FIRST GLOBAL
Be One Step Ahead ™

PORTFOLIO MANAGEMENT SERVICES
DISCLOSURE DOCUMENT

RATNAM SQUARE, PLOT NO. 38/39 SECTOR 19A, VASHI, NAVI MUMBAI-400703
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Mehta Sanghvi & Associates
Chartered Accountants

Office No. 606, Aura Biplex, Above Kalyan Jewellers, S. V. Road, Borivali (W), Mumbai - 400 092. Tel.:- 022- 2862 9188 , 2862 9189.
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CERTIFICATE

We have verified the books of accounts and other relevant records of **M/s FIRST GLOBAL FINANCE PRIVATE LIMITED** having its registered office at 402, Surya Kiran , 4th floor, 19, Kasturba Gandhi Marg, New Delhi, National Capital Territory of Delhi - 110001, a SEBI registered Portfolio Manager (**Reg no. INP000006697)** for the period ended as on 25th November 2019.

Based on our verification and the information and explanations given to us, we hereby certify that the disclosures made in the Disclosure Document and annexed hereto are true, fair and adequate to enable the investors to make a well informed decision. We further certify that the Disclosure Document complies with the requirement specified in Schedule V of Regulation 14 of the Securities and Exchange Board (Portfolio Managers) Regulations, 1993.

The certificate is issued as per the requirement specified in Form C of Schedule I of Regulation 14 of the Securities and Exchange Board (Portfolio Managers) Regulations, 1993.The Disclosure Document forms an integral part of the certificate.

For Mehta Sanghvi & Associates;
Chartered Accountants

MEHTA SANGHVI & ASSOCIATES C.A. MUMBAI

Bhumika Sanghvi
Partner
M. No.116307
UDIN: 19116307AAAAHM3636
Date: November 25, 2019 **Place:** Mumbai

PORTFOLIO MANAGEMENT SERVICES
DISCLOSURE DOCUMENT
OF
FIRST GLOBAL FINANCE PRIVATE LIMITED

I. FORM C

(As required under Regulation 14 f SEBI (Portfolio Managers) Regulations, 1993)

We confirm that:

i) the Disclosure Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by Securities and Exchange Board of India ("SEBI") from time to time and filed with SEBI.

ii) the disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make well-informed decisions regarding entrusting the management of their portfolio to us/investment in the Portfolio Management Service.

iii) the Disclosure Document has been duly certified by M/s Mehta Sanghvi and Associates, Chartered Accountants on November 25, 2019. The certificate issued by M/s Mehta Sanghvi and Associates, Chartered Accountants, certifies that the disclosures made in the Disclosure Document are in conformity with the requirement of Regulation 14(2)(b) of SEBI (Portfolio Managers) Regulations, 1993 and are true, fair and adequate to enable the investors to make well-informed decisions is enclosed.

iv) The document contains necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.

v) Details of the Principal Officer:

Name of the Principal Officer:	Mr. Neeraj Khanna
Registered Office Address	First Global Finance Private Ltd. Ratnam Square, Plot No. 38/39, Sector 19A, Vashi, Navi Mumbai-400703
Phone No(S):	+91 22 6116 6525/00
Email id	neeraj.khanna@firstglobal.in

Place: Mumbai
Date: 20.11.2019

II. This Disclosure Document will be filed with SEBI along with the certificate in the prescribed format in terms of regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993. This Disclosure Document sets forth concisely the essential information that a prospective investor ought to know about Portfolio Management Services, to assist and enable the investor before engaging a Portfolio Manager. Investors should carefully read the Disclosure Document before making a decision of appointing a Portfolio Manager. This Disclosure Document remains effective until a 'material change' occurs. Material changes will be filed with SEBI and circulated to the investors or may be publicly notified by advertisements in newspapers, subject to applicable regulations.

The particulars of this Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993, as amended till date and this Disclosure Document has been filed with SEBI. This Disclosure Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this Disclosure Document. No person has been authorized to give any information or to make any representations not confirmed in this Disclosure Document, in connection with this Disclosure Document, and any information or representations not contained herein must not be relied upon as having been authorized by First Global Finance Pvt. Ltd. This Disclosure Document discloses the necessary information about the Portfolio Manager that an investor would require to know before investing. Please retain this Disclosure Document for future reference. Mr. Neeraj Khanna of First Global Finance Pvt. Ltd. has been designated as the principal officer, details of whom are as under:

Mr. Neeraj Khanna
Director: First Global Finance Pvt. Ltd.
Ratnam Square, Plot No. 38/39
Sector 19A, Vashi, Navi Mumbai
Email-Id: pms@firstglobal.in

This Disclosure Document is dated 20.11.2019 and was approved by the board of directors of FIRST GLOBAL FINANCE PVT. LTD. on 27.11.2019.

III.DISCLAIMER

This document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations 1993 and it has been filed with SEBI and has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of the contents of this document.

IV. DEFINITIONS

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

"Act" means the SEBI, Act, 1992 (15 of 1992) as amended from time to time.

"**Activation Date**" is the date when the sum equivalent to the funds or the securities respectively are received in the Client's bank or Demat Account or the utilization of those funds/securities for portfolio management by the Portfolio Manager whichever is later.

"**Application** means the application made by the Client to the Portfolio Manager to place the monies and/or securities mentioned therein with the Portfolio Manager for Portfolio Manager Service. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

"**Assets** means (i) the Portfolio and/or (ii) the Funds and includes all accruals benefits, allotments, calls refunds, returns, privileges, entitlements, substitutions and/or replacement or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any, (represented both by quantity and in monitory value), in relation to or arising out of Assets.

"Agreement" means the agreement between the Client and the Portfolio Manager in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 1993 for providing portfolio management services to that Client and stating therein the terms and conditions on which the Portfolio Manager shall provide such services to that Client.

"Board" means the Securities and Exchange Board of India

"Client" or **"investor"** means any person who registers with the Portfolio Manager for availing the services of portfolio management.

"Custodian" means a person who has been granted a certificate of registration to carry on the business of custodian of securities under the SEBI (Custodian of Securities) Regulations, 1996.

"Depository" Depository as defined in the Depositories Act, 1996 (22 of 1996)

"Depository Account" means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations.

"Disclosure Document" means this disclosure document dated 20th Nov, 2019 for Portfolio Management Services.

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

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

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

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

"**FPI"** means Foreign Portfolio Investors registered with SEBI under SEBI (Foreign Portfolio Investors) Regulations, 2014.

"Initial Corpus" means the value of the Funds and the market value of readily realizable investments brought in by the Client at the time of registering him as a Client with the Portfolio Manager and accepted by the Portfolio Manager. The investments brought in by the Client as corpus shall be sold within a period of 30 days and the net realizable proceeds shall be taken to the portfolio and if not so sold, shall be switched to the Portfolio at the last available closing price on the day of switch.

"Investment Advisory Services" means the services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients and agreed upon in the Agreement.

"**High Water Mark"** means value of the highest closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (inclusive of any additional funds placed by the Client in that year) and net of (ii) the Portfolio Management fees and (iii) any withdrawals, if any, made by the Client in accordance with this Agreement, for that year.

"NRI" means a non- resident Indian.

"Non-Discretionary Portfolio Management Services" means Portfolio Management services other than Discretionary Portfolio Management Services, Investment Advisory Services and Structured Products.

"Portfolio" means the total holdings of all investments, securities and funds belonging to the Client.

"Portfolio Manager" means FIRST GLOBAL FINANCE PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at 402, Surya Kiran, 4th Floor, 19 Kasturba Gandhi Marg, New Delhi and having its corporate office at Ratnam Square Plot No. 38/39, Sector 19A , Vashi, Navi Mumbai -400703.

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

"Principal Officer" means an Individual who is responsible for the activities of Portfolio Management and has been designated as principal officer by the Portfolio Manager.

"Regulations" means the SEBI (Portfolio Managers) Regulations, 1993.

"Rules" means the SEBI (Portfolio Managers) Rules, 1992.

"Scheme/Option" means any of the current investment scheme/option or such scheme/option that may be introduced at any time in the future by the Portfolio Manager.

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

"Securities" Securities" shall mean the securities, whether listed or unlisted, in which the Portfolio Manager may, from time to time, invest for and on behalf of the Client, including securities issued by private companies, and shall include all papers/instruments included within the definition of 'security' under the Section 2(h) of the Securities Contract (Regulation) Act, 1956.

