlement period may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchase due to settlement problems could cause the portfolio miss

certain investment opportunities. Similarly, the inability to sell securities, held in the strategies portfolio may result, at times, in potential losses to the strategy, should there be a subsequent decline in the value of securities held in the strategies portfolio. Investments in equity and equity related securities involve a degree of risk and investors should not invest in the strategy unless they can afford to take the risk of losing their investment.

6.5 Tactical Alpha Portfolio Strategy

i. Fund Manager : Mr. Siddharth Vora

ii. Investment Objective:

Tactical Alpha Portfolio Strategy (TAPS) aims to generate sustainable and superior relative returns across market cycles by investing in companies from the Nifty 500 universe to capture tactical opportunities in stocks and sectors.

iii. Description of types of securities and Benchmark

Listed equities, ETFs, Derivatives

iv. Basis of selection of such types of securities as part of the investment approach

The portfolio will comprise of companies selected by blending Fundamental, Technical and Quantitative analysis. Fundamental analysis helps us vet stocks in terms of Dominance, Outlook, Edge and Safety to ensure portfolio construction comprises of companies with sound fundamentals. Technical analysis helps us identify favorable entry and exit points using reversals and breakouts to optimize risk-reward. Quantitative analysis helps identifying stocks and sectors with favorable relative value and relative momentum.

v. Allocation of portfolio across types of securities

The strategy will invest in stocks and ETFs. At the time of purchase, the maximum exposure to a single script will not exceed 10%. Derivatives could be used for hedging purposes.

vi. Benchmark to compare performance

NIFTY 500

vii. Basis for choice of benchmark

Strategy aims to invest in direct equities which fall in Nifty 500 universe.

viii. Indicative tenure or investment horizon

The objective of the strategy is to generate sustainable and superior relative returns across market cycles by exploiting near term tactical investing opportunities in domestic equities, by using an active portfolio approach of sector and stock rotation. The investment time horizon should be 3 years and above.

ix. Risks associated with the investment approach:

Strategy may invest substantially in equity and equity related securities. The risks associated with such strategy are likely higher than a well-diversified equity investment/fund. As the strategy will be invested in a limited number of stocks, since strategy follows a concentration stock strategy, in case the chosen stock does not perform, it could adversely impact the returns of the strategy. Consequently, the value of investment may be affected. Equity securities and equity related securities are volatile and proven to price fluctuations. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. Settlement period may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchase due to settlement problems could cause the portfolio miss certain investment opportunities. Similarly, the inability to sell securities, held in the strategies portfolio may result, at times, in potential losses to the strategy, should there be a subsequent decline in the value of securities held in the strategies portfolio. Investments in equity and equity related securities involve a degree of risk and investors should not invest in the strategy unless they can afford to take the risk of losing their investment.

6.6 Multi Asset Dynamic Portfolio Strategy (MADP)

i. Fund Manager : Mr. Siddharth Vora

ii. Investment Objective:

The investment objective is to generate consistent long term capital appreciation and managing associated risks by investing in a diversified multi asset portfolio comprising of domestic equity, international equity listed on Indian exchanges and ETFs, Index funds and mutual Funds of domestic largecaps, midcaps and small caps, international equities, gold, commodities, debt instruments.

iii. Investment Strategy:

MADP is a dynamic and tactical asset allocation strategy driven by our proprietary quant models and indicators. The models enable switching between domestic equities, international equities, gold, corporate bonds, gilt and liquid funds as per signals generated by our automated proprietary quantitative and fundamental models. The strategy invests via taking exposure domestic equity, international equity listed on Indian exchanges and ETFs,

Index funds and mutual Funds of domestic large caps, midcaps, small caps, international equities, gold, commodities, debt instruments.

iv. Basis of allocation in different index funds:

We use our proprietary quantitative models and meters to create a portfolio comprising of asset classes, dynamically rebalanced for tactical asset allocation. The aim of the strategy is to generate consistent returns over the long term horizon with low volatility. Portfolio manager can change or add meters on discretion to improvise models.

v. Benchmark to Compare Performance

Crisil Hybrid 50:50 Moderate Index

vi. Basis for choice of benchmark

CRISIL is a well-known name in credit rating and benchmark indices creation and its indices are adopted by asset management companies as benchmarks. We have decided to use CRISIL Hybrid 50:50 Moderate benchmark index as it is widely used as a benchmark for multi asset and balanced funds across industry.

vii. Indicative tenure or investment horizon

Long Term Investment horizon to cover a significant part of any market or economic cycle, minimum investment horizon should be 3 years and staying invested upto 5-7-10 year.

viii. Type of Scheme:

An open ended scheme investing in domestic equity, international equity listed on Indian exchanges and ETFs, Index funds and mutual Funds of domestic large caps, midcaps, small caps, international equities, gold, commodities, debt instruments.

ix. List of Index/Mutual funds and ETFs chosen for investment:

The allocation of funds will be done domestic equity, international equity listed on Indian exchanges and ETFs, Index funds and mutual Funds of domestic large caps, midcaps, small caps, international equities, gold, commodities, corporate bonds, gilt, liquid instruments. Index funds and ETFs, chosen on the basis of parameters such as liquidity, expense ratio, exit load, AUM etc. The index funds/ mutual funds or ETFs chosen can be changed based on funds manager's discretion and under other conditions such as discontinuation of an Index fund/mutual fund.

x. Risks associated with the investment approach:

TECHNOLOGICAL RISK

- a. Model Risk: The weights allocated to different asset classes are based on the model and the underlying indicators. This entails the risk of the underlying model or indicators going wrong. The model has been designed on the basis of rigorous back-testing and research of fundamental investment principals and tenets of quant based investing. There is no guarantee that the model will generate higher returns as compared to the benchmark.
- b. High Churn: The strategy is designed in such a way that the weight rotation is triggered only when three or more asset classes are pointing to a change in allocation of more than 10%. This requirement results in a trigger generation only in case of tectonic shifts in the weight, often leading to the weight rotation of as much as of 70% that results in high churn.
- c. Server Risk and Cloud Risk: For safety and security purpose data is stored on cloud or internal server of PL all technological risk relating to server and cloud will remain in this strategy.
- d. Data Risk: We procure the data from outside vendors and therefore risk always hold about efficacy.

