AXIS SECURITIES LIMITED

PORTFOLIO MANAGEMENT SERVICE

DISCLOSURE DOCUMENT OF PORTFOLIO MANAGER

SEBI REGISTRATION NO.INP000000654

Principal Officer:
Mr. Nishit Master

Registered Office - Axis House, 8th Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai- 400025
Administrative Office.- Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane - Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710

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This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 2020.The purpose of this Disclosure Document is to provide essential information about the Portfolio Management Service (PMS) in a manner to assist and enable the clients in making an informed decision for engaging us as a Portfolio Manager. This Disclosure Document contains the necessary information about the Portfolio Manager required by a client before investing. The client is advised to retain this Disclosure Document for future reference. All the intermediaries involved in the Offering are registered with SEBI as on the date of the Disclosure Document.

TABLE OF CONTENTS

I **Disclaimer**

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulation 2020 and filed with Securities and Exchange Board of India. This document has neither been approved nor disapproved by the Securities and Exchange Board of India nor has the Securities and Exchange Board of India certified the accuracy or adequacy of the contents of the document. This document is for information purposes only and is subject to change without prior notice.

II **Definitions**

(a) **“Act”** means the Securities and Exchange Board of India Act, 2020.

(b) **“Agreement”** means Portfolio Management Service Agreement (PMS) entered into between the Parties and shall include all modifications, alterations, additions or deletions thereto made in writing upon mutual consent of parties thereto.

(c) **“Certificate”** means the Certificate of Registration issued to the Portfolio Manager by SEBI to enable the Portfolio Manager to offer the PMS Services under the PMS Agreement.

(d) **“Client”** means the person who pursuant to the PMS account opening Form with the Portfolio Manager, intends to avail of PMS service offered by the Portfolio Manager.

(e) **“Compliance Officer”** means the officer of the Portfolio Manager coordinating with the regulatory authorities like SEBI, etc. in various matters pertaining to the portfolio management and ensures that the Portfolio Manager complies with all rules, regulations and guidelines etc.

(f) **“Depository”** means the Depository as defined in the Depositories Act, 1996 (22 of 1996) and mentioned in the Agreement.

(g) **“Investor Service Centers”** or “ISCs” means the designated branches of Axis Securities Limited (ASL) or such centers /offices / Franchisees as may be designated by the Portfolio Manager to be the Investor Service Centers or ISCs from time to time.

(h) **“NAV” or “Net Asset Value”** means the net asset value of the Portfolio which is the sum of (a) the value of the Securities in Portfolio of the Client and (b) the cash balance to the credit of the Client less (c) amounts payable by the Client.

(i) **“Non-Discretionary Portfolio Management Service” (NDPMS)** means the offering wherein the Portfolio Manager who under the PMS Agreement offers PMS service and does not exercise any degree of discretion as to the investments or management of portfolio of securities of the funds of the Client and shall solely act on instructions given by the Client. Under this service the Portfolio Manager will provide the Client a comprehensive advisory package designed to help the Client in his investment decisions. Under this service, the Client will handle his funds and take his own investment decisions based on the Portfolio Managers recommendations and proposals in stocks, mutual funds, fixed income instruments, ETF’s and other securities.

(j) “**Discretionary Portfolio Management Service (DPMS)”**means the offering wherein Portfolio Manager who under the PMS Agreement offers DPMS service and exercise its discretion as to the investments or management of portfolio of securities and/or the funds of the Client without any instructions given by the Client.

(k) **“Party” or “Parties”** refers to the Client and/or the Portfolio Manager as the case may be or as the context may require.

(l) **“Portfolio”** means the total holding of Securities and cash balances belonging to the client.

(m) **“Portfolio Manager”** means ASL acting through its personnel specifically designated for PMS offering.

(n) **“Person”** includes an individual, partnership firm, LLP, company (as defined under the Companies Act, 1956) a body corporate (as defined under the Companies Act, 1956), a co-operative society and body or organization of individual or persons whether incorporated or not.

(o) **“Principal Officer” means** an employee of the portfolio manager who is responsible for:- (A) 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 (B) all other operations of the portfolio manager.

(p) **“PM Regulations”** means the Securities and Exchange Board of India (Portfolio Manager) Regulations, 2020 as amended from time to time.

(q) **“RBI”** means the Reserve Bank Of India established under the Reserve Bank of India Act, 1934 (2 of 1934).

(r) **“Offering”** means the ‘PMS’ offered by the Portfolio Manager under the Agreement.

(s) **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 2020.

(t) **“Securities”** means those as defined in sector 2(h) of the Securities Contract Regulation Act 1956.

(u) **“Axis Securities Ltd.”** means Axis Securities Limited, a company incorporated and registered under the Companies Act, 1956 and having its registered office at Axis House, 8th Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai- 400025, Administrative office at Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane - Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710 and Corporate Office at Unit No. 002 A, Agastya Corporate Park, Piramal Realty, Kurla (W), Mumbai - 400070

Such of those expressions as are used and not defined in the Agreement, but defined in the SEBI Act, 2020 or SEBI PM Regulations shall carry the same meanings herein as are assigned to them therein respectively.

Words importing singular shall include the plural and all reference to masculine gender shall include the feminine gender and vice versa.

III **History, background and present Business of the Portfolio Manager**

Axis Securities Limited (ASL) is a wholly owned subsidiary company of Axis Bank Ltd. The company was originally incorporated as ENAM Securities Direct Private Limited on 21st July 2006 as wholly owned subsidiary of ENAM Securities Private Limited. The company is Member of National Stock Exchange of India Limited (NSE), BSE Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI), Multi Commodity Exchange of India Ltd, National Commodities and Derivatives Exchange Limited for providing Broking services and is registered as a Depository Participant of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for providing depository services. It is also registered with SEBI as an Investment Adviser, a Portfolio Manager and a Research Analyst and provides the said services. ASL also provides Distribution services for pension funds, mutual funds and insurance products, for the said purpose is Registered with PFRDA as a POP for NPS, with ANMI as Distributor of Mutual Funds and with IRDA as a Corporate Agent for insurance business.

Under a Scheme of Arrangement of Demerger ("Scheme of Arrangement") approved by the Hon'ble High Court of Judicature at Bombay, the existing sales and securities businesses of Axis Capital Limited (*formerly Axis Securities and Sales Limited*) got demerged into ASL w.e.f 25-05-2013.

The main business of ASL as contained in the object clause of the memorandum is as under:-

1. To acquire the membership, dealership, permits of any recognized Stock Exchange, Trade Association, Commodity Exchange, Clearing House, Society, Company, Management Association, Depository Trust Company, etc. in India or elsewhere to carryon business as broker or trading by conventional, internet or any other medium and buy, sell, deal, borrow, lend in any Government, State, Dominion, Sovereign Body, Commission, Statutory Corporations, Public Body or Authority whether on its own account or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, in shares, stocks, debt instruments, debentures, debenture-stocks, units of Mutual Funds, promissory notes, bills of exchange, bonds, warrants, participation certificates or participation units, other money market or capital instruments, obligations and securities, issued or guaranteed by any corporate, body, any person, firm, society or association, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and / or any other services either directly or through intermediaries and/or to act as clearing member of any stock exchange(s), sub-broker, agent, dealer, market-maker, depository participant, trader or in any other capacity.

