

Annexure-1

Classification of sixteen parameters of Model Disclosure document

Part-I Static section:

Sl. No.	Parameter
1	Disclaimer clause
2	Definitions
3	Description
4	Penalties, pending litigation or proceedings, findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority.
5	Services offered
6	Risk factors
7	Nature of Expenses
8	Taxation
9	Accounting policies
10	Investors services
11	Details of the diversification policy of the portfolio manager

Part-II Dynamic Section:

Sl. No.	Parameter
12	Client Representation
13	Financial performance
14	Performance of Portfolio Manager
15	Audit Observations (of the preceding 3 years)
16	Details of investments in the securities of related parties of the portfolio manager

DRAFT STANDARD TEMPLATE



A C CHOKSI

DISCLOSURE DOCUMENT

PORTFOLIO MANAGEMENT SERVICES

Updated up September 2025

Portfolio Manger
A. C. Choksi Share Brokers Private Limited

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2nd Floor, I.T.T.S House, 33 Shree Saibaba Marg, Kalaghoda, Fort. Mumbai 400 001
Tel.: (022) 6159 5100 CIN: U67120MH1997PTC112510
Email: pms@acchoksi.com Website: www.acchoksi.com

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES

(As per the requirement of Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulation, 2020)

(i) The Document is filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

(ii) The purpose of this Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging A. C. Choksi Share Brokers Private Limited as a Portfolio Manager.

(iii) The Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and the investor may also be advised to retain the document for future reference. Clients may also wish to seek further clarifications after the date of this Document from the Portfolio Manager.

The latest Disclosure Document is placed on the below Link –

http://www.acchoksi.com/PMS_Services.asp

(iv) All the intermediaries like Stock Broker and Depository Participants involved in the scheme are registered with SEBI. (v) A. C. Choksi Share Brokers Private Limited is permitted to provide Portfolio Management Services pursuant to its registration as a portfolio manager with SEBI vide Registration No.: **INP 000004730** dated **July 07, 2015** under the Regulations.

(vi) Details of Principal Officer is as follows:–

Name of the Principal Officer: Mr. Ashvin C Choksi

Phone number: (022) 6159 5100

E-mail address: pms@acchoksi.com

(vii) The disclosure document is dated **September 2025**.

PORTFOLIO MANAGER**A. C. Choksi Share Brokers Private Limited**

2nd Floor, I.T.T.S House,
33 Shree SaiBaba ,marg, Kalaghoda, Fort.
Mumbai 400 001
Tel.: + 91 22 6159 5100
Web: www.acchoksi.com
Email: pms@acchoksi.com

PRINCIPAL OFFICER**Mr. Ashvin Chimanlal Choksi**

2nd Floor, I.T.T.S House,
33 Shree SaiBaba Marg, Kalaghoda, Fort. Mumbai 400 001
Tel.: + 91 22 6159 5101
Email: acchoksi@acchoksi.com

AUDITORS**J. K. Shah & Co.**

505 AMAN CHAMBERS
OPERA HOUSE
NEAR TEA VILLA
MUMBAI 400 004
TEL. : 4022 5581
4022 5582
Email: info@jkshah.co.in

Form C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 Regulation 22)

Name of Portfolio Manager: A. C. Choksi Share Brokers Private Limited

Address: 2nd Floor, I.T.T.S House, 33 Shree SaiBaba Marg, Kalaghoda,
Fort. Mumbai 400 001
Tel. No.: +91 22 6159 5100
Email: pms@acchoksi.com

We confirm that:

1. 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;
2. The disclosures made in the document are true, fair and adequate to enable the investor to make a well informed decision regarding entrusting the management of the portfolio to us/investment in the Product of Portfolio Management Services;
3. The Disclosure Document has been duly certified by Shah Kapadia & Associates, Chartered Accountants, Partner: CA. Samir Kapadia, Membership No. 123349, Firm Reg. No. 132378W having its office at 328, Champaklal Industrial Estate, Plot No. 105, Sion Koliwada Road, Sion (East), Mumbai 400022.