DEBT RISK

- a. Credit Risk & Market Risk: Fixed income securities (debt and money market securities) are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. Different types of securities in which the Schemes would invest as given in the SID carry different levels of credit risk. Accordingly the Schemes' risk may increase or decrease depending upon their investment patterns. E.g. corporate bonds carry a higher amount of risk than Government securities. Further, even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.
- b. Term Structure of Interest Rates (TSIR) Risk: The NAV of the Scheme's Units, to the extent that the Scheme is invested in fixed income securities, will be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.
- c. Rating Migration Risk: Fixed income securities are exposed to rating migration risk, which could impact the price on account of change in the credit rating. For example: One notch downgrade of a AAA rated issuer to AA+ will have an adverse impact on the price of the security and vice-versa for an upgrade of a AA+ issuer.

- d. Risk associated with investments in repo of corporate debt securities: In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. The Scheme may invest in repo of corporate debt securities which are subject to the below risks. The Scheme may also invest in tri-party repo as per prescribed guidelines of RBI and SEBI
- e. Risk from zero coupon securities: As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The Scheme may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio
- f. Risk associated with investments in repo of corporate debt securities: The Investment Manager will endeavor to manage counterparty risk in corporate debt repos by dealing only with counterparties having strong credit profiles or through tri-party corporate repos done on the exchange platforms. The collateral risk is mitigated by restricting participation in repo transactions only in AA and above rated money market and corporate debt securities, where potential for downgrade/default is low. In addition, appropriate haircuts are applied on the market value of the underlying securities to adjust for the illiquidity and interest rate risk on the underlying instrument.
- g. Interest rate risk: Fixed income securities are more susceptible to fluctuations in interest rates. In general, rising interest rates have a negative impact and sinking rates have a positive effect on their market values. The longer the tenor of a fixed income security, the more sensitive it is to interest rate changes.
- h. Events adjustment risk: Depending on the terms of the specific fixed income security (set out in the offering documents), the issuer or calculation agent (where applicable) may have certain rights to exercise its own discretion to make adjustments to the terms of the fixed income security where it determines that certain adjustment or extraordinary events have occurred (e.g. market disruption, trading suspension, regulation in the relevant industries, insolvency, changes in taxation law and other economic, political or social conditions) and the exercise of such rights may have an unforeseen adverse impact on the payments that you receive in relation to the fixed income security.

FOREIGN INVESTMENTS RISK

- a. Convertibility and Transferability Risk: In the event capital and exchange controls are imposed by the government authorities, it would prevent Foreign Investors' ability to convert INR into home currency and/or transfer funds outside India. The convertibility and transferability of INR proceeds into home currency is the responsibility of the Foreign Investors.
- b. Risks associated with Overseas Investments Subject: To necessary approvals, in terms of all applicable guidelines issued by SEBI and RBI from time to time and within the investment objectives of the Schemes, the Schemes may invest in overseas markets and securities which carry a risk on account of fluctuations in the foreign exchange rates, nature of securities market of the country concerned, repatriation of capital due to exchange controls and political circumstances.
- c. Foreign investment risk: The risk of loss when investing in foreign countries. When you buy foreign investments, for example, the shares of companies in the US, you face risks that do not exist in India.
- d. Foreign Currency Risk: The Scheme is denominated in Indian Rupees (INR) which is different from the home currency for Foreign Investors in the mutual fund Units. The INR value of investments when translated into home currency by Foreign Investors could be lower because of the currency movements. The AMC does not manage currency risk for foreign investors and it is the sole responsibility of the Foreign Investors to manage or reduce currency risk on their own. The Sponsor/Fund/Trustees/AMC are not liable for any loss to Foreign Investors arising from such changes in exchange rates.

COMMODITY INVESTMENT RISK

- a. Speculative nature of investment and high price volatility: The market for and trading in commodities is speculative and is highly volatile. Prices for commodities are affected by a variety of factors, including changes in supply and demand relationships, governmental programs and policies, national and international political and economic events, wars and acts of terror, changes in interest and exchange rates, trading activities in commodities and related contracts, weather and agricultural harvest, trade, fiscal, monetary and exchange control policies. The price volatility of each commodity also affects the value of the futures and forward contracts related to that commodity and therefore its price at any such time. The volatility of commodity prices is significant and often higher than for equity portfolios. The commodities markets are in most cases less liquid as compared to the markets of equity, interest or currency-related products. Due to market movements, you may suffer a substantial or even a total loss of your investment.

RISK IN INVESTING IN ETFs

- a. **Tracking Error:** Although rarely considered by the average investor, tracking errors can have an unexpected material effect on an investor's returns. It is important to investigate this aspect of any ETF index fund before investing. The goal of an ETF index fund is to track a specific market index, often referred to as the fund's target index. The difference between the returns of the index fund and the target index is known as a fund's tracking error. Most of the time, the tracking error of an index fund is small, perhaps only a few tenths of one percent. However, a variety of factors can sometimes conspire to open a gap of several percentage points between the index fund and its target index. In order to avoid such an unwelcome surprise, index investors should understand how these gaps may develop.
- b. **Termination risk:** An ETF, like any fund, may be terminated early under certain circumstances, for example, where the index is no longer available for benchmarking or if the size of the ETF falls below a pre-determined NAV threshold as set out in the constitutive documents and offering documents. You may suffer further losses if there are any expenses, costs or tax liabilities associated with the termination. For synthetic ETF, the costs associated with the unwinding of the derivatives before maturity may vary depending on prevailing market conditions. Such costs may be significant, particularly during times of high market volatility. Hence, in the event of redemption or if the synthetic ETF is terminated (for example, due to the reason that the fund size becomes too small), the proceeds payable to you may be significantly less than the NAV of the ETF as a result of the cost associate- Risk Disclosure Statement 10/17 end with unwinding of the derivatives before maturity.