2. To establish and carry on directly or indirectly, the business of providing services of sourcing, marketing, promoting, publicizing, marketing and distributing credit cards, debit cards, currency cards, or any cards in the nature of such credit, debit or currency cards, being third party products, directly or indirectly through any channels or means; sourcing, marketing, promoting, publishing, marketing loans and advances, credit and loan products including personal loans, housing loans, vehicle loans, loans for furniture and fixtures, loans against securities, education loans, travel loans, and other retail loans and financial products, insurance products (including

life, non-life, general insurance and any other insurance), mutual funds schemes , all being third party products to any specific person(s) or a group of persons or the public in general directly or indirectly through any channels or means, for various third party clients of the Company from time to time including individuals, trusts, pension funds, charities, association, registered societies, mutual funds, and other persons or bodies of persons whether incorporated or not, financial institutions, Banks and other companies and to undertake the activities of providing services relating to price support services, door-to-door agents for the collections received or payment of money, providing contract staffing and resource management services and to act as agent for or render the services to the clients and to undertake market research, market survey, provide telemarketing services, services relating to marketing management services and all kinds of financial advisory services, investment supervisory services, undertaking publicity, marketing and sales campaigns, advertisements, issuing promotional materials/brochures etc. relating to third party products and services marketed or to be marketed by the company and undertaking all types of advertisement and promotional activities for the said third party products and services marketed or to be marketed by the Company and to generally undertake marketing, promotions, sales, distribution, sourcing, publicity and any or all of the aforesaid functions and services relating to any financial products or services offered by the clients of the Company, to subscribe to buy, sell, trade, exchange, deal, barter, swap, borrow, lend, assure underwrite, guarantee, give comfort for pledge, hypothecate, charge, mortgage, procure or mobilize funds, deposits or subscriptions, bid for or arrange placement of or otherwise engage in India or abroad in trade and investment instruments of all kinds and types, whether securities or not, including shares, stocks, securities, debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial paper, participation certificates, bills of exchange, letters of credit, promissory notes, cheques whether negotiable or not, currencies, drafts, traveler's cheques, factoring of debt, all kind of units, coupons, warrants, options and such other derivatives, issued or to be issued by companies, governments corporations, banks, co-operative firms, organizations, mutual benefit societies in India or abroad and trade in either as principal, broker, agent, dealer, stockist, trader, consignee or any other capacity.

3. To carry on the business of managing assets and risks for any person portfolio and to inter alia act as managers, advisors, consultants, administrators, attorneys, agents or representatives or nominees for any Insurance company, mutual funds, unit trusts, investment funds, venture capital funds, private properties, equity funds, institutional investors, or any other pool or portfolio of securities, properties, assets or investments of any kind including any pension, gratuity fund, welfare fund, provident fund or superannuation fund set up, formed or established in India or any other country by the company or any other person, or by any government, state, local authority, association, institution (whether incorporated or not), or any other organization or agency.

Apart from Portfolio Manager registration, ASL is also registered with SEBI and holds certificate of registration for carrying out the following activities:

- Trading Member and Clearing Member (Stock broker)
- Trading Member and Clearing Member (Commodity broker)
- Depository Participant (CDSL& NSDL)
- Investment Advisor
- Research Analyst

It is also a

- Mutual Fund distributor registered with AMFI
- Composite Corporate Insurance agent (Life & General) - registered with IRDA
- Pension Fund Distribution as POP registered with PFRDA.
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Given below is a brief summary of the financial performance of ASL for the last 5 years: (Rs. in crores)

Year	Gross Revenue	Expenses	Gross Investment	Net Profit Revenue	Paidup Capital	Reserves	Dividend
2016-17	756.13	677.50	-	51.50	144.50	82.84	17.70
2017-18	208.76	146.61	-	60.67	144.50	111.04	19.51
2018-19	198.44	152.93	-	74.51	144.50	185.47	-
2019-2020	209.18	134.29	-	27.34	144.50	171.32	-
2020-2021	426.97	212.25	60.46	164.81	144.50	337.59	-
2021-2022	663.63	353.35	242.21	366.01	144.50	703.50	177
2022-2023	725.97	453.78	209.42	176.46	144.50	880.26	0
2023-2024	1143.98	738.06	243.21	324.91	144.5	1205.17	0

IV **Promoters of ASL**

1. Axis Bank Ltd. is currently holding 100% % of the Equity Share capital of the company along with its nominee share holders..

V **Board of Directors of ASL is composed as follows (as on March31, 2024)**

Name of Director	Experience
Mr. Pranav Haridasan Managing Director & CEO	Mr. Pranav Haridasan 20 years of financial markets experience across different asset classes with large part of his leadership experience focussed on leading and building high-performance teams in Institutional Equities. Pranav was previously Managing Director and Co-Head of Equities at Axis Capital, at Axis Capital, where he was brought into restructure and scale up the Equities business with key focus on technology, compliance and

	operations to build out a robust, top-rated research, sales, trading and a derivatives platform. Prior to Axis Capital, he worked at Citigroup Global Markets as Director & Head of India/ ASEAN Execution Services, where he was responsible for running and managing all Execution avenues and also served as Pan Asia Head of Block Trading. He played a pivotal role in taking Citi to a top ranked institutional franchise through his 6-year stint. Previously, he worked at Credit Suisse Securities, IDFC and ING Vysya Bank in various capacities. He completed his MBA (~PGP) from the Indian School of Business in 2008 and has an under-graduate degree in Business Management from Christ University. Pranav is passionate about Education, Fintech and Angel Investing; Pranav is also a professor of Finance at BITSOM and a Partner at Social Venture Partners.
Mr. Busi Babu Rao, Director	Mr. Babu Rao has more than 35years of varied experience in the area of Finance, Capital Markets and Fund Management at UTI Mutual Fund. During his career with UTI, he handled various assignments and extensively worked in the areas of Project Finance, Investment Management, Offshore Funds, Venture Capital and Private Equity Funds, resolution of stressed assets and investor relations. Prior to joining UTI in the year 1989, he worked with Larsen & Toubro Ltd. for six years. He holds Bachelor degree in Engineering and received MBA from Indian Institute of Management, Ahmedabad.
Ms. Bhumika Batra, Director	Ms. Batra is a Partner of Crawford Bayley & Co., one of the oldest law firms of India. She possesses over 15 years of experience in regulatory and legal practice, specializing in corporate law. She is a law graduate and a fellow member of the Institute of Company Secretaries of India. She is a recipient of scholarship from London School of Economics. She sits as an Independent Director on the boards of various companies.
Mr. Puneet Sharma	Mr. Puneet Sharma is the Chief Financial Officer of the Axis Bank since March 2020. He has over two decades of experience in banks, financial institutions and consulting. In his previous stint, he was with Tata Capital Limited for 12 years, as a senior management functionary interacting extensively with the Board. He served as the Chief Financial Officer of Tata Capital Limited and Tata Capital Financial Services Limited since 2014 and was accountable for financial control, financial planning, procurement and taxation. Prior to that, at Citibank N.A. his roles covered structured cash solutions, treasury operations, risk monitoring and reporting on fixed income securities. He started his career at Bharat S Raut& Co. and has also worked as a consultant with the Boston Consulting Group working with clients in financial services across many topics encompassing strategy, transformation and process improvement. Mr. Puneet is a qualified Chartered Accountant with a Bachelor of Commerce degree from the University of Bombay and has graduated from the Indian School of Business, Hyderabad..
Mr. Subrat Mohanty	Subrat Mohanty is the Executive Director – Banking Operations & Transformation at Axis Bank Limited. He leads all functions under Retail & Wholesale Banking Operations, Information Technology, Strategy and