For A. C. Choksi Share Brokers Private Limited

Ashvin Chimanlal Choksi
Principal Officer
2nd Floor, I.T.T.S House,
33 Shree SaiBaba Marg, Kalaghoda, Fort. Mumbai 400 001

Date: 25th September, 2025

Place: Mumbai

PART-I- Static Section

1. Disclaimer Clause

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

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

2. Definitions

In this Disclosure Document, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them:

1. “**Act**” means the Securities and Exchange Board of India Act, 1992.
2. “**Accreditation Agency**” means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
3. “**Accredited Investor**” means any person who is granted a certificate of accreditation by an accreditation agency who:
 - (i) in case of an individual, HUF, family trust or sole proprietorship has:
 - (a) annual income of at least two crore rupees; or
 - (b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
 - (c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
 - (ii) in case of a body corporate, has net worth of at least fifty crore rupees;
 - (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;
 - (iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

4. “**Advisory Services**” means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.

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

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

32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.
34. **“Portfolio Manager”** means A C CHOKSI SHARE BROKER PRIVATE LIMITED] incorporated under [the Companies Act, [2013/1956] registered with SEBI as a portfolio manager bearing registration number INP000004730 and having its registered office at 2ND Floor ITTS House, 33, Shree Saibaba Marg, Kalaghoda, MUMBAI 400 001 (INDIA)
35. **“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
36. **“Regulations” or “SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
37. **“Related Party”** means –
- (i) a director, partner or his relative;
 - (ii) a key managerial personnel or his relative;
 - (iii) a firm, in which a director, partner, manager or his relative is a partner;
 - (iv) a private company in which a director, partner or manager or his relative is a member or director;
 - (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
 - (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
 - (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:
- Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;
 - (ix) a related party as defined under the applicable accounting standards;
 - (x) such other person as may be specified by the Board:
- Provided that,

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;

38. **“Securities”** means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

3. Description

(i) History, Present Business and Background of the portfolio manager.

- A C Choksi Share Brokers Private Limited (ACCSBPL) is a company registered under the Companies Act, 1956 vide Corporate Identity Number: U67120MH1997PTC112510 dated December 17, 1997 having its Registered Office at 2nd Floor, I.T.T.S House, 33 Shree SaiBaba Marg, Kalaghoda, Fort. Mumbai 400 001 (India).
- ACCSBPL operates in the Equity, Cash and Derivatives segments of both NSE and BSE. We are a member of the National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange Ltd (BSE) segment. We are Depository Participant at Central Depository Services (India) Ltd.(CDSL).ACCSBPL is also AMFI registered Mutual Fund Distribution House. We also provide Internet Trading and offer IPO opportunities.
- ACCSBPL had obtained a certificate from SEBI dated July 07,2015 to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 vide registration no. **INP 000004730** and are complied with the renewal procedure as regulated by SEBI
- In addition ACCSBPL conducts research activities related to Economic research, result expectations, derivative strategies etc It is well-respected Stock Broking House with strong position in Institutional Broking. The transparent business practices and research based investing and state of the art technology have enabled us to serve Institutional clients with full expertise. It is highly capitalized Organization in terms of net worth to suit its institutional client's needs. Our Institutional Business Desk has relationships with all leading Financial Institutions and is regarded as a house with a "Strong Market Research Capabilities". Our retail business desk provides investment solutions to all investors through its Branches & Network Partners. We find our strength in team of talented and confident individuals from diversified backgrounds. Qualified professionals under the able leadership of Promoters carry outcore functions. We believe in **continuous training and adoption of best management practices**

(II) Promoters of the portfolio manager, directors and their background.

1) **Mr. Ashvin C Choksi** (Director - A. C. Choksi Share Brokers Private Limited MS (EE) Cleveland State University, U.S.A. Chairman. Mr. Ashvin Choksi is Promoter of ACC. He has experience of more than 32 years. He started the business in 1984 along with Co-Promoter Dipika Choksi. Strategy, Systems, IT & Business administration are his forte. Honesty, transparency, integrity, client goodwill form the core of his business practice. His strong belief of service to the client is not only practiced by him but one can see his continuous efforts to inculcate similar values in employees of the organization.

2) **Mrs. Dipika A Choksi** (Director - A. C. Choksi Share Brokers Private Limited BA (Economics) Bombay University, 2 yrs (child psychology) Miami U.S.A, Director Mrs. Choksi is the Co-Promoter of ACC. Business administration, Institutional Sales, HR is her forte. Under her able guidance, ACC has achieved a strong Institutional Focus and footing. She is well respected for her balanced judgments and valuable insights to management & HR issues. She strongly believes in teamwork.

- (i) Top 10 Group companies/firms of the portfolio manager on turnover. basis (latest audited financial statements may be used for this purpose) "NA"
- (ii) Details of the services being offered: Discretionary/ Non-discretionary / Advisory.
 - The nature of services offered by A. C. Choksi Share Brokers Private Limited includes discretionary as per the Portfolio Manager - Client Agreement.