CURRENCY RISK:

- a. Where an investment in a financial instrument is denominated in a foreign currency or in a currency which is different from the currency in which you carry on your ordinary business or keep your accounts ("local currency") or
- b. where an underlying investment transaction or reference asset is denominated in a currency which is different from the currency that you invested or transacted in ("original settlement currency"), there is a risk that any exchange rate fluctuations or controls (where applicable) may (i) affect the applicable exchange rate and result in you receiving reduced coupons, cash settlement amounts and/or incurring a loss of principal when converted into your local currency and/or (ii) make it impossible or impracticable for the issuer (as applicable) to pay you in the original settlement currency.

GENERAL RISK

- a. **Market risk:** The value of a financial instrument may fluctuate dramatically due to different market factors including the price or level of any underlying reference asset, level of interest rates, credit quality of the issuer and guarantor (where applicable), foreign exchange rates, volatility, liquidity and tenor remaining on the financial instrument (if relevant). Such financial instrument may depreciate in value as quickly as it may appreciate and can also become valueless. Investing in such financial instrument is as likely to incur losses as it is to make profit. Past performance should not be used as an indicator of future performance.
- b. **Underperformance risk:** This is not a deposit. There is no guarantee from Prabhudas Lilladher or any other party that you will be able to earn returns under any type of investment that will be greater than or at least equal to any potential return you may have earned from a bank deposit or direct investment in any non-structured fixed coupon bond. There is also a risk that you may not receive any returns and may in fact incur losses on your investment.
- c. **Small and medium sized companies:** The prices of securities of small and medium sized companies tend to be more volatile than those of larger sized companies due to the lower prices of their shares, greater sensitivity to changes in economic conditions and higher uncertainty over future growth prospects.
- d. **Changes in investment policy:** The manager of a fund typically has the authority to alter its investment policy within certain parameters (set out in its constitutional document) by amending the fund's prospectus. This could represent a fairly significant change in the nature and risk profile of the fund from the one in which you originally invested.
- e. **Standard Risk Factors:** Investment in mutual fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk, including the possible loss of principal. As the price / value / interest rates of the securities in which the Scheme invest fluctuates, the value of your investment in the Scheme may go up or down. In addition to the factors that affect the value of individual investments in the Scheme, the NAV of the Scheme can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital and money markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in Governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets due to any force majeure causes. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.

7 RISK FACTORS

- a. Investments in Securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments will be achieved. The investments may not be suited to all categories of investors.
- b. The past performance of the Portfolio Manager does not indicate its future performance.
- c. The names of the Strategies do not indicate in any manner their prospect or returns, nor does it guarantee the performance or returns on the Strategy. The performance in the equity Strategies may be adversely affected by the performance of individual companies changes in the market place and industry specific and macro-economic factors.
- d. The investment strategy will be drawn up considering the current and expected market movement and trends. Though all endeavors shall be made by the Portfolio Manager to diversify the risk, the risk of below market performance is not ruled out.
- e. If the Portfolio has a high/lower exposure to any particular sector or company, there is an additional risk due to over/under dependence on one sector/company.
- f. The debt investments and other fixed income Securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlements periods and transfer procedures.
- g. Technology stocks and some of the investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- h. Strategies using derivative/future and options products are affected by risks difference from those associated with stock and bonds. Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and future options. Some of the risk relate to mis-pricing or improper valuation of derivatives and futures and options and inability to correlate the positions with underlying assets, rates and indices.
- i. In the case of stock lending, risks relate to the defaults from counterparties with regard to Securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks. The Portfolio Manager is not responsible or liable for any loss resulting from the operation of the Strategies.
- j. The Client who is an NRI or an FII, shall at all times keep the Portfolio Manager well informed about all the investments made by the Client in India, in each of the companies, and each time when he/it proposes to invest in any company it shall be the responsibility of the Client to ensure that his/its existing investments including investment made by the Portfolio Manager on his/its behalf together with proposed investments in the Issuer/Company, in which investment is proposed, are within the permitted limits, prescribed under FEMA and rules and regulations made there under.
- k. The Portfolio Manager may invest in the shares, units of mutual funds, debt, deposits and other financial instruments of group companies.
- l. Each Portfolio will be exposed to various risks depending on the investment objective, investment strategy and the asset allocation. The investment objective, investment strategy and the asset allocation may differ from Client to Client.
- m. Highly concentrated portfolios with lesser number of stocks generally will be more volatile than a Portfolio with a larger number of stocks. Portfolios with higher allocation to equities, will be subject to higher volatility than Portfolios with low allocation to equities.
- n. Risk arising out of non-diversification, if any. Diversified portfolios (allocated across companies and broad sectors) may be less volatile than non-diversified portfolios

8 CATEGORIES OF CLIENTS SERVICED

Details of Clients serviced by Portfolio Manager for portfolio management upto the date of disclosure document (i.e. 31st March, 2022) are as follows.