	Business Intelligence Unit of the Bank. Subrat Mohanty has more than 23 years of experience, spanning different industries and functions. In his previous stint, he served as the Group President at Manipal Education & Medical Group responsible for business performance and strategy across the group's interests in Education, Healthcare and Insurance. Prior to joining Manipal group, he was the COO, HDFC Life Insurance Company Limited responsible for a wide range of functions including Strategy, Operations, Technology, Digital and Health Insurance. Previously, at Infosys, he has been in a variety of leadership roles across Operations, Solutions, Strategy, and technology-led Transformation Programs. He started his career with Andersen Consulting (now Accenture).Subrat Mohanty holds a Bachelor's degree in Mechanical Engineering from NIT, Rourkela and has an MBA from Indian Institute of Management, Calcutta..
Mr. Jagdish Saksena	Mr. Jagdish is an Indian Administrative Service (IAS) officer of 1982 batch of UP cadre. He has an MBA from Indian Institute of Management(IIM), Ahmedabad. He worked as Ambassador of India to the World Trade Organization (WTO) at Geneva from 2017 to May 2020. Deepak has experience of working as Joint/Additional Secretary Commerce, Government of India (GOI), dealing with trade policy, export promotion of electronics, pharmaceuticals, tea, coffee, spices, agriculture products and services. Deepak worked as Secretary/Joint Secretary,Telecom, Government of Indiafor more than 3 years.His responsibilities included formulation oftelecom policy, regulations and reforms in the sector. During 2015-16, he worked as Secretary, Department of Electronics & Information Technology (DeitY), responsible for coordinating the Digital India Programme and e-Governance. Deepak has also served as Director General Trade Remedies(DGTR) Chairman & Managing Director of State Trading Corporation (STC) of India and India Trade Promotion Organization (ITPO). In UP, Deepak led the Innovations Project, including as its Executive Director.
Mr. Kumar Raghu	CA K. Raghu is a distinguished Chartered Accountant with over three decades of professional experience. He was the President of The Institute of Chartered Accountants of India for the year 2014-15 and is the founding partner of M/s K. Raghu & Co, a Bangalore-based CA firm offering comprehensive services in the field of taxation, audit and business consulting services. He has consistently demonstrated his expertise and leadership as the supreme torch bearer of the accountancy profession. His membership on the Board of the International Federation of Accountants (IFAC) in New York, alongside his esteemed Honorary Memberships with The Certified Public Accountants of Australia and The Institute of Chartered Accountants of Australia and New Zealand, attests to his substantial global influence. CA K. Raghu has made remarkable contributions in leadership roles at the Confederation of Asian Pacific Accountants (CAPA) and the South Asian Federation of Accountants (SAFA). His tenure as an Independent Director on the Board of the Indian Overseas Bank from 2016-19 and the Insurance

	Regulatory and Development Authority (IRDA) in 2014 and membership in various Committees of Ministry of Finance , Ministry of Corporate Affairs, RBI and SEBI demonstrate his adeptness in navigating complex regulatory environments. Through active participation in national and international conferences, CA K.Raghu is highly respected for his academic knowledge and oratory skills. He has also participated in various Investor Awareness programmes conducted by ICAI to create awareness among the investors regarding the capital markets.

VI **Group Companies and their details (as on March 31, 2024)**

Sr. No	**Subsidiary/Associate** **Step down Subsidiary**	**Shareholding**	**Nature of Business**
I	Group Companies: i. Axis Capital Ltd. ii. Axis Trustee Services Ltd. iii. Axis Asset Management Company Ltd. iv. Axis Mutual Fund Trustee Ltd. v. Axis Finance Ltd. vi. A. Treds Ltd. vii Axis Bank UK Ltd. viii. Freecharge Payment Technologies Private Limited x. Axis Capital USA,LLC xi. Axis Pension Fund Management Limited	100% held by Axis Bank 100% held by Axis Bank 75% held by Axis Bank 75% held by Axis Bank 100% held by Axis Bank 67% held by Axis Bank 100% held by Axis Bank 100% held by Axis Bank 100% held by Axis Bank	Investment Banking and Institutional Broking Trusteeship Services Asset Management for Axis Mutual Fund Trustee company for Axis Mutual Fund Non-Banking Finance Company (NBFC) Facilitate financing of Invoices / Bills of Exchange Banking Company Operating payment system for semi closed prepaid payment instrument .

ASL is a 100% subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company.

VII Penalties and Pending Proceedings, other cases.

There are no major / material instances of non-compliance ASL, penalties and strictures imposed by Stock Exchanges and SEBI/other statutory authorities, on any matter related to Capital markets & DP operations during the last three years, other than the following:

A joint Inspection was conducted by SEBI, NSE & BSE for the period 2017-18 for which BSE vide their letter dated January 21, 2020 issued a warning to ASL pertaining to Broking business.
NSE has levied a penalty of Rs. 75,000 towards observation made in the limited purpose inspection in January 2022 pertaining to broking business.
In addition to the above, the Regulator and Market Infrastructure Intermediaries has conducted inspection of the books of account and processes of Axis Securities Limited, for which actions in the form of penalties, warnings and advise for the procedural lapses were initiated. The said actions have no impact on the business continuity of the entity.

VIII Services Offered
(A) Non-Discretionary Portfolio Management Service (NDPMS)
Under this service, the Portfolio Manager will provide the client a comprehensive advisory package. Non Discretionary Portfolio Management Services, is designed to help the client in his/her investment decisions. Under, this service, the client will handle his/her own funds and take his/her own decisions based on the Portfolio Manager's research reports and/or proposals. Such research reports/proposals will provide independent recommendations, corporate details and reasons to invest in stocks, fixed income instruments e.g. Bonds, Commercial papers, Certificate of Deposits, Government security(T-Bills), SDL, GOI SPL Bonds, etc, structured products, private equity, mutual funds and/or "Securities" as defined in section 2(h) of the Securities Contract Regulation Act 1956.