V. DESCRIPTION OF THE PORTFOLIO MANAGER

HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

First Global Finance Pvt. Ltd. ("FGFPL"), a Company registered under the Companies Act, 1956 was established in the year 1994 under the able leadership of Mr. Shankar Sharma and Ms. Devina Mehra for Equity Research and Merchant Banking and other financial market-related activities.

The Company is a holder of Category I Merchant Banking permanent licence issued by SEBI.

The Company is also a holder of Research Analyst Registration Certificate issued by SEBI in March 2017.

First Global has been in the Investment, Research and Advice business for 30 years, with a presence in the Global Markets for over 20 years.

At First Global, our sole mantra is: should we think the way the market is thinking? Or is it time to go against the herd.

It's this critical thinking that has always set us apart from the rest.

Be it identifying HDFC Bank on its listing day at Rs. 30, back in 1996, to identifying Infosys on its listing day in 1994!

At the same time, we have been unafraid to take strong stands against vastly inflated bubbles, whether in Tech, in 2000 February, or in Infrastructure and Financials, in December 2007.

In 2013, we saw the deep dislike for Indian small caps, as a great buying opportunity...small caps beat large caps by a vast margin for four years.

Or getting Amazon right at the bottom of its range, back in 2001, when the rest of Wall Street had thrown in the towel... the stock is up 150x since.

Apple was a similar bet in 2002. Twitter in 2016 at $12-14. Indian chemical companies from 2014.

The list of our winning bets is endless. And we do lose sometimes.

But what we win is vastly more than what we get wrong

So far, First Global has used its Global Asset Allocation capabilities to assist large global institutional clients, who manage trillions of dollars, in investing globally.

First Global's global research has been widely covered in the Wall Street Journal, Business Week, CBS, Financial Times, CNBC, etc., and rated very highly in Institutional Surveys.

Now, we have decided to open up these capabilities to help individuals HNIs and Family Offices, benefit from the same expertise that large multi-billion funds enjoy.

The Group has been known for the high quality of research it produces, for which it received the top award of Asia's Master Stock Picker in two categories from the Wall Street Journal.

First Global was also awarded the second position in the Best Earnings Estimator category for Biotechnology at the ET Starmine Analysts Awards in India organized by Thomson Reuters, Starmine and ET Now.

A publication no less than Barrons has called First Global's research as "Credible...and often, much more than that".

Overall, First Global has been rated very highly in broker polls by Asiamoney, Thomson Reuters, Starmine, etc, for the accuracy and independence of its research.

VI. PROMOTERS AND DIRECTORS OF THE PORTFOLIO MANAGER AND THEIR BACKGROUND IN BRIEF

a. Promoters

First Global Finance Pvt. Ltd. ("FGFPL"), was established in the year 1994 by Mr. Shankar Sharma and Ms. Devina Mehra for Equity Research and Merchant Banking and other financial market-related activities

b. Particulars of Directors of FIRST GLOBAL FINANCE PRIVATE LIMITED

The Directors of the Portfolio Manager are:

Name	**Age, Qualifications & Experience**	**Brief Experience**
Ms. Devina Mehra	B.A. (Mathematics, Statistics and English Literature), Lucknow University, Lucknow (1983) M.A. 1st Year (Mathematical Statistics), Lucknow University, Lucknow Marks (82.2%), Rank 1 (1984)	She has vast experience of more than 29 years in the capital markets.
Mr. Neeraj Khanna	B.Com, FCA, Chartered Accountant	He has a vast experience of more than 17 years in the capital markets.

Details of Promoters

Mr. Sharma and Ms. Mehra are the Founders of the First Global Group. Mr. Sharma is a Dean's List MBA from the prestigious Asian Institute of Management, Manila, Philippines. Ms. Mehra is a Gold Medallist graduate from IIM, Ahmadabad.

Mr. Sharma and Ms. Mehra are and have been for the past 29 years, one of the most respected voices in the field of business, investing and finance in India and abroad, and their views are eagerly sought by dozens of Fund Managers across the world and by thousands of retail investors across India, speak at many prestigious capital

market events organized by eminent bodies like Morningstar, Reuters, Bloomberg, Financial Times (FT), Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Bloomberg, Chartered Accountants Institute (ICAI), Indian Institutes of Management (IIM), Economic Times, etc., apart from guiding major investment funds across the world on investment strategies, including the likes of JP Morgan Asset Management, Schroders, Oppenhiemer Funds, Wellington, Fidelity, Capital International, GMO, HSBC Asset Management etc., and several other large and small long only and hedge funds.

Mr. Sharma's and Ms. Mehra's views on global macro, stocks, sectors, market direction, are widely followed by major institutions, and also by thousands of retail investors in India. Their views and interviews are regularly and prominently carried by major news channels, as well as by the major newspapers in India.

Mr. Sharma personally has been termed in 2010 as "***one of India's best stock pickers***" by no less than The Economic Times, India's largest (and also one of the world's largest) financial daily.

NDTV, India's leading news channel, called Mr. Sharma "The Rock star of Indian Stock Markets".

Outlook Business, India's leading business magazine, featured Mr. Sharma and Ms. Mehra, in their "Top Power Couples" of India list in March 2015.

First Global, under Mr. Sharma's and Ms. Mehra's leadership, is repeatedly quoted in leading publications like ***Barrons*** (who called its research "***Credible...and often, much more than that***"), ***Business Week, New York Times,*** etc.

Ms. Devina Mehra, who heads First Global's research, is an MBA Gold Medallist from the Indian Institute of Management which is rated by The Economist magazine as the "toughest business school in the world to get into". She is widely known as one of the best investment analysts in India.

VII. Companies under the same Management as per section 370(1B) of the Companies Act, 1956, of the Portfolio Manager in India:

Sr. No.	Name of the Entities.
1.	First Global Stockbroking Pvt. Ltd.
2.	First Global Securities Limited
3.	First Global Finance Pvt. Ltd.
4.	First Global Commodities Pvt. Ltd.
5.	First Global Cybernetics Pvt. Ltd.
6.	Cerebra Research Pvt. Ltd.
7.	Virta Trade & Agencies Pvt. Ltd.
8.	Vruddhi Confinvest India Pvt. Ltd.
9.	Top Gear Leasing & Finance Pvt. Ltd.
10.	Precia Estates Pvt. Ltd.

VIII. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS, ETC.

In 2001, post the presentation of Union Budget, on March 2nd, 2001, there was a fall in the equity markets in India of around 176.49 Sensex points, i.e. 4.13%. At the same time, the global markets were falling, owing to a general meltdown in technology stocks.

The government ordered an investigation into the purported market fall to ascertain whether the market fall was natural or engineered by any entities.

First Global Stockbroking Pvt. Ltd. (FGSB), which is the holding company of the applicant, was one of the several companies shortlisted for investigation.

Pursuant to an investigation, SEBI passed an order under Section 11B of SEBI Act, 1992 on 18th April, 2001 against the applicant group and the then directors. Thereafter, SEBI passed its final order on 12th September, 2002 against the holding company of the Applicant and another group company of the group, being the sub-broker of the Applicant's holding company.

The said SEBI order was completely set aside by the Hon'ble Securities Appellate Tribunal vide its order dated 3rd December, 2004.

The said order of SAT was not appealed by SEBI, and hence was accepted and became final.

There has never been any adverse order against the Applicant and there is no adverse order even against the holding company or even the group, as the order dated September 12th, 2002 against the holding company of the applicant FGSB has become "non est".

IX. SERVICES OFFERED

A) DETAILS OF SERVICES BEING OFFERED BY THE PORTFOLIO MANAGER

The Portfolio Manager broadly offers services under the following categories:

(i) Discretionary services

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The Portfolio Manager may at times and at its own discretion, adhere to the views of the Client pertaining to the investment/disinvestment decisions of the Client's Portfolio. The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per the Agreement and make such changes in the investments and invest some or all of the Client's funds in such manner and in such markets as it deems fit. The Client may give informal guidance to customize the portfolio schemes; however, the final decision rests with the Portfolio Manager. The securities invested/disinvested by the Portfolio Manager for Clients in the same Scheme may differ from one Client to another Client. The Portfolio Manager's decision in deployment of the Client's funds is absolute and final and can never be called in question or be open to review at any time during the currency of the Agreement or at any time thereafter. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Rules, and Regulations, guidelines and notifications in force from time to time. Under these services, the Clients may authorize the Portfolio Manager to invest their Funds in specific financial instruments or a mix of specific financial instruments or restrict the Portfolio Manager from investing in specific financial instruments or securities. Periodical statements in respect of the Client's Portfolio shall be sent to the respective Clients. Currently, under the discretionary services, the following strategies are offered to the investors:

i. The India Super 50 Portfolio (IS50)
ii. The India Multi Asset Allocation Portfolio (IMAAP)

(ii) Non-discretionary services

Under these services, the Client decides their own investments, with the Portfolio Manager only facilitating the execution of transactions. The Portfolio Manager's role is limited to providing research, investment advice, and guidance and trade execution at the Client's request. The Portfolio Manager shall execute orders as per the mandate received from Clients. The deployment of the Client's Funds by the Portfolio Manager on the instructions of the Client is absolute and final and can never be called in question or shall not be open to review at any time during the currency of the Agreement or at any time thereafter. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. Periodical statements in respect of the Client's Portfolio shall be sent to the respective Clients.