PMS Type		Discretionary Clients		Non-Discretionary Clients		Advisory Clients	
Category of Clients		Associates / group companies	Others	Associates / group companies	Others	Associates / group companies	Others
31 st Mar 2022	No. of Clients	4	196	-	-	-	-
	Fund Managed (Rs. Crs)	3.47	160.33	-	-	-	-
31 st Mar 2021	No. of Clients	4	199	-	-	-	-
	Fund Managed (Rs. Crs)	2.76	110.00	-	-	-	-
31 st Mar 2020	No. of Clients	4	271	-	-	-	-
	Fund Managed (Rs. Crs)	1.95	103.72	-	-	-	-
31 st Mar 2019	No. of Clients	5	269	-	-	-	-
	Fund Managed (Rs. Crs)	3.22	134.16	-	-	-	-

9 PERFORMANCE OF STRATEGIES OF THE PORTFOLIO MANAGER

Strategy Name: Multi Strategy (Merged Equigrow Strategy Joining Date: 08/05/2007)		Joining Date: 18/06/2009			
Investment Category - Discretionary Services	Period 01-Apr-21 to 31-Mar-22	Year 1 01-Apr-20 to 31-Mar-21	Year 2 01-Apr-19 to 31-Mar-20	Year 3 01-Apr-18 to 31-Mar-19	Year 4 01-Apr-17 to 31-Mar-18
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager.	22.36	52.44	-22.81	-5.09	16.70
NIFTY 500 Benchmark Performance %	20.96	75.99	-27.53	8.43	11.47

Strategy Name: Rising Star

Joining Date: 20/07/2017

Investment Category - Discretionary Services	Period 01-Apr-21 to 31-Mar-22	Year 1 01-Apr-20 to 31-Mar-21	Year 2 01-Apr-19 to 31-Mar-20	Year 3 01-Apr-18 to 31-Mar-19	Year 4 01-Apr-17 to 31-Mar-18
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager.	42.11	37.99	-34.00	-21.25	7.24
BSE SMALL CAP Benchmark Performance %	36.64	114.90	-35.98	-11.57	6.22

Strategy Name: Specialise Strategy

Joining Date: 18/06/2009

Investment Category - Discretionary Services	Period 01-Apr-21 to 31-Mar-22	Year 1 01-Apr-20 to 31-Mar-21	Year 2 01-Apr-19 to 31-Mar-20	Year 3 01-Apr-18 to 31-Mar-19	Year 4 01-Apr-17 to 31-Mar-18
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager.	23.16	44.56	-00.19	-8.11	16.43
NIFTY 500 Benchmark Performance %	20.96	75.99	-27.53	8.43	11.47

Strategy Name: Multi Asset Dynamic Portfolio (MADP)

Joining Date: 07/06/2021

Investment Category - Discretionary Services	Period 07-Jun-21 to 31-Mar-22	Year 1 01-Apr-20 to 31-Mar-21	Year 2 01-Apr-19 to 31-Mar-20	Year 3 01-Apr-18 to 31-Mar-19	Year 4 01-Apr-17 to 31-Mar-18
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager.	1.39	NA	NA	NA	NA
Crisil Hybrid 50:50 Moderate Index Benchmark Performance %	7.41	NA	NA	NA	NA

Note: The above returns are calculated on the basis of Time Weighted Rate of Return (TWRR unitized) method. These performance records are not verified by SEBI or any other regulatory authority. The above data is only for the discretionary portfolio management services.

10 DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES

Details of Transactions with Related Parties during the half year ended on 31st March, 2021 as per the Accounting Standard 18-Related Party Disclosures:

Prabhudas Lilladher Private Limited

Name of related parties with whom transactions have taken place during the year: 2020-2021

(i) Name of related parties(as identified by the Management)

Relationship	Names of parties
Holding company	Prabhudas Lilladher Advisory Services Private Limited
Subsidiary	Prabhudas Lilladher Securities (Singapore) Pte Ltd Prabhudas Lilladher IFSC Pvt Ltd
Fellow Subsidiaries	Prabhudas Lilladher Financial Services Private Limited PL Capital Markets Private Limited PL Commodity Markets Private Limited PL Fund Advisors Private Limited PL Insurance Broking Private Limited PL Wealth Private Limited (Formerly Known as PL Distribution Company Private Limited)
Key management personnel	Mr. Arun Prabhudas Sheth – Chairman & Director Mr. Dhiren Prabhudas Sheth - Managing Director Mrs. Amisha N Vora - Joint Managing Director Mr. Dilip P Bhat - Joint Managing Director

Relatives of key management personnel

Mihir Arun Sheth	Siddharth N Vora
Krupa A Kapadia	Falguni Shah
Purnima A. Sheth	Monisha S Shah
Kalpana N. Sheth	Shailaja Dalal
Dipali T. Sheth	Urmi P Shah
Lina D. Sheth	Priyank Shah
Ruchi D. Sheth	Jyothi Bhat
Narendra Sheth	Keshub Bhat
Sameer Shah	Janil P Shah
Niraj Vora	

Enterprises owned or significantly influenced by key management personnel

Arun P. Sheth HUF	Majorgainz Online Trading Private Limited
Aupera Financial Services Private Limited	Niraj Vora (HUF)
Bluegold Securities Private Limited	Prabhudas Lilladher Charitable Trust
Brainview Investment & Trading Private Limited	Probity Mercantile Private Limited
Crown Securities Private Limited	Rockstar Securities Services Pvt Ltd
Dhiren P. Sheth HUF	Samya Consulting Private Limited
Dilip P Bhat HUF	Sheth Financial Services Private Limited
Dimensional Properties Private Limited	Sheth Investment & Financial Consultancy Services Private Limited
Facile Engineering Private Limited	Shokin Packaging Private Limited
HNR Finance Priavte Limited	Sonata Securities Private Limited
Jai Aavishkar Securities Private Limited	