Moreover, the Portfolio Manager will help the client to reconstruct his/her portfolio as per client's investment objectives.

The following are the features of the NDPMS offering:
-Investment decision - the Client will have total discretion to handle his/her portfolio.
-Size of portfolio - The Client shall commence with a minimum corpus of Rs. 50,00,000 (Rupees Fifty lacs)(*Portfolio shall consist of Saving account Balances, investments in stocks, fixed income instruments, structured products, private equity and mutual funds).
-Tenure of the Service - Minimum duration of one year (the PMS agreement will be auto rolled over at the end of the year unless the client informs otherwise).
-Bank and Demat account - the portfolio manager will help the client to open a bank account in the client's name with Axis Bank and a demat account in the client's name with Axis Bank or ASL. The client's trading account can be opened with ASL, if opted by the client.
-The portfolio manager will act only on Investor's instructions.
-The portfolio manager will also monitor the portfolio and make suggestions regarding investments.
-ASL provides an option to clients to be on-boarded directly with it, without intermediation of persons engaged in distribution services.

COMMISSION PAID TO DISTRIBUTORS:

Name of Distributor	Commission Amount (Rs. Gross)	Period
Axis Bank Ltd.	175.98 Lakhs	Apr23 to Mar24

Reporting of Performance – The Firm level performance as on 31-03-2021was audited. The performance data is as below:

Portfolio Value as on 31-03-2021- Rs. 1,328,174,466
Since Performance reporting date, the Portfolio Performance is 7.08%

Disclaimer - The performance related information is not verified by SEBI.

(B) Discretionary Portfolio Management Services (DPMS)
Under this service, the Client appoints the Portfolio Manager for the purpose of investing the Capital of the Client and managing the Client's portfolio, at Portfolio Manager's discretion. The Portfolio Manager shall at its discretion invest Capital of the Client in terms of the PMS Agreement.
The following are the features of the DPMS service:
1. Investment decision - The Portfolio Manager will have total discretion to handle client's portfolio. The portfolio manager's decision (in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.

2. Size of Portfolio - The Client shall commence with a minimum corpus of Rs.50,00,000 (Rupees Fifty Lakhs) and shall endeavor to continue to maintain the corpus of minimum Rs.50,00,000 (Rupees Fifty Lakhs) during the contractual period.
3. Tenure of Offering - Minimum duration will be of 1 year (the PMS agreement will be auto rolled over unless the client informs otherwise)
4. Bank and Demat account - The Portfolio Manager will help the Client to open a bank account in the Client's name with Axis bank and a demat account in the client's name with Axis Bank or ASL. The client's trading account can be opened with ASL or a third party broker. The PMS pool account can be opened with ASL or a third party broker. The PMS custody account can be opened with Axis Bank or a third party custodian.
5. The Portfolio Manager will invest in client's account at its discretion.
6. The Portfolio Manager will also monitor the portfolio.

(C) Support Services
- The portfolio manager would make suitable arrangements for the PMS clients to take care of their banking and custody needs concerning PMS.
- The portfolio manager also offers administrative and other complementary services arising out of and/or incidental to investments made under the PMS offering.

(D) Investment Objectives
The primary objectives of the PMS offering are to generate returns and capital appreciation over a period of time from portfolio of stocks, fixed income instruments, structured products, private

equity, mutual funds and/or “Securities” as defined in sector 2(h) of the Securities Contract Regulation Act 1956. Depending on the risk profile of the client, the portfolio manager will recommend the investment pattern to be adopted by the client. However, under NDPMS offering, the final decision on the investment and execution of the recommendations given will be entirely that of the Client. The investment pattern as suggested by the Portfolio Manager is recommendatory in nature and the acceptance of the same is not obligatory on the client. The client has to judge the same based on various other factors, which includes but not limited to risks, returns (not guaranteed), personal objectives etc. on which the Portfolio Manager has no discretion or control.

(E) Investment Pattern

Consistent with the objective of the offering and subject to regulations, the Portfolio manager will recommend the client to make investment in any of the stocks, fixed income instruments, structured products, private equity, mutual funds and/or “Securities” as defined in sector 2(h) of the Securities Contract Regulation Act 1956.

The Securities could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The Securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers, offer for sale or in any other lawful manner and invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing, through a recognized stock exchange.

We believe long term outperformance is due to consistently investing in growth oriented quality stocks at a reasonable price.

We believe in actively managing our portfolios to achieve our long-term objectives and capitalize on the winners of tomorrow by aligning with the constantly changing markets.

Fundamental approach

Our approach combines value identification based on fundamental bottom-up analysis with a top-down macro overlay.

IDEA SCREENING

- Proprietary Forensic Research to screen companies
- Proprietary Fundamental Framework for active stock ideas
- High-Frequency indicators and In-house capability of Multi Asset-Multi Strategy
- A quantitative framework to ensure dynamic market alignment

DECISION MAKING

We perform an in-depth valuation analysis to arrive at the intrinsic value of companies which greatly assists us in our decision-making process. This enables us to avoid expensive stocks or cyclical/commodity business while chasing growth.

We endeavor to have around 20 - 30 stocks in our portfolio to strike a balance between diversification and sizeable allocation to best performing stocks. Subject to regulations, the asset allocation pattern may change from time to time, keeping in view the market conditions, opportunities and political & economic factors. It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio manager, the intention being at all time to seek to protect the interests of the client. Such changes in the investment pattern shall be for short terms and defensive considerations.

The Portfolio Managers while considering investing in derivatives shall take complete details pertaining to the manner and terms of usage of derivatives products, including quantum of exposure to derivatives, type of derivative instruments, purpose of using derivatives, types of derivative positions and the exposure thereof, terms of valuing and liquidating derivatives. In a non-discretionary service, the final decision on the investment will be entirely that of the Client.

The investment strategy is aimed at generating returns over the medium to longer term through investments in securities and across market capitalization. We would be benchmarking our performance versus that BSE200 Index, which we believe has a good representation of stocks across market capitalization.

Market risk: Market risk also called systematic risk and is based on the day-to-day price fluctuation in the market. In the short term, market risks are higher compared to the long term. The second type of stock risk comes from the business risk. This risk can be escalated if the investee company business is not doing well.

The following is the Investment approach: DPMS

1. Investment decision - The Portfolio Manager will have total discretion to handle client's portfolio (in case of DPMS).
2. Size of Portfolio - The Client shall commence with a minimum corpus of Rs.50,00,000 (Rupees Fifty Lakhs) and shall endeavor to continue to maintain the corpus of Rs.50,00,000 (Rupees Fifty Lakhs) during the contractual period.
3. Tenure of Offering - Minimum duration will be of 1 year (the agreement will be auto rolled over on each anniversary unless the client informs otherwise)

The investment strategy is aimed at creating wealth over the medium to longer term through investments in securities and across market capitalization by focusing on fundamentals of the companies that would blend with value and growth investing.