(iii) Investment Advisory Services

Under these services, the Portfolio Manager advises Clients on investments in general and any specific advice required by the Clients and agreed upon in the Agreement. For such services, the Portfolio Manager charges the Client a fee for the services rendered as spelt out in the Agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio.

(IV) Structured Products

Under the Discretionary Portfolio Management Services offered to the Clients, the Portfolio Manager may, from time to time, launch products that are structured towards meeting the specific needs of the Clients. These products would be invested and managed in accordance with the product specifications provided by the Portfolio Manager to the Client.

(V) Specific details of strategies offered under discretionary portfolio management services

i. The India Super 50 Portfolio (IS50)

a. **Investment Objective: -** A pure equity Portfolio in the Indian market either fully invested or partially in cash at any given point in time, based on First Global's unique Investment Criteria. This combinatorial approach makes us come up with a list of 50 stocks that are best positioned to capture nearly every single alpha generating move in the markets.

b. **Investment Strategy**: - The IS50 is a curated list of the best 50 stocks in the Indian stock market, at any given point in time. These stocks are identified from a larger list that is thrown up using cutting edge Artificial Intelligence and Machine Learning technologies, that comb through mountains of financial data, annual reports, conference call transcripts, press coverage, social media chatter, macroeconomic data, quantitative sentiment indicators, etc. The AI- ML approach enables us to remain completely neutral, unbiased, unemotional about our selection.

And it also makes us remain absolutely clinical in our exit strategy. To this constantly evolving list of stocks, we apply a patina of our decades of human Intelligence.

ii. The India Multi Asset Allocation Portfolio (IMAAP)

a. **Investment Objective:** The objective of the IMAAP is to deliver steady, low volatility returns. The IMAAP is part of First Global's Single Window - All Weather (SWAW) Investment Products. It will invest partially in equity, with the additional overlay of multiple asset classes like fixed income, oil and gold. This ensures a good return profile, but with significantly low volatility and high Sharpe ratio.

b. **Investment Strategy:** The IMAAP's core strategy follows our central learning that nearly 90% of returns in Investing, come from getting the Top Down Asset Allocation right. Specific stock selection

Hence, the IMAAP invests across Asset Classes: Stocks, Bonds, Commodities, REITs etc available in India. The weightings of each Asset Class in the Portfolio is adjusted dynamically and tactically, depending on the relative attractiveness of each Asset Class. The strategy is to diversify the Investment across the asset classes to minimize the risk with steady return.

B) INVESTMENT OBJECTIVES AND POLICIES/INVESTMENT PHILOSOPHY EQUITY INVESTMENT PHILOSOPHY

1) INVESTMENT OBJECTIVE AND POLICY

a) We firmly believe that Diversification, done right, delivers way in excess of market returns, with low risk

First Global is renowned across the world for being deeply data driven, in its investment approach. We are unemotional about investing. We don't get romantic about it. We view it for what it is: a vehicle to get rich, while minimising risk. So why does our investing model work across cycles and markets?

The most common investment myth that is peddled day in and day out, is that diversification is the enemy of high returns.

In reality concentrated portfolios are a recipe for disaster more often than not.

Any fund manager who professes to run deeply concentrated portfolios is going to be a fund manager who will do well for sometime and then flame out when even one or two stocks in the portfolio run into bad weather.

At First Global, our research and learnings have been exactly to the contrary.

As a result of our strategy of diversification, we have found that you can generate tons of alpha without adding proportionately to risk.

Across market cycles.

b) <u>Risk and Return don't always go hand in hand</u>

Another common myth that is heard all the time is that to make high returns, you have to take high risk. Nothing could be further from the truth. Our research and findings are again to the contrary.

First Global has simplified the confusing world of investing, into an elegant, simplified, yet deeply researched, Investment Model. The Model is called Return and Risk Optimization (RARO) Model of Investing.

What is the RARO Model?

It has taken us decades to figure this out. And frankly, it's a tad complicated. But let us simplify it for you.

Taking off from Nobel-winner Markowitz's Modern Portfolio Theory (MPT), First Global has innovated on this.

And discovered that a newer, far more efficient frontier exists in investing, wherein you can actually maximize return while minimizing risk.

Don't ask us how. Because that's our secret sauce. Tons of data have been mined, hundreds of patterns have been detected. Conclusions have been built.
Suffice it to say that this is what the RARO Model is: finding the best investment ideas, in India and across the world, that give virtually" free" alpha, i.e., high return but without adding to units of risk.

c) <u>Investing is not about Love</u>

Again, most fund managers approach the business of investing as they would approach a romantic affair: you fall in love with your stocks.

You overlook even the most obvious danger signs. And you hang on to the bitter end.
Not us. We are neutral. Unbiased. Unemotional.

If we see a problem in a portfolio stock, or in a sector, or in a country, we will be out. There will be no rationalizing.

This makes our approach robust. It makes our approach less risky. All of it makes for sustained investment performance.

2) <u>RESEARCH INDEPENDENCE</u>

We hate to make a big deal of this, for we think that basic intellectual integrity has to be a given in this business. It is unfortunate that this is not the case. As for us, investors can rest assured that what we say is untainted by corporate finance considerations or the need to drive trading volumes. All that we require from clients is that they be fair in their commission allocation decisions. If we add more value than others, we deserve to get paid more. If some other firm adds more value, then pay that firm the most. Commission payments should be transparent and sell-side firms should know the basis for these allocations. This is the only way the playing field gets levelled.

All this said, it is also our firm belief that merely being independent is not good enough. Being *right* is more important. In order to be right, independence may be a necessary, but not sufficient condition.

Over years, over markets, over cycles, First Global has proven its ability to call the future before it becomes common knowledge.

And this, in our humble view, is all that matters.

3) TYPES OF SECURITIES

The Portfolio Manager shall invest predominately in the Securities specified in the portfolio description. However, the Client's funds may be invested in any of the Equity and Equity-related instruments, Debt Instruments & Money Market Instruments and such other instruments falling under the definition of Securities

4) TRADING IN DERIVATIVES

SEBI in terms of the SEBI (Portfolio Managers) Amendment Regulations, 2002, has permitted all Portfolio Managers to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, the Portfolio Managers may use various derivative products from time to time, as would be available and permitted by SEBI. Accordingly, the Portfolio Managers may use derivative instruments like Stock Index Futures, Options on Stocks and Stocks Indices, Interest Rate Swaps, Forward Rate Agreements and other such derivative instruments as may be introduced from time to time, as permitted by SEBI.

5) Minimum Investment Amount:

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and/or funds of an amount prescribed by the Portfolio Manager for a Portfolio, subject to minimum amount as specified by SEBI Regulation from time to time. The Client may on one more occasion(s) or on a continual basis, make further placement of Securities and/or funds under the service.

6) RISK MANAGEMENT

Notwithstanding the unique investment requirement and risk preference of the Client, the Portfolio Manager will endeavour to put in place the following risk control measures while recommending investments to the Client and/or executing transactions on behalf of the Client. However, specific investment guidelines in this regard provided by the Client would be adhered to by the Portfolio Manager.

The six most essential elements necessary to effectively control risk are:

(i) The extent of CONCENTRATION, or alternatively the approach to diversification.

(ii) ASSET QUALITY, the fundamental performance of the underlying companies in the portfolio.

(ii) MOMENTUM or the extent to which the portfolio is exposed to short-term volatility.

(iv) EXPENSIVENESS or the risk posed by irrational valuation.

(v) LIQUIDITY, the extent to which the portfolio can be easily sold in the markets, to raise cash.