Prabhudas Lilladher Private Limited

Significant accounting policies and Notes to the financial statements

Related Party's Transactions for the period ended 31st March 2021

(ii) Transactions carried out with related parties in (i) above, in ordinary course of business:

Nature of transactions	Holding Company		Fellow Subsidiaries		Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises Owned or Significantly Influenced by Management and their Relatives		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Brokerage	-	6,079	53,348	88,769	-	-	282,315	79,660	178,912	90,055	986,512	997,756	1,501,587	1,262,319
Deposit Charges	2,124	110,780	12,731	8,567	-	-	4,491	10,530	13,327	3,971	30,042	8,877	62,715	142,725
Rent received	60,000	60,000	60,000	60,000	-	-	-	-	-	-	-	-	120,000	120,000
Professional Fees	-	-	120,000	1,350,000	-	-	-	-	-	-	-	-	120,000	1,350,000
Expenses:														
Rent paid	21,996,000	15,126,200	-	-	-	-	-	-	-	-	-	-	21,996,000	15,126,200
Interest paid	551,343	2,179,233	279,026	5,135,947	-	-	-	-	-	-	-	-	830,369	7,315,180
Other Expenses:	3,426,961	4,026,528	-	-	-	-	-	-	-	-	-	-	3,426,961	4,026,528
Factoring charges paid	-	-	-	-	-	-	-	-	-	-	1,230,354	1,256,671	1,230,354	1,256,671
Professional Fees Paid	-	-	-	-	-	-	3,600,000	-	-	-	2,469,000	3,120,000	6,069,000	3,120,000
Donation paid	-	-	-	-	-	-	-	-	-	-	513,500	451,000	513,500	451,000
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel	-	-	-	-	-	-	24,068,997	36,060,612	-	-	-	-	24,068,997	36,060,612
Inter corporate deposits taken	65,140,000	147,600,000	11,000,000	51,400,000	-	-	-	-	-	-	-	-	76,140,000	199,000,000
Inter corporate deposits given back	57,890,000	180,700,000	19,650,000	112,550,000	-	-	-	-	-	-	-	-	77,540,000	293,250,000
(iii) Outstanding as on March 31st, 2021 w.r.t to related parties in (i) above:														
Outstandings:														
Inter-corporate deposits taken	72,500,000	-	11,000,000	19,650,000	-	-	-	-	-	-	-	-	83,500,000	19,650,000
Interest on ICD	-	-	46,551	484,545	-	-	-	-	-	-	-	-	46,551	484,545
Payables	-	-	-	-	-	-	851,971	779,742	5,465,288	2,159,040	2,923,276	15,557,328	9,240,505	18,496,110
Other deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	6,382	11,586	236,139	1,692,880	-	-	907,072	694,856	2,289	4,548	11,084,854	39,565,840	12,236,696	41,969,710

11 FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Particulars	Year ended Mar 2021	Year ended Mar 2020	Year ended Mar 2019
Total Income	1,31,92,66,454	98,77,29,610	1,05,56,18,936
Total Expenditure	1,22,53,11,258	1,04,02,08,259	1,00,77,58,218
Profit/ (Loss) before depreciation & tax	9,39,55,196	(5,24,78,649)	4,78,60,718
Less: Depreciation	2,38,91,317	2,58,08,979	1,98,74,959
Provision for tax	3,43,552	-	19,49,000
Deferred Tax Asset	37,76,043	18,90,938	(28,84,066)
Profit/ (Loss) after the year after tax	6,59,44,284	(8,01,78,566)	2,89,20,825

NOTES ON FINANCIALS AS ON 31.03.2021

- Revenue from Operations for FY21 increased 33% YOY from Rs. 98.77 crores to Rs.131.92 crores
- PBT for FY21 before write-offs of sticky debtors, mistake loss etc stood at Rs.13.44 crores
- PBT for FY21 after write-offs and accounting for mistake loss stood at 7.01 crores

12 TRANSACTIONS WITH CONFLICT OF INTEREST

The Portfolio Manager and its employees directly involved in investment operations may trade in securities in their personal account which may result in a conflict with transactions in any of the Client's portfolio. However, to mitigate the said conflict in relation to employees, the Portfolio Manager has implemented the Staff Trading Policy and quarterly undertaking of Conflict of Interest. The employees of the Portfolio Manager are required to abide by the said policy as may be applicable to them. The Portfolio Manager, as a part of treasury management function, may be dealing and investing in various securities including but not limited to equity securities, bonds, units of various categories of Mutual Funds, Money Market Instruments and alternative investment funds etc. Based on said Policy and Quarterly Undertaking the Portfolio Manager shall be managing conflicts of interest in place to achieve and maintain discipline and transparency in all investment activities and to avoid any potential or actual conflict of interests.

13 GROUP COMPANIES TRANSACTIONS WITH CONFLICT OF INTEREST

Each group/associate companies have independent management and transaction, if any are entered into on arm's length basis and all the regulatory requirements pertaining to the same will be adhered. The portfolio manager shall comply with the provisions of the PMS regulations while managing or administering clients' portfolio with services offered by group companies of the portfolio manager.

Prabhudas Lilladher Private Limited has been appointed as a one of the brokers for execution of trades.

Prabhudas Lilladher Private Limited has been appointed as one of the Depository participant.

14 AUDIT OBSERVATIONS

There are no audit observations by Statutory Auditor pertaining to PMS for the preceding three financial years.

15 SIZE OF THE PORTFOLIO

- The Portfolio Manager shall not provide Portfolio Management Services for Portfolio value of less than Rs.50,00,000/- (Rupees Fifty Lakhs only) for its prospective Clients with effect from 21st January, 2020, as prescribed by SEBI vide SEBI press release dated 20 January 2020 and Notification no. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated 13th February, 2020. However, different Strategies may have different Portfolio value under management.
- Subject to the minimum Portfolio value, mentioned in the clause hereinabove, the Portfolio Manager shall be entitled to revise the minimum Portfolio value in respect of which it shall provide Portfolio Management Services to the Clients, and in such a case, the Client shall be required to suitably enhance the portfolio value within such days, as may be mutually agreed between the parties hereto.