INVESTMENT OBJECTIVES AND GUIDELINES

Investment Objective:

The primary objective of this service under this Agreement is to generate returns and capital appreciation over a period of time from a portfolio of securities.

Description of Securities- Client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India, Mutual

Funds and other instruments as per PMS guidelines. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

Basis of Selection of type of security - The investment approach is based on generating returns by investing in participating instruments of companies which can generate superior returns in future based on various parameters including growth, value, momentum, quality etc. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

Minimum investment - The minimum value of Funds/investments which will be accepted towards initial corpus under investment approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule by giving a prior written notice of 10 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/she/it deems fit. The minimum value of funds/investments which will be accepted towards any additional investment under the Investment Approach will be decided by the Portfolio Manager from time to time.

Indicative tenure or investment horizon - 3 years – 20 years

Minimum tenure/Lock-in period/ Exit loads - Minimum tenure: Investments managed under Investment Approach shall not be subject to any lock-in period. There shall be an exit load applicable for initial 3 years (1st year-3%, 2nd year-2% and 3rd year-1%) on withdrawal of monies being managed under this approach.

Derivatives: The Portfolio Manager might transact in derivatives in case it deems necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she/it can mention Derivatives as a negative security in the account opening form and the Portfolio Manager would be barred from using derivatives in the client's portfolio

Investment Pattern: Consistent with the objective of this service under this Agreement and subject to Regulations, the Portfolio Manager will make investments in any of the Securities as defined herein below.

The Securities could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity, as may be stipulated by the Regulations from time to time. The Securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers, offer for sale or in any other lawful manner and invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing, through a recognized Stock Exchange.

We believe long term outperformance is due to consistently investing in growth oriented quality stocks at a reasonable price. Our stock selection process comprises three important stages. These are –

a. Idea Generation- - Our approach combines value identification based on fundamental bottom-up analysis with a top down macro overlay.

b. Idea Screening - Stock Idea must pass through our screeners

c. Decision Making - this involves a thorough assessment of the past financial performance. We believe strong historical performance of companies reflect their ability to deliver in the future. Also, it provides insight into the past valuation enjoyed by the stock. We perform in-depth valuation analysis to arrive at the intrinsic value of the company that assists in our decision making process.

It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the investment pattern will be for short term and defensive considerations.

The Portfolio Managers while investing in derivatives positions shall consider complete details pertaining to the manner and terms of usage of derivatives products, including quantum of exposure to derivatives, type of derivative instruments, purpose of using derivatives, types of derivative positions and the exposure thereof, terms of valuing and liquidating derivatives etc. In a non-discretionary service, the final decision on the investment will be entirely that of the Client.

The investment strategy is aimed at generating returns over the medium to longer term through investments in securities and across market capitalization. We would be benchmarking our performance versus that of BSE500 TR Index, which we believe has a good representation of stocks across market capitalization.

Risks associated with the investment approach:

The investments made in Securities are subject to market risks and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

I. Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.

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

III. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.

IV. Past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.

v. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.

vi. Investments in debt instruments and other Fixed Income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments.

vii. Consequently, the performance of the portfolio may be subject to fluctuation.

viii. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due.

IX. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party risk. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.

X. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.

XI. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

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

XIII. Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in a reinvestment risk.

XIV. Credit Risk: Credit risk or default risk refers to the risk that an issuer of a Fixed Income Security may default because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a Fixed Income security will fluctuate depending upon the changes in the perceived level of credit risk as well any actual event of default.

xv. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.

xvi. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.

xvii. Risks pertaining to investments in Gold ETF's will be include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.

xviii. Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.

xix. In case of investments in mutual fund, the Client bear the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.

xx. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are: (i) Market Risk: Like any other equity investments, these are subject to market risks. (ii) Modeling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss. (iii) Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behavior. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price in case of large sell.

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

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

xxiii. Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to- maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.

xxiv. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned: (i) The promoter may choose not to accept the discovered prices (ii) Regulatory hurdles may delay any specific corporate action.

xxv. Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.

xxvi. Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.

xxvii. Risk factors associated with Derivatives: Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. The risks associated with the use of Derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Trading in derivatives has the following risks: (i) An exposure to Derivatives in excess of the hedging requirements can lead to losses. (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction. (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

xxviii. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.

xxix. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio

xxx. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund manager will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.

xxxi. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

xxxii. Operational and IT Risk: there may be risks related to the exposure to loss due to human error or fraud, or from a system of internal controls that fails to adequately record, monitor and account for transactions or positions. There may also be risks related to hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as pandemics, fires, cyclones or floods and other force majeure events,

Equity and MF PMS strategies:

EQUITY

Pure Growth Portfolio- The portfolio is designed to capitalize on high quality stocks, high performing sectors, and stocks having the potential to deliver higher earnings growth vis-à-vis their peers.

Pure Contra Portfolio - The portfolio is designed to capitalize investment ideas that are either available at attractive valuations or have witnessed significant decline owing to unexpected events that would have only a temporary impact on their earnings. This portfolio is value focused.

Conservative/Retirement Portfolio - An investment strategy targeted to achieve capital appreciation outpacing inflation rate by investing in high-quality stocks having low downside risk.

Ethical Strategy - Customized strategy with an objective of creating an ethical portfolio by avoiding companies. E.g. as per specific Shariah norms

Customization Strategy - Carefully curated strategies to align with customer's unique and varying requirements by leveraging our deep insights in the customization domain

Kaizen strategy - Japanese word kaizen means 'change for better. A concentrated portfolio of 10-15 stocks focused on strong entry and exit with bottom up stock picking and companies with strong fundamentals- preferably Indian Manufacturing.

Alpha Sense AI – Based on quantitative dynamic multi-factor strategy approach, these investments adjusts the factor exposure according to the economic environment and the overall market condition and enable you to earn potential higher gains. **'AI Score'** is a distinctive score generated through a robust ranking & grading system to identify rankings for well-known factors.