4. Penalties, pending litigation or proceedings, findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority.

No	Particular	status
1	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder	NIL
2	The nature of the penalty/direction.	Not Applicable
3	Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.	NIL
4	Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	NIL
5	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	NIL
6	Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder.	NIL

5. Services Offered

i) Type of Services being offered: Discretionary

Under the portfolio management services offered by A. C. Choksi Share Brokers Private Limited the funds of the Client is Managed by a team of experienced professionals comprising of strategists, technical analysts, specialists in derivative products, etc. The Portfolio Manager's Investment philosophy underlines maximizing the risk adjusted returns depending on the client's risk tolerance. In order to achieve the same, a disciplined investment approach, with adequate risk controls, has been adopted. The PMS team is assisted by equity research team whose Sole objective is to undertake bottoms -up research and identify stock ideas to be included in our model portfolio. For Discretionary Portfolio Management Services means Portfolio management Services where a Portfolio Manager exercises or may, under a contract relating to Portfolio Management, exercise any degree of discretion as to investment or management of the portfolio of securities or the funds of the Client, as the case may be.

STRATEGY NAME : - "MONEY MULTIPLIER"

Type of portfolio	Open Ended Discretionary Portfolio
Investment Objective	The objective of portfolio management is to create wealth for clients by prudently investing in quality stocks for long term. The portfolio will invest in mix of large cap and mid -cap companies. In large cap stocks the focus will be to invest in value companies. In mid and small cap companies the intent is to capitalize on the growth opportunity company provides over long term.
Investment Strategy	Active monitoring of multi-cap stocks with a passive approach to investment. Focus will be on business outlook of companies invested and profit booking call will be taken accordingly. In the small and mid-cap stocks the focus is to identify emerging trends and companies which stand to benefit from such opportunities. In large cap focus is to invest on principles of value investing for long term. Risk Mitigation: Portfolio will be balanced with not more than 22-25 companies at any point of time. It will have prudent balance between large cap, Small Cap and mid-cap stocks. Cash not deployed will be parked in liquid funds or any other similar asset for immediate investments.
Benchmark	BSE-500

Investor Profile

Ideally suited for long-term equity investors who seek the comfort of high safety margin with an investment horizon of 36 Months.

ii) Minimum amount of Investment

The minimum investment amount shall be as decided between the client and ACCSBPL subject to minimum of ` 50,00,000.00/-

(iii) The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines. 'Not Applicable.'

6. Risk factors

A. General Risks Factors

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

B. Risk associated with equity and equity related instruments

- (10) Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.

- (11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
- (12) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

C. Risk associated with debt and money market securities

- (13) Interest Rate Risk
Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.
- (14) Liquidity or Marketability Risk
The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.
- (15) Credit Risk
Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.
- (16) Reinvestment Risk
This refers to the interest rate risk at which the intermediate cash flows received from the Securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

D. Risk associated with derivatives instruments

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

can be given that the Portfolio Manager will be able to identify or execute such strategies.

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

E. Risk associated with investments in mutual fund schemes

- (19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
- (20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- (21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- (22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.
- (23) The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- (24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- (25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- (26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of Non-diversification

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

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

- (28) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- (29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
- (30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

7. Nature of expenses

(i) Investment management and advisory fees.

Particulars	Charges
Entry Load	NIL
Management Fee	"0 to 1% " per annum charged at 25bps every quarter on Assets under Management (AUM)
Profit Sharing	Portfolio Manager shall take 15% of Profits earned in the Portfolio as his fee. At time of fees being raised from Profit in portfolio, the residual portfolio shall always be MTM positive.
Exit Load	5%, 3%, 1% respectively in Years 1, 2 and 3
Brokerage Cost (Addition of this details)	0.20% and other statutory charges and Exchange transaction char etc...

(ii) Custodian fee.