16 DIRECT ONBOARDING OF CLIENT ACCOUNT

Client can avail portfolio management services directly from Prabhudas Lilladher Portfolio Managers, all relevant information is available on our website.

17 LIST OF THIRD PARTY SERVICES AVAILED

Prabhudas Lilladher Pvt. Ltd. PMS can availed third party service for providing Depository, Custodian or any other services to Client as required from time to time.

18 NATURE OF COSTS AND EXPENSES FOR CLIENTS

The costs and expenses for Clients availing the Portfolio Management Services are indicative.

a. Management Fees

Management Fees relate to the Portfolio Management Services offered to Clients. The fee may be a percentage of the quantum of funds managed or linked to portfolio returns achieved or a combination of any of these.

- Fixed Fee: This will be charged as a percentage of the quantum of funds managed upto 5% p.a. of the client's portfolio corpus.

ii. Performance based Fee: In the event of profit, this is will be shared up to 50% or other profit sharing ratio or as may be mutually agreed between the Client and Portfolio Manager from time to time. Under no circumstances, the Portfolio Manager will share any loss. Total loss, if any, will have to be borne by the Client only. The fees are payable on quarterly basis or as decided by the Portfolio Manager and the Client.

b. Brokerage and transaction costs

Apart from the Portfolio management fees, Clients will be required to bear other costs like brokerage charges within range of 0.20% to 1.00% of contract value to be charged at actuals and other charges like stamp duty, securities transaction tax, transaction costs etc. at applicable rate on sale/ purchase of Securities. Additionally, Goods & Services Tax @ 18% shall be levied on the above charges except stamp duty and securities transaction tax.

c. Early Exit Termination Fees:

Exit Load charges will be applicable on redemption of amount as per following slabs described below on partial exit of funds or full closure. Exit load will be subject to portfolio manager discretion not exceeding rates mentioned below

- a. Between 0 and 12 months 3% of AUM
- b. Greater than 12 months and upto 24 months 2%
- c. Greater than 24 months and upto 36 months 1%
- d. Greater than 36 Months 0%

d. Custody Charges

These charges are to be paid at actual levied by custodian for maintaining Asset Under Management in Cash and Securities form and acting on the transaction in connection with the operation and management of clients portfolio account and is expected upto 0.50% of AUM. Additionally, Goods & Services Tax @ 18% shall be levied as per regulation.

e. Depository Charges

Every transaction in depository account may apply charges as per fees slab defined along with annual maintenance charges with applicable goods & services tax.

f. Audit Fees

Every client account may apply audit fees charges as defined and mentioned in fees tariff with applicable goods & services tax.

g. Operating Expenses

Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

19 INDEMNITY AND LIEN

- a. An Investor may be required to indemnify and keep indemnified the Portfolio Manager and its officials from and against any charges arising out of payment of stamp duties, registration fees or any taxes, including income tax and other direct taxes and from and against all cost, charges, expenses, damages, losses etc incurred / suffered / sustained by and/or levied on the Portfolio Manager as a result of the Portfolio Manager acting as an agent of the Investor.
- b. The Portfolio Manager shall have a first and paramount lien on the Portfolio and the exclusive right thereon for the purpose of indemnifying as aforesaid and reimbursing all unpaid dues (including, but without limitation, professional fees, transaction charges, taxes, duties, costs and expenses) in connection with the management, operation and administration of Portfolio.

20 TAX IMPLICATIONS FOR CLIENTS

- a. All or any Taxes payable on any transaction entered into or undertaken by the Portfolio Manager on behalf of Investors or with respect to any Securities, whether by way of deduction, withholding, payment or otherwise, shall be fully borne by Investors. Payment of the Taxes shall be the personal responsibility and liability of the Investors. The Portfolio Manager is not required, to discharge any obligation on behalf of any Investor to pay any Taxes payable by such Investor. If, however, the Portfolio Manager to any tax authority on behalf of an Investor pays any Tax, that Investor shall reimburse the Portfolio Manager for the same. The Portfolio Manager shall have an unconditional and irrevocable authority to deduct or appropriate the same from any amount or Securities held by the Portfolio Manager on behalf of the Investor.
- b. Subject to applicable taxation laws, in force from time to time, the Portfolio Manager may at its own accord deduct the required amount of Tax at source while effecting disbursements / payments of amounts interim or otherwise to an Investor.
- c. Prospective Investors are advised to consult their tax practitioners with respect to tax consequences that may be faced by them on account of their participation in any of the Strategies of the Portfolio Manager. The Portfolio Manager shall not be responsible for assisting or completing the fulfillment of the obligations of an Investor. Wherever required by the relevant Act, rules and regulations, tax will be deducted at source by the Portfolio Manager. The obligation of paying Advance Tax installment shall lie on the Investors.

- d. If the Portfolio Manager deals in shares, securities etc. on average basis for its PMS Clients, the Securities Transaction Tax charged by broker in its contract shall be apportioned among its concerned PMS Clients based on transaction value or any other appropriate basis, and will be informed to the concerned PMS Clients along with transaction details/other details. Based on the documents and as per advice of PMS Client's tax advisor, the Client shall claim applicable tax benefit under Income Tax Act, 1961. In case, the Client does not get tax benefit under Income Tax Act, 1961, the tax liability will be entirely borne by the Client only.
- e. The following information is based on the law in force in India at the date hereof. The information set forth below is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. The client should seek advice from his/her/its own professional advisor if he/she/it is in any doubt regarding the taxation consequences of investing in the Products offered under Portfolio Management Services.

f. Income Tax Slabs :

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

Resident Individual & HUF	30%* + surcharge & cess
Partnership Firms & Indian Companies (Other than specified companies below)	30% + surcharge & cess
Indian Companies having turnover less than 400 crores during the financial year 2017-18 (w.e.f 01.04.2019)	25% + surcharge & cess
Non-resident Indians	30% + surcharge & cess
Foreign companies	40% + surcharge & cess

Maximum slab rate is 30%, although generally taxed @ slab Rate for income other than Capital Gain.