MUTUAL FUND

Conservative equity:

. Focus on large cap/bluechips - upto 90%
. Marginal allocation to mid/small cap - maximum 10%
. Foreign equity schemes or ESG schemes

Maximizer equity

. Mix of large/mid and small cap
. Strategic sector allocation
. Strategic portfolio allocation as per dynamic market changes
. Mix of growth, quality and value with objective of higher alpha schemes

Conservative debt

. Primary focus on high-rated instruments schemes
. Objective for fixed income on a long-term basis
. Strategy for least drawdown with risk adjusted return

. Primarily low volatile schemes

Maximizer debt
. Mix of debt schemes
. Strategic allocation as per changing macros
. Aggressive approach in identifying high returns

Customized
. Option 1: Maximizer equity and debt balanced
. Option 2: Conservative equity and debt schemes
. Combination as per customer's requirement

Multi-asset
. Equity
. Gold
. Sectoral
. Debt
. ETF - Exchange Traded Fund
. ESG Schemes - Environmental, Social and Governance factors
. Foreign Equity
. Strategic allocation with multi-asset allocation strategy

Accredited Investor

Equity, Derivatives & Multi Asset
Accredited investor will be registered with BSE and the minimum ticket for PMS will be Rs. 10 crore for investment under accredited investor.
The customers will have choice to deploy as below
i. Equity – 100%
ii. Combination of Equity& Derivatives – customized as per clients requirement with a combination of equity and derivative. Derivative can be between 0-80% in futures and options as per individual mutual agreement with the client and risk adjusted return requirement by the client.
iii. Combination of Equity, Derivative, Mutual Fund and other instruments like bonds, SLBM(Stock Lending & Borrowing Mechanism)& other such investable instruments as per individual mutual agreement with the client and risk adjusted return requirement by the client.

(F) Terms and Conditions in relation to the Fixed Income Instrument in the Indian Market

1. Scope of ASL in NDPMS Services:
Investment in fixed income instruments shall be restricted and based solely upon the instructions of the Client and ASL advice shall not under any circumstance be construed as tax, investment, professional or legal advice. In the event that the Client seeks to invest its/his/her funds on the basis of the advice or representations made by ASL or its employees, the Client must do so at its/his/her sole risk and must consult with its/his/her own legal, business, professional and tax advisors to determine the appropriateness and consequences of such an investment and arrive at an independent evaluation of the same.

Notwithstanding anything stated herein, ASL or any employee of ASL shall not have any liability for any such advice or representation made as it will be the Client's responsibility to make an independent evaluation before purchasing a fixed income instrument. In the event that the Client seeks to invest its funds solely on the basis of the advice or representation provided by ASL or its employees, the Client shall be doing so at its/his/her own risk. In such an event ASL shall not, in any manner, be liable for the consequences arising out of such investments made by the Client. ASL accepts no liability whatsoever for any loss or damage of any kind directly or indirectly arising out of the fixed income instrument investments made by the Client. The role of ASL shall only be limited to providing information to the Client in relation to the investment instrument, and providing execution services, if opted for, in relation thereto (only if and to the extent specifically requested by the Client, and subject to execution of such documentation as may be deemed appropriate by ASL in this regard).

2. Role of ASL in NDPMS:

ASL shall be under no obligation to assess the prudence of any instructions given by the Client or to give any particular advice in relation thereto and would be justified in solely acting on the Client's instructions irrespective of their prudence or otherwise.

ASL shall perform its duties on the best effort basis to execute (if opted for) the Client's order at the price or quote provided to the Client. However, there may be instances wherein the order might get executed at a price or quote, which is different from the price or quote provided to the Client due to volatile market conditions. The order may also get delayed on account of non-receipt of the Order booking form/email or receipt of the Order booking form/email after the cut off time or due to any discrepancies in the Order booking form/email and due to other reasons which in opinion of ASL restricts ASL from executing the Client's order.

The Client understands that the investment instruments purchased are subject to various risks, including possible loss of principal amount invested.ASL does not provide any commitment or guarantees liquidity to the investment/fixed income instrument purchased by the Client.

IX General Risk Factors

1. Investments in securities are subject to market risks and Portfolio manager will not in any manner whatsoever assure or guarantee that the objectives of the PMS will be achieved.

2. The portfolio manager will not be responsible or liable for any loss resulting from the operation of the PMS account.

3. The Portfolio may be affected by settlement periods and transfer procedures.

4. The low trading volumes, if any, in the Securities of companies in which the PMS invests inherently restrict the liquidity of the investments.

5. Clients under the PMS are not being offered any guaranteed/assured returns.

6. PMS is subject to risk arising from the investment objective, investment strategy and asset allocation.

7. PMS is subject to risk arising out of non-diversification.

8. The value of the Portfolio may increase or decrease depending upon various market forces affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scripts accounting for a large proportion of trading volume. Consequently, the Portfolio Manager makes no assurance of any guaranteed returns on the Portfolio.

9. Past performance of the Portfolio Manager does not guarantee the future performance of the same.

10. The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of securities. Transfer risk may arise due to the process involved in registering the securities, physical and demat, in client's name, while price risk may arise on account of unavailability of securities price from Stock Exchanges during the day and at the close of the day.

11. Equity and Equity related Risks: Equity instruments carry both company specific and market risks and henceno assurance of returns can be made for these investments.

12. Macro-economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political issues, changes to government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio value.

13. Liquidity Risks: Liquidity of investments in equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular Security does not have a market at the time of sale, then the investments may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a Stock Exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the Stock Exchange. Money market Securities, while are fairly liquid, lack a well-developed retail secondary market, which may restrict the selling ability of such Securities thereby resulting in a loss to the Portfolio until such Securities are finally sold.

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

15. Interest Rate Risk: Clients intending to avail securities linked to interest are aware that such securities value is associated with movements in interest rate, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investment will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon.

16. Acts of state, or sovereign action, acts of nature, acts of war, civil disturbance.

17. The Client stands the risk of total loss of value of an asset, which forms parts of the Portfolio. The Client also bears the risk of its recovery through legal process, which could be expensive. Some of the risks by way of illustration include default or non-performance of a third

party, company's refusal to register a Security due to legal stay or otherwise or disputes raised by third parties.

18. Derivative risks: The derivatives, except Exchange traded derivatives, will entail a counter party risk to the extent of amount that can become due from the party. The cost of the hedge can be higher than adverse impact of market movements. An exposure to derivatives can also limit the profits from a genuine investment transaction. Efficiency of a derivatives market depends on the developments of a liquid and efficient market for underlying securities and also on the suitable and acceptable benchmarks.

19. Non-Diversification risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments.

20. Mutual Fund Risk: This risk arises from investing in units of mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. In addition, events like change in Fund Manager of the Scheme, take over and merger of mutual funds, foreclosure of Schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

21. Price/Volatility Risk: Equity Markets can show large fluctuations in price, even in short periods of time. Investors should be aware of this and only invest in equity or equity related products if their investment horizon is long enough to support these important price movements.

22. ASL is having previous experience of 6 years in offering Portfolio Manager Services.

Additional Risks (Fixed Income instruments)
In addition to, the generality of the risks set forth above, investment in fixed income instruments are subject to the following risks (which are illustrative and not exhaustive in nature):

Interest Rate Risk: It refers to the changes in market rates of interest, which have a direct effect on bond investments. Prices are inversely related to interest rates, so if interest rates increase, the price of the bond may decrease.
Credit Risk: For an investor there are two types of Credit Risks:

Default Risk: It refers to the risk that arises when the issuer of the fixed income instrument defaults or unable to make timely payments of principal and/or interest. In case the issuer defaults, the Client may fail to receive the principal amount also.
Downgrade Risk: It is the risk that a fixed income instrument is reclassified as a riskier security by credit rating agency. When an issue is re-categorized or its credit rating is changed, the yield may adjust to reflect the new rating.