(iii) Particulars	Charges
Annual Custody Charges (On average monthly Assets Under Custody)	0.06% per annum on Average AUC
Clearing, Settlement & Subscription Charges: ☐ Equity (cash markets) / ☐ Mutual funds ☐ Debt ☐ Derivatives	ALL INR 20 per transaction for All Transaction
Taxes, Regulatory Levies	Actual, as applicable
SEBI Fee	0.0002% on AUC P.A.
Depository Charges	As per Section C
Out of Pocket Expenses (viz charges for CA certificate, stamp paper costs consultant fee, courier charges, etc.)	To be reimbursed on actual basis
Billing Cycle	At quarterly intervals, to be started from date of Agreement with the Client
Payments	Legitimate Payments (Under PMLA Regulations)
Validity	Good until mutually agreed for revised terms

C. Depository Charges:

Particulars	Charges
A/c Opening Charges	NIL
Agreement & Stamp Paper charges	At Actual
Annual Maintenance Charges	INR 1000 P.A
Transaction Charges Market/ Off Market instructions	INR 20 Per debit transaction
All statutory charges are levied by regulators, including GST	At Actual
Out of Pocket (viz stamp papers, courier Charges, etc.)	At Actual
Validity	Good until mutually agreed for revised terms

(III)Registrar and transfer agent fee. NA

(iv) Brokerage and transaction cost.

Exchange Charges	
Brokerage Cost	0.20%
Securities Transactions Tax (0.1%)	0.10%
GST on Brokerage & transaction Charges 18 % (CGST 9% SGST 9% IGST 18%)	18%
Exchange Transactions Charges (Per Lac Rs.3.45)	0.00345%
Stamp Duty (0.015%) on Buy Transaction	0.015%
SEBI TOT charges (Per crore Rs 20 (0.0002%)	0.0002%

8. Taxation

A. General

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

B. Tax deducted at source

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

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

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

C. Long term capital gains

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

Period of Holding

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

Securities	Position upto 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term capital asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset

Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long-term capital asset
	36 months or less	Any period	Short-term capital asset

□ **Definition of Specified Mutual Fund:**

Before 1st April 2025:

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

On and after 1st April 2025:

“Specified Mutual Fund” means, —

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

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

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

□ **Definition of Market Linked Debenture:**

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

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

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

As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Short term capital gains

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

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

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

E. Profits and gains of business or profession

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

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

F. Losses under the head capital gains/business income

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

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

G. General Anti Avoidance Rules (GAAR)

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

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

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

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

The GAAR provisions would override the provisions of a treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the Income-tax Rules, 1962. The Income- tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

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

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB)

- in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

H. FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May. The reporting financial institution is expected to maintain and report the following information with respect to each reportable account:

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

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

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

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

9. Accounting policies

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

A. Client Accounting

- (1) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.
- (2) The books of account of the Client shall be maintained on an historical cost basis.
- (3) Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.
- (4) All expenses will be accounted on due or payment basis, whichever is earlier.
- (5) The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- (6) Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

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

- (13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

C. Valuation of portfolio investments

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

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

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

10. Investors services

- i) Details of Investor relation Officer who shall attend to the investor queries and complaints is mentioned herein below:

(ii)

Name of Person	VARSHA JOSHI
Designation	PMS Back office Manger
Address	A C Choksi Share Brokers Private Limited 2nd Floor, I.T.T.S House, 33 Shree SaiBaba Marg, Kalaghoda, Fort. Mumbai 400 001 (India).
Telephone No.	022- 6159 5100 / 022-6159 5170
E-mail	Pms@acchoksi.com

Grievance redressal and dispute settlement mechanism.

Ms. Varsha Joshi

2nd Floor, I.T.T.S House, 33 Shree SaiBaba Marg, Kalaghoda, Fort.
Mumbai 400 001
Tel.: + 91 22 6159 5170
Email: pms@acchoksi.com

b)Lodging Complaints against Intermediaries.

SEBI has launched an internet based utility called SCORES (SEBI COMPLAINTS REDRESS SYSTEM) portal to facilitate investors to lodge their complaints/grievances with SEBI against SEBI registered intermediaries. The same can be accessed by Clicking on TAB " SEBI SCORES "on company portal https://www.acchoksi.com/contact_us.asp

Link to access the SCORES utility is given below <https://scores.sebi.gov.in/>

11. Details of the diversification policy of the portfolio manager

The details of the diversification policy of the portfolio manager for the portfolio of the clients.

Investment rationale policy

Investment Objective :

- The objective of portfolio management is to create wealth for clients by prudently investing in quality stocks for long term.
- The portfolio will invest in mix of large cap and mid -cap companies and small cap companies. In large cap stocks the focus will be to invest in value companies.
- In mid and small cap companies the intent is to capitalize on the growth opportunity the company provides over long term.

Investment Strategy :

- Active monitoring of multi-cap stocks with a passive approach to investment. Focus will be on business outlook of companies invested and profit booking call will be taken accordingly.
- In the small and mid-cap stocks the focus is to identify emerging trends and companies which stand to benefit from such opportunities.
- In large cap focus is to invest on principles of value investing for long term. Risk Mitigation:
- Portfolio will be balanced with not more than 22-25 companies at any point of time. It will have prudent balance between large cap, Small Cap and mid-cap stocks.
- Cash not deployed will be parked in liquid funds or any other similar asset for immediate investments.

Part-II- Dynamic Section

12. Client Representation

(i)

Financial Year	Category of Clients Associates / Group Companies	Funds managed (Rs Cr)	Discretionary/ Nondiscretionary
Ended March 31, 2025	0	0	Discretionary
Ended March 31, 2024	0	0	Discretionary
Ended March 31, 2023	0	0	Discretionary
	Category OF Clients -Others		
Ended March 31, 2025	24	39.92	Discretionary
Ended March 31, 2024	29	40.90	Discretionary
Ended March 31, 2023	32	29.93	Discretionary

(ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India. 'Not Applicable.

13. Financial Performance

The Financial Performance of the portfolio manager based on audited financial statements and in terms of procedure specified by the Board for assessing the performance.

	FY 2024-25 (Amount in Rupees)	FY 2023-24 (Amount in Rupees)	FY-2022-23 (Amount in Rupees)
Gross Income	4,11,58,166	40,262,510	43,100,970
Expenses	3,30,18,083	31,499,380	30,994,000
Profit / (Loss) before Tax	81,40,083	87,63,130	12,106,960
Provision for Taxation	23,73,140	22,86,550	42,62,170
Profit / (Loss) after Tax	57,66,942	64,76,580	78,44,790
Equity Capital	6,00,00,000	6,00,00,000	6,00,00,000
Free Reserves	8,01,14,636	74,347,710	67,871,130

14. Performance of Portfolio Manager

Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

MONEY MULTIPLIER	Period#	Portfolio Performance (%), Net of all fees and expenses and taxes (if any)	Benchmark Performance (%)
(Portfolio Inception Date: July 07, 2015) Benchmark Index: BSE 500	2024 - 2025	8.40	5.96
	2023 - 2024	34.75	40.16
	2022 - 2023	-16.42	-2.26

15. Audit Observations

Audit observations of the preceding 3 years

Financial Year	Audit Observation
2024-2025	NIL
2023-2024	NIL
2022-2023	NIL

16. Details of investments in the securities of related parties of the portfolio manager

The details of investment of client's funds by the portfolio manager in the securities of its related parties or associates.

Date: 25th September, 2025

Ashvin Chimanlal Choks / Dipika Ashvin Choksi
Designated Partners of Portfolio Manager

Place: Mumbai



SHAH KAPADIA & ASSOCIATES

CHARTERED ACCOUNTANTS

Office No. 328, 3rd floor, Champaklal Udyog Bhavan, Sion East, Mumbai - 400022.

Tel No: 022-49741224 | Web: www.theSKA.in | Email: SKA@theSKA.in

CERTIFICATE FOR DISCLOSURE DOCUMENT

1. Introduction:

This certificate is issued pursuant to Regulations 22 of the Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020, ('the Regulations') and at the specific request of A C Choksi Share Brokers Private Limited having its registered office at 2nd Floor, I.T.T.S House, 33 Shree Saibaba Marg, Kalaghoda, Fort, Mumbai 400 001. As informed by the company, this certificate needs to be submitted to **SEBI and the Portfolio Management Service Clients**.

2. Management's Responsibility:

The management of the Company is responsible for preparation of the attached Disclosure document in accordance with the Regulations.

3. Our Responsibility:

Our responsibility is to issue the certificate based on our review which is primarily limited to inquiries of the Company's personnel, tracing the financial information from the audited financial statements for the year ended 31st March 2023, 31st March 2024 and 31st March 2025, previous disclosure document submitted to SEBI, other relevant records, the information, explanations and representations furnished by the Management. We have relied upon the representation given by the Management about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document.

We have conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. Opinion:

Based on the review of the attached Disclosure Document, we hereby certify that the disclosures made in the disclosure document are true, fair and adequate to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.

Restriction on use:

The certificate is addressed to and provided to **SEBI and the Portfolio Management Service Clients** solely for the purpose of providing essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager and should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Mumbai

Date: 25th September, 2025

UDIN: 25123349BMIXSA2913

For Shah Kapadia & Associates

Chartered Accountants

Samir Kapadia

Partner

M. No. 123349