Assesses	Rate of surcharge & Cess applicable
Individuals (including NRIs/PIOs), HUFs, Non-Corporate FIs	A surcharge of 10% on income tax if income is above Rs. 50 lakh but below Rs. 1 crore. For income above Rs. 1 crore surcharge shall be 15 % on income tax (on income above 1 crore). Health & Education cess of 4% is payable on the total amount of tax including surcharge.
Companies where the taxable income more than Rs. 1 crores and upto Rs. 10	A surcharge of 7% on income tax and Health & Education cess of 4% is payable on the total amount of tax including surcharge. (A surcharge of 2% in case of foreign companies).
Companies where the taxable income is more than Rs. 10 Crore	A surcharge of 12% on income tax (on income above 10 crores) and Health & Education cess of 4% is payable on the total amount of tax including surcharge. (a surcharge of 5% in case of foreign companies).

g. Dividend Income:

The Dividend received in respect of the shares and units of Mutual Fund held in the Products offered under the Portfolio Management Services are subject to tax in the hands of investor. However, the dividend/income distribution on securities and units received by Products offered under the Portfolio Management Services on will be after distribution tax on the amount of dividend/income distribution declared. The rates of tax on the dividend/ income distribution on units would be as stated in Para f above (# +Surcharge+ Health & Education Cess (4% w.e.f 1.04.2018) as applicable).

h. Long Term Capital Gains Tax

For Individuals, HUF, Partnerships Firm and Indian Companies

From October 1, 2004 in case of listed equity shares and securities and units of equity oriented schemes sold on a recognized stock exchange, which are subject to Securities Transaction Tax (currently 0.001% for units of equity oriented scheme and 0.1% on equity shares) both at time of purchase & sale of Equity shares & the tax on Long Term Capital Gain would be 10% if Capital gain is more than Rs.1Lac with a grandfathering clause. Long term capital gains in respect of other than listed securities or units would be subject to tax at the lower of 20% (plus surcharge and education cess) of the gains computed after cost indexation, or 10% (plus surcharge and education cess) of the gains computed without cost indexation.

i. Short Term Capital Gains Tax

For Resident Individuals, HUF, Partnerships Firm and Indian Companies

Short-term Capital Gains (other than shares or units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax) is added to the total income. Total income including short-term capital gain is chargeable to tax as per the relevant slab rates. However, tax on short term capital gains on sale of shares and units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax, would be @ 15% (plus applicable surcharge and an education cess).

- j. **Losses Under the Head Business Income**
In terms of section 70 read with section 74 of the Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.
- k. **Dividend Income**
According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then capital losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax. The Finance Act, 2020 has abolished DDT and tax dividend income in the hands of shareholders in respect of dividend declared, distributed or paid on or after 1 April 2020 and therefore, in such cases the provisions of section 94(7) would not apply.
- l. **Bonus Income**
Where any person buys or acquires any units of a mutual fund or the Unit Trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional units (without any payment) on the basis of holding of the aforesaid units on the record date, and if such person sells or transfers all or any of the original units within a period of nine months after the record date while continuing to hold all or any of the additional units, then any loss arising to him on account of such purchase and sale of all or any of the units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional units as are held by him on the date of sale or transfer of original units.
- m. **Tax withholding:**
- i. **Resident Investors :**
As per Circular no. 715 dated August 8, 1995 issued by the CBDT in case of resident Unit holders, no tax is required to be deducted at source from capital gains arising at the time of repurchase or redemption of the units.
 - ii. **Foreign Portfolio Investors :**
Under section 196D of the Act, no tax is required to be deducted at source on income way of capital gains earned by a FPI.
 - iii. **Non-resident Investors other than FPI's**
Under Section 195 of the Act, the Mutual Fund is required to deduct tax at source at the rate of 20% /10% (without indexation) on any long-term capital gains arising to non-resident investors from units other than units of an equity oriented scheme. Long term capital gains from equity oriented schemes & listed equity shares are liable to be withhold @10% if the capital gain exceed Rs.1 Lakh during the financial year starting from April 1, 2018 subject to Grandfathering Clause.
In respect to short-term capital gains from units other than units of an equity oriented scheme, tax is required to be deducted at source at the rate of 30% (Assuming Highest tax bracket for investor) if the payee unit holder is a non-resident non-corporate and at the rate of 40% if the payee unit holder is a foreign company. In case of equity oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non-corporate non-resident unit holders. Further, the aforesaid tax to be deducted is required to be increased by surcharge and Health & Education Cess, as applicable. As per circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

21 ACCOUNTING POLICY/ VALUATIONS

PL PMS follow an accounting and reporting system that is consistent with the Global Investment Performance Standards methodology. The important accounting policies are:

- a. **Client Accounts:** All client accounts will be maintained separately on an accrual basis based on market values. Accounting will be trade date based (not settlement data based)
- b. **Income Accrual:** Dividend income shall be recognized on the ex-dividend date. Interest income shall be accrued on due dates. Profit or loss on the sale of investments shall be recognized on trade dates. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
- c. **Recognition:** 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. Purchase/Sale consideration will be calculated by applying the "weighted average cost" method. 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.