Illiquidity Risk: The corporate debt market is relatively illiquid in comparison to the government securities market. Therefore, there could be difficulties in exiting from corporate bonds in times of uncertainty. Further, liquidity may occur only in specific lot sizes. Trading in specified debt securities on the market may be halted because of market conditions, or for reasons that in the view of the market regulators mandate the same. There can be no assurance that the requirements of applicable law to maintain the listing of specified debt securities will continue to be met or will remain unchanged.

Selection Risk: The risk that an investor chooses a security that underperforms the market for reasons that cannot be anticipated.

Inflation Risk: The interest rate on the fixed income instruments is set when it is issued, as is the principal that will be returned at maturity. If there is significant inflation over the time the client holds the fixed income instruments, the real value (what client can purchase with the income) of the investment will suffer.

23. **General Risk Factors – Disclaimer**: The investment pattern as advised by the Portfolio manager should not be construed as an offer or recommendation or solicitation of any offer to buy or sell or hold any security or other financial instruments. The material/information contained in the adviceis not to be construed as tax, investment professional or legal advice. In the event that a client seeks to invest his/her funds on the basis of the advice of the Portfolio Manager, the client must do so at his/her sole risk and must consult with his/her own legal, business, professional and tax advisors to determine the appropriateness and the consequences of such investment and arrive at an independent evaluation of the same. ASL shall not, in any manner, be liable for the consequences arising out of such investment made by the client. The Client assumes the entire risk of any use made of the statement/material/information provided by the Portfolio manager. ASL and its Employees/Agents are not in any way representing as to having any interest in the advice provided and to the truth, and/or completeness, and/or accuracy of any information contained therein and the same is subject to change without notice or intimation and is intended only for the person or entity to which it is addressed to and may contain confidential and/or privileged material and is not for any type of circulation. The PMS advice document may not (directly or indirectly) be reproduced, further distributed to any person or published, in whole or in part, for any purpose whatsoever. The investment patterns as advised may not be suitable for all investors. Clients/Investors churning their portfolio based on this Portfolio Manager advice shall be doing so entirely at his/her risk and ASL and its Employees/Agents shall not be liable for the same.ASL informs that there is no conflict of interest related to services offered by group companies/associates of ASL. There is no conflict of interest in the transactions placed by the employees of ASL (who are directly involved in execution/investment operations) with the transactions in any of the client's portfolio. ASL does not make investments in associates/group listed companies.

X. Client Representation (Axis Bank Ltd.)

A)

Category of Clients	**No. of Clients**	**Funds Managed Rs. (cr.)**	**Non-Discretionary (if available)**
Associates / group companies	NA	NA	NA
Others (of Axis Bank before transfer of its Portfolio Manager			

business to ASL)			
2010	654	267.06	Non-Discretionary
2011	624	253.16	Non-Discretionary
2012	400	224.95	Non-Discretionary
2013	311	225.17	Non-Discretionary
2014	313	252.28	Non-Discretionary
2015	343	350.00	Non-Discretionary
2016	232	306.00	Non-Discretionary
2017	226	285.00	Non-Discretionary
ASL (after transfer of Portfolio Manager business to ASL)			
2018	113	94.85	Non-Discretionary
2019	217	120.25	Non-Discretionary
2020	185	76.61	Non-Discretionary
2021	210	133.32	Non-Discretionary

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

Refer Annexure 1

XI. Fees and expenses

NDPMS& DPMS Fees structure:- Option for the client. Plan A, Plan B, Plan C and Plan D

The fees payable by the client shall be structured as per the following limits:

Plan A

Account Opening:	At present no fee
Equity charges	Zero (1 Paisa per transaction)
Management Fee	2.50% p.a. of the equity portfolio with the portfolio Manager calculated on daily weighted average method for “Management Fees”, payable quarterly
Exit load	1st year - 3%, 2nd year- 2%, 3rd year - 1%
Stamp duty and service charges	At Actual
Demat AMC charges	NIL
GST and other Statutory taxes	As applicable from time to time for the service provided.

Plan B (Profit sharing)

Account Opening:	At present no fee
Equity charges	0.50%, inclusive of brokerage, excluding GST and other Statutory taxes/levies.
Management Fee	1.50% p.a. of the equity portfolio with the portfolio Manager calculated on daily weighted average method for “Management Fees”, payable quarterly
Hurdle	2.50% per quarter
Profit Sharing (above Hurdle) with high water mark	20%
Exit Load	1st year - 3%, 2nd year- 2%, 3rd year - 1%

Stamp duty and service charges	At Actual
Demat AMC charges	NIL
GST and other Statutory taxes	As applicable from time to time for the service provided.

NT: Customer has choice for quarterly or annual hurdle.

Illustration for Equity on Rs. 1 cr:		
Portfolio Performance(Quarterly)	-1%	5%
Capital Contribution (on Rs. 10 crore)	10000000	10000000
Net Asset Investment	10000000	10000000
Management Fee @ 0.375% per quarter	37500	37500
Profit/Loss from Investment	-100000	500000
Gross Value of Portfolio at the end of quarter	9862500	10462500
Hurdle per quarter	2.50%	2.50%
Hurdle Value @ 2.50% per quarter	0	10250000
Performance Fee		
(A)Profit available for Sharing (after hurdle)	0	212500
(B)Profit sharing amount @ 20%	0	42500
Portfolio Value	9862500	10420000

Plan C

Account Opening:	At present no fee
Equity charges	0.50%, inclusive of brokerage, excluding GST and other Statutory taxes/levies.
Management Fee	2.50% p.a. of the equity portfolio with the portfolio Manager calculated on daily weighted average method for "Management Fees", payable quarterly
Exit load	1st year - 3%, 2nd year- 2%, 3rd year - 1%
Stamp duty and service charges	At Actual

Demat AMC charges	NIL
GST and other Statutory taxes	As applicable from time to time for the service provided.

The fee structure of NDPMS & DPMS Mutual Fund Direct business is as below:

Account Opening	At present no fee
Management Fee on Mutual Fund (Direct)	0.50% p.a. of the Mutual Fund portfolio with the Portfolio Manager, payable quarterly
Exit load	As per MF scheme
Stamp duty and service charges	At Actual
Demat AMC charges	NIL
GST and other Statutory taxes	As applicable from time to time for the service provided.

NT: As per mutual agreement in fee annexure, combination of plan A, B or C can be customized.

XII. Taxation Implications and Benefits for Clients

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

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

(a) General

In view of the individual nature of tax consequences, each client is advised to consult his or her tax advisor with respect to the specific consequences to him/her of participation in any of the schemes. The following provisions are as per the existing Income Tax Act, 1961 ("the Act").