(vi) HEDGING, the Portfolio to provide the client with risk mitigation.

C) POLICY FOR INVESTMENTS IN GROUP/ASSOCIATE COMPANIES

The Portfolio Manager will ensure that it does not make any investments in any unlisted security of an associate or group company of First Global Finance Pvt. Ltd. or any security issued by way of private placement by an associate or group company of First Global Finance Pvt. Ltd. However, the above restrictions shall not be applicable to investments in units of mutual funds and deposits. The Portfolio Manager may utilize the services of the Sponsor, Group Companies and/or any other subsidiary or associate company of the Sponsor established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

Portfolio Management Team

The investors' funds in various portfolios would be managed by a team of skilled professionals under the able guidance and supervision of Ms. Devina Mehra. She has more than 29 years of experience in equity, portfolio management and fund management. The company will recruit two more fund managers for the Portfolio Business.

Execution of Trade in Own Company

All trades would be executed in Own broking Company. All trades executed will be in Pool Account of PMS Portfolio and shares would be transferred to the Client's DP account as soon as the shares are received from the Exchange.

Appointment of Distributors

Account activations will be sourced by various channel partner, employees, sub-brokers and distributors of First Global Finance Pvt. Ltd.

Details of PMS plans for Discretionary Services:

The Portfolio Manager offers Discretionary Portfolio Management Services, Advisory Services and Non- Discretionary Portfolio Management Services as per Individual Portfolio Management Service agreement.

The Portfolio Manager under its Discretionary Portfolio Management Services offers portfolios with different investment objectives and policies to cater to individual requirements of the Client. The Portfolio Manager shall deploy the Securities and/or funds of the client in accordance with the Investment objectives stated in the Portfolio selected by the Client. All the trades would be executed in Pool Account and thereafter the scrips will be transferred to the respective Client's account.

X. RISK FACTORS

1. Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of the Investment will be achieved. The investments may not be suited for all categories of investors.

2. As with any investment in securities, the value of the Client's Portfolio can go up or down depending on the factors and forces affecting the capital market.

3. Investors are not being offered any guaranteed or assured returns, i.e. either of principal or appreciation on the Portfolio.

4. The investments made are subject to external risks such as war, natural calamities, and policy changes of local/international markets which affect the stock markets.

5. The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets, such as de-listing of securities, market closure, and a relatively small number of scrips

accounting for large proportion of the trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

6. The Client faces a risk of loss due to lack of adequate external systems for transferring pricing, accounting, and safekeeping or record keeping of securities. Transfer risks may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from the stock exchange during the day and at the close of the day.

7. The investment decision made by the Portfolio Manager may not always be profitable.

8. Investments made by the Portfolio Manager are subject to risks arising from the investments' objective, strategy and asset allocation.

9. The Client's investment with the Portfolio Manager shall be subject to the terms and conditions mentioned in the Agreement. Liquidity would be restricted in case of fixed term portfolios.

10. Investors may note that the Portfolio Manager's investment decisions may not always be profitable, as the actual market movements may be at a variance with the anticipated trends.

11. Investments in equity and equity-related securities involve a high degree of risks and the Client should not place funds with the Portfolio Manager for investing unless they can afford to take the risk of losing their investment.

12. The Portfolio is also vulnerable to movements in the prices of securities invested in, which again could have a material bearing on the overall returns from the Portfolio.

13. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume in the stock exchange. Debt and money market securities, while being fairly liquid, still lack a well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and lead to the investment(s) incurring losses till the securities are finally sold.

14. The performance of the Client's portfolio may be adversely affected by the performance of individual companies, changes in the market place and industry-specific and macro-economic factors.

15. Risks arising from non-diversification - diversified portfolios (allocated across companies and broad sectors) generally tend to be less volatile than those from non-diversified portfolios.

16. Any policy change/technology change/obsolescence of technology would affect the investments made in a particular industry.

17. Unrated/lower rated securities: The Portfolio Manager may invest in lower rated/unrated securities offering higher yields. This may increase the risk of the Portfolio.

18. Such investments will be subject to the scope of investments as laid down in the Agreement.

19. The names of the Schemes do not in any manner indicate their prospects or returns. The performance in the equity schemes may be adversely affected by the performance of individual companies, changes in the market place and industry specific and macro-economic factors.

20. Debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. The liquidity of these investments may be affected by trading volumes, settlements periods and transfer procedures.

21. Technology stocks and some of the investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.

22. There are risks attached with the use of derivatives. The Portfolio Manager may use derivative products, as may be permitted by SEBI from time to time. As and when the schemes trade in the derivatives market, there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis which are different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument, but also of the derivative itself. Derivatives require maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and other related capabilities. 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 market risk, valuation risk, liquidity risk and basis risk. Also, it is to be noted that the market for derivative instruments is nascent in India.

23. In the case of stock lending, risks relate to the defaults from counter-parties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks. The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the schemes.

24. The Portfolio Manager may invest in the shares, units of mutual funds, debt, deposits and other financial instruments of group companies. Different types of securities in which the Client's funds would be invested carry

different levels and types of risks. Accordingly, the Portfolio's risk may increase or decrease, depending upon its investment pattern; e.g. corporate bonds carry a higher amount of risk than government securities. Further, even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are A rated.

25. Each portfolio will be exposed to various risks depending on the investment objective, strategy and asset allocation. The investment objective, strategy and the asset allocation may differ from client to client. However, highly concentrated portfolios with lesser number of stocks will generally be more volatile than a portfolio with a larger number of stocks. Portfolios with a higher allocation to equities will be subject to higher volatility than portfolios with low allocation to equities.

26. Risks arising out of non-diversification: Diversified portfolios (allocated across companies and broad sectors) generally tend to be less volatile than non-diversified portfolios.

The Portfolio Manager has no previous experience/track record in providing Portfolio Management Services under the PMS licence provided by SEBI.
Macro-Economic Risks: Overall economic slowdown, unanticipated corporate performance environmental or political problems, changes to monitory or fiscal policies, changes in the 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.

Debt and fixed income securities: Given below are some of the common risks associated with investments in fixed income and money market securities. These risks include, but are not restricted to:

Interest rate risk: As with all debt securities, changes in interest rates will affect the valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile, leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of Portfolios.

Liquidity or marketability risk: This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.

Credit risk: Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk refers to the fall in the rate for reinvestment of interim cash flows.

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. Further, scheme specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

The Clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients. The Client may incur a higher rate of TDS/ dividend distribution tax in case the investments are aggregated.

In case of investments in mutual fund units, the Client shall bear the recurring expenses of the portfolio management services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.

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 situation, the Clients may suffer opportunity loss.

XI. CATEGORIES OF CLIENTS SERVICED

FIRST GLOBAL FINANCE PVT. LTD. currently offers Discretionary Portfolio Management Services. There are NIL clients serviced by FIRST GLOBAL FINANCE PVT. LTD., as on 20th Nov, 2019

XII. DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES PERTAINING TO PORTFOLIO MANAGEMENT SERVICES

The Portfolio Manager has not invested and may not invest the funds of the Client in the equity of any related parties.

XIII. PERFORMANCE OF SCHEMES OF THE PORTFOLIO MANAGER

The Portfolio Manager is just starting PMS services, although it has been advising its global institutional and hedge fund clients on trading strategies for more than 30 years.

XIV. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

The following exhibit states the key financial data pertaining to the Portfolio Manager as per the audited financial statements:

Summarized Financial Statement-Profit & Loss A/c	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Income Total expenses	**18,897,405.00** **17,166,360.00**	**19,796,765.00** **18,452,585.40**	**8,371,800.00** **6,751,793.49**
Profit before Depreciation and Tax	**1,731,045.00**	**1,344,179.60**	**1,620,006.51**
Depreciation	0	0	0
Profit Before Tax	**1,731,045.00**	**1,344,179.60**	**1,620,006.51**
Provision for Tax	**325,805.00**	**274,577.00**	**963,014.00**
Profit after tax	**1,405,240.00**	**1,069,602.60**	**656,992.51**

Summarized Financial	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
SOURCE OF FUNDS			
Shareholder's funds	30,000,000.00	30,000,000.00	30,000,000.00
Loan Funds	98,287,106.40	96,736,566.40	99,251,288.68
APPLICATION OF FUNDS			

Net Fixed Assets	2,882,278.00	2,882,278.00	2,882,278.00
Investments	0	0	0
Current Assets	174,632,707.48	210,639,147.51	202,193,043.19
Less: Current Liabilities and	131,352,023.37	108,969,169.40	100,442,316.68
Provisions	0	0	0
Net Current Assets	43,280,684.11	101,669,978.11	101,750,726.52
Deferred Tax Liability	115,917.00	18,444.00	0

XV. NATURE OF COSTS AND EXPENSES FOR CLIENTS

The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements of each of the services availed at the time of execution of such agreements.

(a) Management Fees

Management Fees relate to the Portfolio Management Services offered to Clients. The fee may be a fixed charge or a percentage of the quantum of funds managed or linked to the portfolio returns achieved or a combination of any of these. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed 4 % p.a. of the Client's portfolio corpus. With regard to the management fees linked to portfolio returns achieved, the terms will be decided as per the Client agreement.

(b) Custodian/Depository Fees

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.

(c) Registrar and Transfer Agent Fee

Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds, including stamp charges cost of affidavits, notary charges, postage stamp and courier charges.

(d) Brokerage and Transaction Costs

The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.

(e) Securities Lending and Borrowing Charges

The charges pertaining to the lender of securities, costs of borrowing including interest, and costs associated with transfers of securities connected with the lending and borrowing transfer operations.

(f) Certification and Professional Charges

Charges payable for outsourced professional services like accounting, taxation, legal services, notarizations etc., for certifications and attestations required by bankers or regulatory authorities.

(g) Incidental Expenses

Charges in connection with courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank accounts, etc.

XVI. TAXATION IMPLICATIONS FOR CLIENTS

Taxation

Tax rates reflected in the Disclosure Document are for the Financial Year 2019-20

The below provisions are in accordance with the Finance Act 2019.

It may be noted that the information given hereinafter is only for general information purposes 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 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 consequences may differ in each case on its merits and facts, each Investor is advised to consult his/her or its own professional tax advisor with respect to the specific tax implications arising from participating in Portfolio Management Services as an Investor.

In view of the above, it is advised that Investors appropriately consult their investment/tax advisors in this regard.

The tax implications given hereunder are broad level implications. Such implications may differ after taking into account the specific facts of each individual case. Further, the tax rates and provisions are as applicable as on the date of issue of this document and would need to be considered as on the date of the taxable event.

The Clients are accordingly advised to avail the services of a professional consultant for determining their exact tax implications.

The tax rates mentioned below are as per the Income-Tax Act, 1961, as amended by the Finance Act, 2019.

Income arising from purchase and sale of securities under Portfolio Management Services can give rise to business income or capital gains in the hands of the Client. The issue of characterization of income is relevant as the tax computation and rates differ in either of the two situations.

The said issue is essentially a question of fact and depends on whether the shares are held as business/trading assets or on capital account. Based on judicial decisions, the following factors need to be considered while determining the nature of assets as above:

Motive for the purchase of securities
Frequency of transactions
Length of period of holding the securities

Treatment of the securities and profit or loss on their sale in the accounts of the assessee and disclosure in notes thereto

Source of funds out of which the securities were acquired – borrowed or own

Existence of an objects clause permitting trading in securities - relevant only in the case of corporates

Circumstances responsible for the sale of securities
Acquisition of the securities – from primary market or secondary market

Infrastructure and set-up employed for undertaking securities transactions by the client

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously.

Investors may refer to CBDT instruction no. 1827 dated August 31st, 1989 read with CBDT Circular no. 4 dated June 15th, 2007 and the CBDT Circular No. 6 dated February 29th, 2016 for further guidance on the matter.

In the following paragraphs, we have considered the broad implications under the Income Tax Act, 1961 ("IT Act") for the Clients (residents as well as the non-residents) under both the scenarios, viz.: Securities in the Portfolio held as business asset; and Securities in the Portfolio held on capital account.

Any security held by a Foreign Portfolio Investor ("FPI"), invested in accordance with the regulations under the SEBI Act, 1992, will be classified as a capital asset under section 2(14) of the Income-tax Act.

Securities Transaction Tax ("STT")

STT is applicable on certain specified transactions (on the stock exchange or redemption of equity oriented units), which are tabulated below:

Sr. No.	Nature of Transaction 'Value' on which STT is payable	Transaction on stock exchange	Rate of STT	'Value' on which STT is payable
1	Delivery-based purchase/sale transaction in equity shares or units of business trust	Yes	Both buyer and seller must pay 0.1%	Price at which shares or units are purchased/sold
2	Delivery-based purchase transaction in units of equity-oriented fund	Yes	NIL	Not Applicable
3	Delivery-based sale transaction in units of equity-oriented fund	Yes	Seller to pay 0.001%	Price at which units are sold
4	Sale of units of an equity-oriented fund to the mutual fund	No	Seller to pay 0.001%	Price at which units are sold
5	Non-delivery based transaction in equity shares/units of 'equity oriented fund'/units of business trust	Yes	Seller to pay 0.025 %	Price at which shares/units are sold
6	Derivatives: Futures	Yes	Seller to pay 0.01%	Futures: Price at which futures are traded
7	Derivatives: Options	Yes	Where option is not exercised - Seller to pay 0.05%	Payable on option premium
			Where Option is exercised – Buyer to pay 0.125%	Payable on settlement price
8	Sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and subsequently listed on a recognized stock exchange		Seller to pay 0.2%	Price at which shares are sold
9	Sale of unlisted units of a business trust		Seller to pay	Price at which

	under an initial public offer	0.2%	the units are sold

The above STT is payable, irrespective of whether the securities are characterized as business assets or as capital assets.

Tax Implications Where Securities Are Business Assets

The following are the various income streams that can arise from securities held in the Portfolio:

c. Gains on sale of securities;
d. Dividend income on shares/Income-distribution on units; and
e. Interest income on debt securities.

If the securities in the Portfolio are regarded as a business/trading asset, then any gain/loss arising from the 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 expenses incurred on transfer).

However, dividend on shares (referred to in section 115-O of the IT Act) and income distributed by mutual funds are exempt under the Act. The Finance Act 2016 inserted a new section 115BBDA stating that the dividend on shares declared, distributed or paid by domestic company and earned by individual, HUF, firm who is resident in India in excess of INR 1 million shall be chargeable to tax at the rate of 10% on a gross basis. In terms of section 14A of the IT Act, the Assessing Officer has been given the power to make disallowances of expenses relating to earning exempt income. However, expenses for earning exempt income will not be allowed to the investors. In March 2008, the Central Board of Direct Taxes (CBDT) inserted Rule 8D in the income tax rules laying down the formula for computing the disallowance of expenses incurred in relation to earning of exempt income. Further, vide Notification No 43/2016, the CBDT has amended the formula for computing the expenditure relatable to earning of exempt income as prescribed under Rule 8D.

Interest income arising on securities may be categorized as 'Business Income' or 'Income from Other Sources'. Any expenses incurred to earn such interest (such as interest expense) would be available as deduction.

STT paid on securities held on business account is allowable deduction for computing business income.

The rates specified in this section pertain to the financial year 2019-20 as amended by the Finance Act, 2019. The rates are exclusive of surcharge and education cess, if any, as leviable.

The rates at which business income is chargeable to tax are given in para 1.1.1. below:

1.1.1 Rates applicable to different categories of assesses

Assesse	% of Income Tax
Individuals, Hindu Undivided Family ('HUF'), Association of Persons ('AOP'), Body of Individuals ('BOI')	Applicable slab rates
Domestic company having turnover/gross receipt not exceeding Rs. 250 crore in financial year ('FY') 2016-17	25%
Partnership Firm [including Limited Liability Partnership ('LLP')] and Domestic Company having turnover/gross receipt exceeding Rs. 250 crore in FY 2016-17	30%
Foreign Company	40%

The slab rates applicable to individuals are as under:

Slabs	% of Income Tax
Up to Rs. 2.5 lacs	Nil
From Rs. 2.5 lacs to Rs. 5 lacs	5%
From Rs. 5 lacs to Rs. 10 lacs	20%
Above Rs. 10 lacs	30%

The basic exemption limit for resident senior citizens aged 60 years, but below 80 years is Rs. 3 lacs and for resident senior citizens aged 80 years or more is Rs. 5 lacs.

An individual resident, whose total income does not exceed Rs. 5 lacs shall be eligible for a rebate of amount of income-tax payable on the total income for any assessment year or Rs. 12,500, whichever is less.

The income tax rates specified above and elsewhere in this Disclosure Document are exclusive of the applicable surcharge & cess.

1.1.2 The applicable rates for surcharge as amended by the Finance Act, 2018 are given below:

Type of Investor	Surcharge* rate as a % of income-tax			
	If income is less than Rs. 50 lacs	If income exceeds Rs. 50 lacs, but is less than Rs. 1 crore	If income exceeds Rs. 1 crore, but is less than Rs. 10 crore	If income exceeds Rs. 10 crore
Resident Individual, HUF, AOP, BOI	NIL	10%	15%	15%
Partnership Firm/Limited liability partnership, Local	NIL	NIL	12%	12%

authority and cooperative societies				
Domestic Company	NIL	NIL	7%	12%
Foreign Company	NIL	Nil	2%	5%

*Additionally, the Finance Act, 2018 introduced the levy of health and education cess @ 4% on the income tax and surcharge (if applicable) as computed above w.e.f. 1st April, 2018.

Losses Under The Head Profits and Gains of Business Or Profession

1.1.3 In the case of loss under the head 'Profits and Gains of Business or Profession' (other than speculative loss), it can be set off against the income from any other source under the same head or income under any other head (except certain exceptions) in the same assessment year. If such a loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business (other than speculative loss), within the period of eight subsequent assessment years.

In case the loss is in the nature of speculation loss, the set-off would be available in the same assessment year only against speculation gain. In terms of Explanation to section 73, in case of a company, other than a company whose gross total income consists mainly of income which is chargeable under the heads "Interest on securities", "Income from house property", "Capital gains and "Income from other sources", or a company the principal business of which is the business of trading in shares or banking or the granting of loans and advances, loss on sale of shares forming part of the business of the company (even if delivery based) is considered as speculation loss. Such loss can be carried forward for set-off against speculative gains within a period of four subsequent assessment years. Where the principal business of any company is trading in shares, such business of purchase and sale of shares would not be regarded as a speculation business and accordingly, loss arising from such business will not be treated as speculation loss.

The IT Act has been amended to exclude derivatives transactions traded on a stock exchange from being treated as a speculative transaction. The gain/loss from derivatives transaction would be treated as Income from Business.

Tax Implications Where Securities Are Capital Assets

The following are the various income streams that can arise from Securities forming part of the Portfolio:

- Gains on sale of Securities;
- Dividend income on shares/Income-distribution on units; and
- Interest income on debt Securities

Dividend on shares (referred to in section 115-O of the Act) and income distributed by Mutual Funds continue to be exempt under the IT Act. The Finance Act 2016 inserted a new section 115BBDA stating that the dividend on shares declared, distributed or paid by domestic company and earned by individual, HUF, firm who is resident in India in excess of INR 1 million shall be chargeable to tax at the rate of 10% on a gross basis. In terms of section 14A of the IT Act, the Assessing Officer has been given the power to make disallowances of expenses relating to earning exempt income. However, expenses for earning exempt income will not be allowed in to the investors. In March 2008, the Central Board of Direct Taxes (CBDT) inserted Rule 8D in the income tax rules, laying down the formula for computing the disallowance of expenses incurred in relation to earning of exempt income. Further, vide Notification No 43/2016, the CBDT has amended the formula for computing the expenditure relatable to earning of exempt income as prescribed under Rule 8D. Interest income arising on securities would be categorized as 'Income from Other Sources'. Any expenses incurred wholly and exclusively for the earning of such income (such as interest expense) would be available as deduction.

As per the provisions of section 2(42A) of the Act, securities (other than units) listed on a recognized stock exchange or a unit of an equity-oriented fund or Zero Coupon Bonds held by the investor as a capital asset, is considered to be a short-term capital asset, if these are held for 12 months or less from the date of acquisition by the unit holder. Accordingly, if such assets are held for a period of more than 12 months, they are treated as long-term capital assets.

Further, securities other than those listed on recognized stock exchange and mutual fund units (other than equity oriented funds) are classified as short term capital asset where they are held for a period of up to 36 months. Accordingly, if such securities/ units are held for a period of more than 36 months, they are treated as a long-term capital asset.

The mode of computation of capital gains would be as follows:

Sale Consideration	xxx
Less: Expenses on Transfer (Note 2)	(xx)
Net Consideration	xxx
Less: Cost of Acquisition (Note 1)	(xxx)
Capital Gains (Note 3)	xxx

Note 1: In case of the computation of long-term capital gains, option of indexation of cost is available on all Securities (other than units of an equity oriented shares/units, other than bonds and debentures). Indexation benefits are generally not available to non-residents from transfer of shares or debentures of an Indian company.

Note 2: This would include only expenses relating to transfer of securities such as brokerage, stamp duty, etc. Normal business expenses would not be allowable. Further, STT is not allowable as a deduction in computing taxable capital gains.

Note 3: In case of non-residents (other than FPIs), capital gains from sale of shares or debentures acquired in foreign currency, will be computed in foreign exchange by converting the sale consideration, cost of acquisition & expenses on transfer into foreign currency at the rates (Average of Telegraphic transfer buying and selling rates prevailing on the date of purchase/sale, as the case may be) and re-converting such gains into Indian currency (at Telegraphic transfer buying rate on date of transfer).

The provisions of the Act, in relation to taxation of long-term and short-term capital gains are provided in the following paragraphs.

Long-Term Capital Gains

Long-term capital gains are taxable in the hands of different categories of assesses as under:

<u>Resident Individuals (including proprietorships)/HUF/Partnership firms & Indian companies</u>

Long-term capital gains arising on transfer of equity shares or units of an equity-oriented fund on which STT is paid[3] are exempt from tax under Section 10 (38) of the Act. However, this exemption stands withdrawn with effect from 1st April, 2018. As per the Finance Act, 2018, such gains, if exceeding Rs. 100,000 are to be taxed at the rate of 10% as per Sec 112A, provided that STT has been paid on acquisition and/or transfer of the shares/units.

Further, the Finance Act 2018 provides relief in computation of gains on sale of equity shares/units of an equity-oriented fund acquired before 1st February, 2018 such that the Cost of Acquisition ('COA') of such units is to be considered the **higher of:**

- Actual COA of the units; and
- Lower of FMV[4] of the unit; and
- Redemption value/Sale consideration on transfer of the units

No benefit of inflation indexation will be available for computing the cost.

Long-term capital gains arising from the transfer of equity shares/unit of an equity-oriented mutual fund on a stock exchange would be taken into account in computing the book profit and tax payable by a company, as per the Minimum Alternate Tax provisions (section 115 JB of the Act).

Under the provisions of Section 112 of the Act, long-term capital gains (other than those mentioned above) are subject to tax @ 20% (plus applicable surcharge and cess as mentioned in above table), with indexation benefit. The tax payable could alternatively be determined @ 10% (plus applicable surcharge and cess as mentioned in above table) without indexation. Such an option is available only in case of Long-term capital gains arising on sale of listed securities (other than units) or zero coupon bonds.

<u>Non-resident Indians</u>

Long-term capital gains arising on transfer of equity shares or units of an equity-oriented fund on which STT is paid[5] are exempt from tax under Section 10 (38) of the Act. However, this exemption stands withdrawn with effect from 1st April, 2018. As per the Finance Act, 2018, such gains, if exceeding Rs. 100,000 are to be taxed at a concessional rate of 10% (plus surcharge and cess) as per Sec 112A provided that STT has been paid on acquisition and/or transfer of the shares/units.

Further, the Finance Act 2018 provides relief in computation of gains on sale of shares/ units of an equity oriented fund acquired before 1st February, 2018 such that the Cost of Acquisition ('COA') of such units is to be considered the **higher of:**

- Actual COA of the units; and

- Lower of FMV[6] of the unit; and
- Redemption value/Sale consideration on transfer of the units.

No benefit of inflation indexation will be available for computing the cost.

Non-resident Indians are permitted to be governed by the general provisions of the Act (same as above except for indexation) or the special provisions contained in section 115E of the Act.

Under the special provisions of section 115E of the IT Act for non-resident Indians, income by way of long-term capital gains in respect of specified assets purchased in foreign currency as defined under section 115C (which includes shares, debentures, deposits in an Indian company and security issued by the central government) is chargeable at the rate of 10% (plus applicable surcharge and cess as mentioned in the above table).

The benefit of indexation, as discussed in above Para is not available to non-resident Indians, claiming taxability under section 115E of the Act.

Other than mentioned above, under the general provisions Section 112 of the IT Act, long-term capital gains in the case of listed securities (other than equity-oriented fund) will be chargeable under at a rate of 20% (plus applicable surcharge and cess as mentioned in Para 1.1.2) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable could alternatively be determined at 10% (plus applicable surcharge and education cess as mentioned in above table) without indexation.

Further, long-term capital gains arising out of the transfer of unlisted securities or shares of a company not being a company in which the public are substantially interested shall be subject to tax at the rate of 10% (plus applicable surcharge and cess as mentioned in above table) without giving effect to indexation and foreign exchange fluctuation benefit.

The above-mentioned rates would be subject to applicable treaty relief.

Long-term capital gains arising on sale of securities shall be chargeable under Section 112 and Section 112 A (as per Finance Act 2018) of the Act, as per the rates mentioned in the table below:

Income	**Rates**
Resident investors	
A) Listed shares (other than shares on which STT is payable) and listed securities (excluding units of mutual funds, bonds and debentures)	20% (with indexation) 10% (without indexation)
B) Listed shares (STT payable on acquisition and transfer) and units of equity oriented fund or business trust (STT payable on transfer)	Till 31st March, 2018 – Exempt Rate w.e.f. 1st April, 2018 – 10% (without indexation) if the gains exceed INR 1 lac

C) Units of Mutual Fund (indexation benefit available)	20%
D) Bonds and debentures (without indexation)	20%
Foreign Investors (Other than FPI)	
E) Unlisted shares, unlisted securities and unlisted units of debt mutual funds (without indexation and foreign currency fluctuation benefit)	10%
F) Listed units of debt mutual funds (indexation benefit available)	20%
G) Listed securities (other than shares and debentures and units of mutual funds)	20% (with indexation) 10% (without indexation)
H) Listed shares (STT payable on acquisition and transfer) and units of equity oriented fund or business trust (STT payable on transfer)	Till 31st March, 2018 – Exempt Rate w.e.f. 1st April, 2018 – 10% (without indexation) if the gains exceed INR 1 lac

The above rates shall be increased by the applicable surcharge and education cess/health and education cess as introduced in the Finance Act, 2018.

The following amounts shall be deductible from the full value of consideration, to arrive at the amount of capital gains:

- Cost of acquisition of securities as adjusted by Cost Inflation Index notified by the Central Government, and
- Expenditure incurred wholly and exclusively in connection with such a transfer

In case of Individuals and HUF (being a resident), where taxable income as reduced by long-term capital gains arising on sale of securities (other than derivatives, shares and unit of an equity oriented fund) is up to/below the basic exemption limit, the long-term capital gains shall be reduced to the extent of the shortfall and only the balance long-term capital gains shall be subjected to the flat rate of income-tax.

Deductions From Long-term Capital Gains

	Section 54 EC	**Section 54 F**	**Section 115 F Section**	**Section 54EE**
Assessee	Any person	Individuals / HUF	Non-Resident Indian	Any person
Sale of which security	Any	Any (not being residential house)	Specified Securities	Any
Asset to be purchased -to claim exemption	The Finance Act, 2018 has made amendments to include Bond	A residential house property	Specified Securities	Long term specified asset (investment cap of Rs. 50 lacs

	which were issued after 1st April, 2007 but before 1st April, 2018 shall mean any bond redeemable after three years as notified by the Central Government in the official gazette. However, for bonds issued after 1st April, 2018, the redeemable period would be five years.			will be allowed)
Time-limit for purchase from the date of sale of MF units	Six months	Purchase: One year back/Two years forward & Construction: three years forward	Six months	Six months
Amount Exempt	Investment in the new asset or capital gain, whichever is lower	Capital gains proportionate to the investment made from sale proceeds	Capital gains proportionate to the investment made from sale proceeds	**Case 1:** If cost of the long-term specified asset is less than the capital gain arising from sale proceeds from the transfer of the original asset; then the amount exempt will be capital gains proportionate to the investment made **Case-2:** If cost of the long-term specified asset is not less than

				the capital gain arising from the transfer of the original asset, then the amount exempt will be capital gains
Lock-in Period	Three/Five years (subject to the amendment mentioned above)	Three years	Three years	Three years

Short-term Capital Gains

1.2.10 Under Section 111A of the IT Act, income from Short-term Capital Gains arising from transfer of equity shares in a company or a unit of equity-oriented fund (on which STT is paid) are taxable @ 15% (plus applicable surcharge and cess as mentioned in Para 1.1.2).

The tax rates applicable to different categories of assesses on Short-term Capital Gains (other than those referred above) would be the normal rates as provided in Para 1.1.1 above), except for FPIs who would be taxable on short-term capital gains @ 30% (plus applicable surcharge and cess as mentioned in Para 1.1.2) under Section 115AD of the IT Act.

Foreign Portfolio Investors

Hitherto, foreign portfolio investors were making investments in India under the provisions of the SEBI Foreign Institutional Investors "FII" Regulations. Vide circular dated 7th June, 2012, SEBI – the capital market regulator, sought to widen the stream of foreign portfolio investors by introducing the concept of Qualified Foreign Investors "QFI" to make investments in India. On 7th January, 2014, SEBI issued the SEBI (Foreign Portfolio Investors) Regulations 2014 "FPI Regulations", effective from 1 June 2014. Through these regulations, SEBI seeks to harmonise FIIs, sub accounts and QFIs into a single investor class with a view to ensure uniform guidelines and provide a single window registration for different categories of foreign investors. The Central Government has since also notified that the tax regime prevailing for erstwhile FII will apply to FPI as well.

FPI has been defined as a person not resident in India and not a Non Resident Indian. FPI should be a resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission (IOSCO) Multilateral Memorandum of Understanding or Bilateral Memorandum of Understanding.

Tax on FPIs

Capital gains arising to an FPI will be taxable as under:

Long-term capital gains arising on transfer of equity shares or units of an equity-oriented fund on which STT is paid are exempt from tax under Section 10(38) of the Act.

The Finance Act, 2018 withdraws the exemption under Section 10(38) of the Act and introduces a new Section 112A (effective 1st April, 2018) to tax the long-term capital gains arising from transfer of equity shares/units of equity-oriented mutual funds. Such gains, if exceeding Rs.1 lac to be taxed at a concessional rate of 10% (plus surcharge and cess), provided the acquisition and/or transfer is subject to Securities Transaction Tax (STT), as applicable.

The Act also provides relief in computation of gains on sale of units acquired before 1st February, 2018 such that the cost of acquisition ('COA') of such units is to be considered the **higher of:**

- Actual COA of the units; and
- Lower of FMV[7] of the unit; and
- Redemption value/Sale consideration on transfer of the units
- Such capital gains would be computed without giving effect of indexation and foreign currency conversion;
- Short-term capital gains arising to an FPI on transfer of equity shares or units of an equity oriented fund on which STT is paid, shall be taxable at the rate of 15% (plus applicable surcharge and cess as mentioned in Para 1.1.2);
- Short term capital gains on which STT is not paid, arising to a FPI from transfer of securities, shall be taxable at the rate of 30% (plus applicable surcharge and cess as mentioned in Para 1.1.2);
- Any income arising to an FPI by way of holding of securities would be taxable at the rate of 20% (plus applicable surcharge and cess as mentioned in Para1.1.2).

Capital Loss

Losses under the head 'Capital Gains' cannot be set off against income under any other head. Further, within the head 'Capital Gains', long-term capital losses cannot be adjusted against short-term capital gains. However, short-term capital losses can be adjusted against any capital gains.

Unabsorbed long-term capital loss can be carried forward and set off against the long-term capital gains arising in subsequent eight assessment years.

Unabsorbed short-term capital loss can be carried forward and set off against the income under the head Capital Gains in subsequent eight assessment years.

Other relevant provisions

Tax neutrality on merger of different plans in schemes of Mutual Fund:

The Act provides for the consolidation/merger of different plans in a mutual fund scheme of a fund, in accordance with the process of consolidation of mutual fund schemes under the SEBI (Mutual Fund) Regulations, 1996, shall be tax neutral to the investors. Thus, such consolidation/merger will not result in transfer and will not be liable to capital gains.

The cost of acquisition of the units of the consolidated scheme shall be the cost of units in the consolidating scheme and the period of holding of the units of the consolidated scheme shall include the period for which the units were held in the consolidating schemes.

Alternate Minimum Tax ("AMT")

All unit holders (other than companies) are subject to tax under AMT at the rate of 18.5% on the adjusted total income. In a situation where the income-tax computed as per normal provisions of the Act is less than the AMT on "adjusted total income", the unit holder shall be liable to pay tax as per AMT. "Adjusted total income" for this purpose is the total income before giving effect to the following deductions:

- claim, if any, under any section, included in Chapter VI-A under the heading "C, - Deduction in respect of certain incomes' (other than section 80P);
- claim, if any, under section 10AA; and
- claim, if any, under section 35AD (in respect of capital expenditure) as reduced by the amount of depreciation allowable in accordance with the provision of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed.

AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person if the adjusted total income of such person does not exceed INR 20 lacs. Further, credit of AMT is allowed to be carried forward to 10 subsequent years and set off in the years(s) where regular income tax exceeds the AMT. Further, credit of AMT paid in a given year can be claimed in any subsequent year even if the adjusted total income does not exceed INR 20 lacs or where no deduction has been claimed under chapter VI-A or section 10AA or section 35AD of the Act.

Taxability of non-residents investors

In case of non-resident unit holder who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement ("DTAA" or "tax treaty") (which is in force) income tax is payable at the rates provided in the Act, as discussed above, or the rates provided in the such tax treaty, if any, whichever is more beneficial to such non-resident unit holder.

For non-residents claiming such tax treaty benefits, the Act mandates the obtaining, from the home country tax authority, a tax residency certificate ('TRC') and form 10F in the prescribed format.

Minimum Alternate Tax ("MAT") applicability to FPIs

The MAT provisions exclude from its chargeability, the income arising to foreign companies where:

a) The person is a resident of a country or a specified territory with which India has an agreement as per section 90(1) and 90A(1) and the person does not have a permanent establishment in India in accordance with the provisions of the Agreement;
b) The person is a resident of a country with which India does not have an agreement as stated in above clause and the assesse is not required to seek registration under any law for the time being in force relating to companies.

General Anti Avoidance Rules (GAAR)
As per the Finance Act, 2016, the implementation of GAAR will apply from the financial year 2017-18. Further, the provisions have also been amended to protect the investments made up to 31st March, 2017 from the applicability of GAAR.

GAAR empowers the tax authorities to treat any transaction or arrangement entered into for the primary purpose of tax avoidance as an impermissible avoidance arrangement. The GAAR provisions seek to confer on the tax officer extensive powers, to disregard/combine/re-characterise transactions/persons in situations where there is a tax avoidance motive or where such motive is presumed to exist in law.

Taxability of Capital Gains
In the context of taxation of capital gains, the definitions of "capital asset" and "transfer" are widened with retro-effect from 1st April, 1962 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transfer of assets in India.

XVII. Accounting Policies and Basis of Valuation Accounting:

The Portfolio Manager shall follow the following accounting policies in respect of the portfolio investment of the Clients:

a. The Portfolio Manager shall keep and maintain proper books of accounts, records and documents for each Client so as to explain transactions for each Client and to disclose at any point of the Portfolio holding of each Client and in particular give a true and fair view of the performance of Portfolio for each Client. The books of accounts for the clients are maintained on historical cost basis.

b. Transactions for purchase or sale of investments shall be recognized as of the trade date.

c. The cost of investments acquired or purchased will include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.

d. Dividend income is recognized post dividend declaration date. For the investments, which are not quoted on the stock exchange, dividend income will be recognized on the date of receipt of dividend from the company.

e. 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.

f. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

g. In respect of interest bearing investments, income would be recognized on accrual basis.

Basis of Valuation:

a. Investments in listed equity and debt securities ("traded securities") shall be valued on the basis of closing market rates on the National Stock Exchange ("NSE") as on the relevant valuation date. If the security is not listed on the NSE, latest available quote within a period of thirty days prior to the valuation date on the Bombay Stock Exchange or any other major stock exchange where the security may be listed would be considered. In the event of this date being a holiday at the exchange, the rates as on the immediately preceding trading day shall be adopted. If no such quote is available, the security may be considered as non-traded.

b. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

c. Mutual fund units are valued at latest available net asset value (NAV) of the particular scheme on the valuation date.

d. Debentures and Bonds will be valued at their Last Traded Price (LTP) as quoted on the National Stock Exchange/Bombay Stock Exchange provided the value traded is at least Rs. 1 crore.

   However in case of each of the Bonds, when on the last trading day of such month where LTP is not available, the Portfolio Manager will source the valuation of such bonds from CRISIL.

   Exception - When in the opinion of the Portfolio Manager, the debentures and bonds, apparently, do not reflect their fair/realisable value, the Portfolio Manager shall deviate from CRISIL-based valuation and such instruments shall be valued using principles of fair valuation. Necessary documentation justifying each such deviation and the computation of fair price shall be recorded by the Portfolio Manager.

e. Unlisted, non-traded and all other securities where a value cannot be ascertained shall be valued as determined in good faith by the Portfolio Manager.

f. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or for accounting the same, as may be mutually agreed between them on a case to case basis.

g. The securities received towards corpus and added to the portfolio are valued and accounted at the previous day closing rate of NSE to the portfolio. The securities withdrawn as corpus are valued at previous day closing rate of NSE.

h. Mutual fund units received towards corpus are valued and accounted at the latest available NAV on the date of addition to the portfolio. Mutual fund units withdrawn are valued and accounted at the latest available NAV on the date of on the date of withdrawal.

i. Securities transaction tax levied on purchase/sale of securities and derivatives during the financial year is recognized as an expense in the books of accounts.

a. Tax deducted at source on sale of shares/mutual funds, interest or any other income on which tax is liable to be deducted is adjusted against corpus on a yearly basis at the end of the financial year since such amounts are not available to the Portfolio Manager for investment purposes

XIII. Prevention of Money Laundering Act (PMLA) & Know Your Customer (KYC) Requirements:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1st, 2005. Consequently, SEBI has mandated all registered intermediaries to formulate and implement a comprehensive policy framework on anti-money laundering and to adopt 'Know Your Customer' (KYC) norms.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not contravene any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time.

Investors are requested to note that KYC is mandatory for all investors. In order to bring about uniformity in the securities market, SEBI has developed a mechanism for centralization of the KYC records in the securities market. Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA.

The Portfolio Manager is adhering to the requirements of SEBI circular No. CIR/MIRSD/66 /2016 dated July 21st, 2016 and circular No. CIR/MIRSD/120/2016 dated November 10th, 2016 on operationalisation of the Central KYC Records Registry (CKYCR).

XIX. Investor Services & SCORES

Service levels and Reports

The Portfolio Manager shall furnish to the Client reports/statements/documents at least once in six months and as and when required by the Client with a reasonable frequency. Such reports/statements/documents shall contain the following details namely:

a. Report on the composition and value of the portfolio, description of securities, number of securities, value of each security held in the portfolio, cash balance and aggregate value of the portfolio on the date of the report;

b. Report on the transaction undertaken during the period of report including date of transaction and details of purchase and sales;

c. Report on beneficial interest received during that period in respect of interest, dividend, bonus shares, rights shares and debentures;

d. Report on expenses incurred in managing the portfolio;

e. Details of risk foreseen by the Portfolio Manager and the risk relating to the securities recommended by the Portfolio Manager for investment or disinvestments

The Portfolio Manager shall on a best effort basis endeavour to provide reports to the Client within below mentioned timelines after receipt of request from the Client:

Sr. No	Report	Timeline for providing the report after receipt of the request
1.	Portfolio holding statement	Three working days
2.	Transaction statement	Seven working days
3.	Capital gains register	Seven working days
4.	Performance report	Seven working days

(a) Contact information: The investor queries and complaints can be addressed to:

Name: Mr. Neeraj Khanna
Address: FIRST GLOBAL FINANCE PVT. LTD.
Ratnam Square, Plot No. 38/39, Sector 19A,
Vashi, New Mumbai 400 066.
Telephone: +91-22-61166525 and +91-22-39136500; Fax: +91-2783 3111
E-mail: info@firstglobal.in

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

(b) Grievance Redressal and dispute settlement mechanism: The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms. All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

SEBI SCORES Platform

SEBI has introduced an online registration of complaints whereby investors can lodge their grievances on the SEBI Complaints Redress System i.e., the SCORES portal
http://scores.gov.in

SCORES enables online tracking of status of a complaint. Investors who are unable to access the online platform continue to have the option to register their complaints in physical form.

XX. GENERAL

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

	Sd/-	Sd/-
1.	Ms. Devina Mehra	2. Mr. Neeraj Khanna
	Director	Director and Principal Officer