- d. **Cost of investments:** The cost of investments acquired or purchased shall include brokerage, stamp charges and any charge 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.
- e. **Portfolio Management Fees:** Portfolio management fees could include a fixed management fee and a variable performance fee. The amount of fixed and variable fees will be as agreed with the client and defined in the Client Agreement. Issues related to the frequency at which fees are charged and how they are calculated will also be as defined in the Client Agreement with each individual client. The fixed management fee will be as agreed in the Client Agreement terms and conditions and is payable quarterly. The performance fees as agreed with the client in the Client Agreement will be based on returns over a hurdle rate as agreed in the Client Agreement, with a high watermark. Performance fees will be charged on performance over the hurdle rate, management fee and any costs of trading charged annually.
- f. **Brokerage:** The client understands that PI PMS shall conduct all securities transactions with its registered brokers or any registered broker at a brokerage/commission in line with market practices between 0.05% and 0.50% of the value of each transaction.
- g. **Other Expenses:** Besides this the client will be liable for custodian fees annual. The custodian fees will be upto 0.50% of the assets under management annually (paid in monthly increments) and fixed rupees or % of each transaction as stated exactly in the Client Agreement. All relevant taxes apply.
- h. **Valuation of Investments:** Investments in Equities, Mutual Funds and Debt instruments will be valued at the closing market prices of BSE or NSE as the case may be, or the Repurchase Net Asset Value declared for the relevant Strategy on the date of the report or any cutoff date or the market value of the debt instrument at the cutoff date. Alternatively, the last available prices on the exchange or the most recent Net Asset Value will be reckoned. In the event of this date being a holiday at the exchange, the rates as on the immediately preceding trading day shall be adopted. If no such quote is available, the security may be considered non-traded. Government securities shall be valued at the prices released by an agency recommended by the AMFI. Unlisted, not traded and all other securities, where a value cannot be ascertained shall be valued as determined in good faith by the Portfolio Manager.
- i. **Aggregation of trades:** In the event of aggregation of purchases or sales for economy of scale inter se, the Portfolio Manager shall do allocation on pro rata basis at weighted average price of the day's transaction. The Portfolio Manager will not keep open position in respect of allocation of sales or purchases in a day.
- j. **Holding cost:** 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. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions. Unrealized gains/losses are the differences, between the current market value/Net Asset Value and the historical cost of the Securities.
- k. **Dividends:** Dividends on shares and units in mutual funds shall be accounted on ex-dividend date, interest, stock lending fees earned etc., shall be accounted on receipt basis. The interest on debt instruments shall be accounted on receipt basis.

The Portfolio Manager can adopt any specific norms or methodology for valuation of investments or accounting the same at its discretion.

22 **SECRECY**

The Client shall not disclose to any person, firm, company or institution whomsoever (except with the authority of the Portfolio Manager or except as required by the law; or unless ordered to do so by a court of competent jurisdiction on any relevant regulatory authority) any information relating to the business, investments, finances or other matters of a confidential nature of the Portfolio Manager of which it may in the course of its duties hereunder or otherwise become possessed and each party shall use all reasonable endeavors to prevent any such disclosure as aforesaid.

23 **INVESTOR SERVICES**

a. **Contact Information**

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

Name	:	Mr. Nupur Patel
Address	:	3rd Floor, Sadhana House, 570 P.B. Marg, Worli, Mumbai - 400018
Telephone	:	022-6632 2350
Email	:	nupurpatel@plindia.com

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

b. **Grievance Redressal and dispute settlement mechanism**

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

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 and subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai only.

c. **Scores**

SCORES is a web based centralized grievance redress system of SEBI (<http://scores.gov.in>). SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website from anywhere. To register a complaint online on SCORES portal, click on "Complaint Registration" under "Investor Corner".

24 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 Portfolio Management Services.

The Portfolio Manager itself is a Share Broker at BSE and NSE however as per new SEBI guidelines Prabhudas Lilladher Private Limited have appointed external trading member and utilizes its broking services only.

The Company is never suspended by the Exchange.

As per recent change in SEBI guidelines we have appointed custodian for managing clients assets under PMS.

This Disclosure Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this Disclosure Document.

This Disclosure Document is dated 31st March 2022, the financial details are effective dated 31st March, 2021 and was certified by Auditor and approved by the Board of Directors of Prabhudas Lilladher Private Limited on 20th May, 2022.

For Prabhudas Lilladher Pvt. Ltd.


Amisha Vora
Joint Managing Director



Date: 20th May, 2022

Place: Mumbai



FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS, 1993
(Regulation 14)

Name of the Portfolio Manager : Prabhudas Lilladher Pvt. Ltd.
Address : 3rd Floor, Sadhana House, 570, P.B. Marg,
Worli, Mumbai - 400018
Telephone No. : 022-6632 2222
Fax No. : 022-6632 2263
Email : nupurpatel@plindia.com

Dear Investor,

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

Name : Aneel Lasod And Associates
Address : 1101-1103, 11th Floor, Corporate Annexe,
Sonawala Lane, Near Udyog Bhawan,
Goregaon (E) , Mumbai-400063.
Name of the CA : Mr. Aneel Lasod
Designation : Partner
Landline Tel : (91 22) 26865408 /26860878
Off Mobile : 8108501019
Firm Registration No. : 124609W
Membership No. : 040117
On date : 26th May 2022
UDIN Registration Number : 22040117AJPXXU4579

A copy of Chartered Accountant's certificate is enclosed here-with.

For Prabhudas Lilladher Pvt. Ltd.



The Principal Officer
[Mr. Nupur Ashok Patel]
3rd Floor, Sadhana House,
570, P. B. Marg, Worli,
Mumbai - 400013.



Date: 26th May, 2022
Place: Mumbai