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

b) Tax deduction at source

If any tax is required to be withheld on account of any present or future legislation, the Portfolio Manager will be obliged to act in accordance with the regulatory requirement in this regard.

c) Advance tax installment obligations

It will be the responsibility of the Client to meet the advance tax obligation installments payable on or before the due dates under the Income tax Act, 1961.

Long-term Capital Gains - Long-term capital gains tax on gains arising from the transfer of listed equity shares exceeding Rs 1 Lakh will be taxed at 10 percent, without allowing any indexation benefit. Also where the sale is through the Stock Exchange, the sale transaction is subject to securities transaction tax (STT). From financial year 2018-19 relevant to Assessment Year 2019-20, this concessional rate of 10% will be applicable to such long term capital gains, if i) in a case where long term capital asset is in the nature of an equity share in a company, STT has been paid on both acquisition and transfer of such capital asset; and ii) in a case where long term capital asset is in the nature of a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

Short term Capital Gains - Under the provisions of section 111A tax on short-term capital gains, in the case of equity shares in a company or units of an equity oriented fund on which Securities Transaction Tax (STT) has been paid, is levied at the rate of 15%. With effect from Assessment Year 2017-18, benefit of concessional tax rate of 15% shall be available even where STT is not paid, provided that

- Transaction is undertaken on a recognized stock exchange located in any International Financial Service Centre, and
- Consideration is paid or payable in foreign currency
- Surcharge and Education cess would be charged as applicable.

Securities Transaction Tax (STT):

STT is a tax payable in India on the value of securities (excluding commodities and currency) transacted through a recognized Stock Exchange. As of 2023, it is 0.1% for delivery based equity trading. The tax is not applicable on off-market transactions or on commodity or currency transactions. The tax rate is 0.025% on an intra-day transaction. The rate was set at 0.017% on all Futures and Options transactions. STT was originally introduced in 2004 by the then Finance Minister, to stop tax avoidance of capital gains tax. The government reduced this tax in the 2013 budget. The revised STT for delivery-based equity trading is 0.1% on the turnover. For Futures, the tax has been reduced to 0.01% on the sell-side only. For Equity Options, the STT has been reduced to 0.05% on the sell side of the premium amount. STT is a direct tax. STT is levied and collected by the Union government of India.

STT Computation:

As per the Finance Act 2004, and modified by Finance Act 2008 (18 of 2008) STT on the transactions executed on the Exchange shall be as under:

Sr. No.	Taxable securities transaction	Rates	Payable by
A	Sale of an option in securities (on premium amount)	0.05%	Seller
B	Sale of an option in securities, where option is exercised. It will be levied on intrinsic value instead of settlement price.	0.125%	Purchaser
C	Where a derivative contract is settled by physical delivery of shares	0.10%	Purchase & Sell
D	Sale of a futures in securities	0.01%	Seller

Other charges/taxes as applicable.

- Value of taxable securities transaction relating to an "option in securities" shall be the option premium, in case of sale of an option in securities.
- Value of taxable securities transaction relating to an "option in securities" shall be the settlement price, in case of sale of an option in securities, where the option is exercised or settled with delivery.

Income Tax and STT

Taxation of profit or loss from securities transactions depends on whether the activity of purchasing and selling of shares / derivatives is classified as investment activity or business activity. Treatment of STT also depends upon whether the income from these securities transactions are included under the head “Income from Capital Gains” or under the head ‘Profits and Gains of Business or Profession’.

Scenario 1: Income from Capital Gains - This refers to the scenario where the assessee is either Salaried or is engaged in some other business or profession and trading in securities is not the main line of business. In such cases gains or losses from securities transactions are taxed under the head “Income from Capital Gains”. Gains or losses are subject to Short Term Capital Gains (STCG) or Long Term Capital Gains (LTCG) tax depending upon the period of holding, i.e., if the holding period is less than 1 year, gains are classified as STCG and if the holding period is equal to or greater than 1 year, gains are classified as LTCG. Any equity share, which has been sold through a recognized Stock Exchange and on which STT has been paid, the gains are taxed @ 10% under LTCG. Similarly, in case of STCG of such shares, the gains shall be taxed at 15%, plus surcharge and education cess under section 111A of the Act.

Scenario 2: Profits and Gains of Business or Profession

This refers to the scenario where main business of the assessee is trading in securities. In such cases the gains or losses are classified as business income, which is taxed at the regular rate of income-tax. STT paid in respect of taxable securities transactions entered into in the course of business shall be allowed as deduction under section 36 of the Income-tax Act.

Disclaimer- The above is only a summary. The client should take proper advice on the above matters through a qualified Chartered Accountant/Tax Practitioner.

XIII Accounting Policies

The offering envisages Portfolio Management Service and the accounting of the Portfolio manager will be done as per the guidelines issued from time to time by Securities &Exchange Board of India/Institute of Chartered Accountants of India.

XIV Investor Services

Name of the Investor Relations Officer: Mr. Shailesh Adukia, Axis Securities Limited, Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane - Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

Grievance Redressal and dispute settlement mechanism

The Portfolio Manager has constituted a Portfolio Manager Service Grievance Redressal Cell (PMS GRC). All correspondence in this regard shall be addressed to:

PMS Grievance Redressal Cell - Axis Securities Limited, Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane - Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

Mechanism

The Portfolio Manager shall endeavor to handle the complaints of clients in the following manner: The clients shall send a written complaint addressed to the PMS GRC. On receipt of the complaint, the PMSGRC on a best effort basis shall endeavor to resolve the complaint within 30 days. In the event the complaint is not resolved within 30 days, the client and the Portfolio Manager and any person designated by the Portfolio Manager shall endeavor to resolve the complaint by mutual dialogue and the dispute shall be attempted to be settled amicably by prompt negotiations between parties, failing which it shall be resolved in terms of the agreement.

Place: Mumbai, Date-31-03-2024

Names & Signature
(Directors of ASL)

S.No.	Name of Director	Signatures
1.	Mr. Pranav Haridasan	

Annexure 1

A) Related party disclosure

a. The related party of ASL is Axis Bank Ltd., holding 99.99% of the Equity Share capital of the company.

B) Key Management Personnel
• Mr. Pranav Haridasan [Managing Director & CEO]
• Mr. Hemant Patel [Chief Financial Officer]
• Ms. Komal Nagdev [Company Secretary]

c) Relatives of Key Management Personnel–Mrs. Radhika Nambiar Mundayat, Mr.Manoj Nagdev, Mrs.Hina Patel.

d) Group Companies
i. Axis Capital Ltd.
ii. Axis Trustee Services Ltd.
iii. Axis Asset Management Company Ltd.
iv. Axis Mutual Fund Trustee Ltd.
v. Axis Finance Ltd.
vi. A. Treds Ltd.
vii. Axis Bank UK Ltd.
viii. Freecharge Payment Technologies Private Limited
ix. Axis Capital USA, LLC

Related party Transactions as on 31-03-23: