

**PORTFOLIO MANAGEMENT SERVICES**  
**DISCLOSURE DOCUMENT**  
**OF**  
**PRP PROFESSIONAL EDGE ASSOCIATES PVT LTD.**  
**(SEBI Registration No. INP100007259)**

***(As per the requirement of Regulation of SEBI (Portfolio Managers) Regulations, 2020)***

- (i)** The document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI.
- (ii)** The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation of SEBI (Portfolio Managers) Regulation 2020.
- (iii)** The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.
- (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)** This Disclosure Document is dated 01-09-2021 (financial data considered up to **31-Mar-2020**).

**Details of the Portfolio Manager**

Name of Portfolio Manager	:	<b>PRP Professional Edge Associates Pvt Ltd.</b>
SEBI Registration Number	:	<b>INP100007259 (Dated: 02-Aug-2021)</b>
Registered Office Address	:	<b>508, 5th Floor, Eros City Square, Rosewood City, Sector - 49-50, Gurugram - 122018, Haryana</b>
Phone No(s)	:	<b>0124-4249000</b>
E-mail address	:	<b>info@prpedge.com</b>
Website	:	<b>www.prpedge.com</b>

**Details of the Principal Officer**

Name of Principal Officer	:	<b>Rahul Jagetiya</b>
Corporate Office Address	:	<b>1010, 10th Floor, Meadows, Sahar Plaza, Andheri (E), Mumbai - 400059, Maharashtra</b>
Phone No(s)	:	<b>022-40130300</b>
E-mail address	:	<b>rahul.jagetiya@prpedge.com</b>

**INDEX**

<b>Sr. No.</b>	<b>Contents</b>	<b>Page No.</b>
1	Disclaimer Clause	3
2	Definitions	3
3	Description about Portfolio Manager	6
4	Penalties, pending litigations or proceedings, findings of inspections or investigations for which actions may have been taken or initiated by any regulatory authority.	8
5	Details of Services offered/Proposed to be offered	8
6	Risk Factors	12
7	Client Representation	17
8	The Financial Performance of Portfolio Manager	17
9	Audit Observation for the last 3 Years	18
10	Performance of the Portfolio Manager for the last 3 Years	18
11	Fees and Services Charged (To be based on actual)	18
12	Taxation	20
13	Accounting Policies	22
14	Investor Services	23
15	CA Certificate for PMS Disclosure Document	26
16	Form C for PMS	27

### Contents of Disclosure Document

#### (1) Disclaimer clause:

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations' 2020 as amended till date and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the document. You are requested to retain the document for future reference. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

Notwithstanding anything contained in the Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time and the circulars/guidelines issues from time to time there under shall be applicable.

This Disclosure Document along with certificate in Form C is required to be provided to the Client, at least two days prior to entering into an agreement with the Client.

#### (2) Definitions:

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively: -

- (i) **"Act"** means the Securities and Exchange Board of India, Act 1992 (15 of 1992) as amended from time to time.
- (ii) **"Agreement"** means agreement between Portfolio Manager and its Clients in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Portfolio Managers) Amendment Regulation, 2016 issued by Securities and Exchange Board of India and shall include all recitals, schedules, exhibits and Annexure attached thereto and any amendments made to this Agreement by the Parties in writing.
- (iii) **"Applicable Laws"** means any applicable local or national statute, regulation, notification, circular, ordinance, requirement, directive, guidance or announcement issued by any Authority.
- (iv) **"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 Management Services. 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.
- (v) **"Assets"** means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value), in relation to or arising out of Assets.

- (vi) **“Bank Account”** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or a pool account in the name of Portfolio Manager to keep the Funds of all clients.
- (vii) **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under subsection (1) of Section 3 of the Securities and Exchange Board of India Act, 1992 as amended from time to time.
- (viii) **“Business Day”** means days other than:
- Saturday and Sunday,
  - a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
  - a day on which the Bombay Stock Exchange and the National Stock Exchange are closed,
  - a day on which normal business could not be transacted due to storms, floods, bands, strikes etc.
- (ix) **“Client”** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio/funds.
- (x) **“Custodian”** means an entity that has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.
- (xi) **“Depository Account”** means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client, with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- (xii) **“Discretionary Portfolio Management Services”** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in this Agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of assets of the Client;
- (xiii) **“Document”** means Disclosure Document.
- (xiv) **“Financial year”** means the year starting from 1st April and ending on 31st March of the following year.
- (xv) **“Funds”** means the monies placed by the Client with the Portfolio Manager and any accretions thereto.
- (xvi) **“High Water Mark”** means a value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.
- (xvii) **“Investment Advice”** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.

- (xviii) **“Investment Management Fees”** shall have the meaning attributed thereto in Clause [10] of this Document under the head Fees & Services Charged (To be charged on Actuals).
- (xix) **“Non-Discretionary Portfolio Management Services”** means the portfolio management services rendered to the client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to assets but does not exercise any discretion with respect to investments or management of the Assets of the Client, and invests and manage the Assets only after seeking and taking approval from the Client, entirely at the Client’s risk.
- (xx) **“Net Asset Value”** (NAV): Net Asset Value is the market value of assets in a portfolio consisting of equity, derivative, debt, mutual funds units, cash, cash equivalents, accrued interest or benefits receivables, if any, etc. less payable, if any.
- (xxi) **“Parties”** means the Portfolio Manager and the Client, and “Party” shall be construed accordingly.
- (xxii) **“Person”** includes any individual, partners in a partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
- (xxiii) **“Portfolio Manager”** means “PRP Professional Edge Associates Pvt Ltd.” who has obtained the certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 vide Registration No. INP100007259.
- (xxiv) **“Plan/Product”** shall mean plans offered by the Portfolio Manager and accepted by the client for the purpose of investments.
- (xxv) **“Portfolio”** means the Securities and/or fund managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.
- (xxvi) **“Power of Attorney”** means the power of attorney to be executed by the Client in favor of the Portfolio Manager in the format specified by the Portfolio Manager, including any additional powers of attorney from time to time, in favor of the Portfolio Manager.
- (xxvii) **“Principal Officer”** means an individual who is responsible for the activities of portfolio management and has been designated as a principal officer by the portfolio manager.
- (xxviii) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time;
- (xxix) **“Scheduled Commercial Bank”** means any bank included in the Second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).

**(xxx) “Securities”** shall mean and include “Securities” as defined under the Securities Contracts (Regulation) Act, 1956; Shares, scripts, stocks, bonds, warrants, convertible and nonconvertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and/or by any mutual funds, exchange traded funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and any other instruments or investments (including borrowing or lending of securities) as may be permitted by applicable law from time to time.

**INTERPRETATION:**

- Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive.
- They have been included only for the purpose of clarity and shall, in addition, be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.
- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- All references “Rs.” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.

**(3) Description about Portfolio Manager:**

**(i) History, Present business and Background of the Portfolio Manager:**

**(a) History of the Portfolio Manager:**

The company was incorporated on 26<sup>th</sup> June, 2013 as “PRP Professional Edge Associates Pvt Ltd.” under Companies Act, 1956 and having its registered office at 508, 5<sup>th</sup> Floor, Eros City Square, Rosewood City, Sector – 49-50, Gurugram – 122018, Haryana which is changed from ES-343, ESPACE Nirvana Country, Sector – 50, Gurugram – 122018, Haryana and was formed with a vision to change the financial landscape, Mr. Puneet Pandey and Mrs. Rashmi Pandey started their own venture, and made PRP amongst the leading financial services firms in India & one of the top 10 mobilizers in DCM placements<sup>1</sup>, along with garnering large AUA’s for Investment Advisory.

<sup>1</sup> Prime Database league table for Debt Private Placements FY 2015-16.

**(b) Present Business and Background:**

“PRP Professional Edge Associates Pvt Ltd” is SEBI Registered Investment Advisor and Merchant Banker, serving esteemed clientele since 2013. PRP as one of the prominent financial services firms, focuses on providing specialized Investment Advisory Services to diversified clientele including Corporates, Financial Institutions, Retirement Benefit Trust,

Family Offices under Advisory Model. We have a fully operational and dedicated team especially for the advisory business to service Earmarked & Retiral Benefit Funds/PF Trust on an exclusive basis.

**(ii) Directors and Promoters of the Portfolio Manager:**

Mr. Puneet Pandey and Mrs. Rashmi Pandey are the Promoters and Managing Directors of PRP Professional Edge Associates Pvt Ltd.

**(a) Directors:**

The Directors of the Company are as below:

- Mr. Puneet Pandey
- Mrs. Rashmi Pandey
- Mr. Prakhar Pandey

**(b) Director's backgrounds**

- **Mr. Puneet Pandey:** An MBA Finance, a successful leader visionary and pioneer in the financial services industry having 28 years of experience spanning across Investment Banking - Capital Markets, Investment Assets Distribution & Wealth Management, Proprietary Book Management and Investment Advisory. He has successfully led and worked at leadership roles with highly reputed & established brands: Morgan Stanley, Ashok Leyland Investment Services, Mata Securities, SPA Capital, Religare, & JM Financial across asset classes, in this field.
- **Mr. Rashmi Pandey:** A post graduate in Personnel Management and an experienced professional having a generalist HR background and management skills that have been honed through managing multi skilled teams. Accomplished in executing entire gamut of tasks in recruitment encompassing screening, short listing, selection and appointment, of candidates over the years.
- **Mr. Prakhar Pandey:** An MBA graduate along with multiple certifications in Financial Advisory & Insurance Broking (Singapore), he brings in international exposure of having worked with multinationals like Prudential, DBS, & Religare Macquarie. His area of expertise varies in Institutional Banking, Wealth Management, Investment Banking, DCM and Investment Advisory. He has also done his bachelors from NMIMS University, Mumbai majoring in finance. With an exclusive outlook towards Singapore's & London's financial industry and a fresh young perspective, he provides a unique approach to PRP to spread across nations.

**(iii) Top 10 Group Companies under the same Management as per section 370(1B) of the Companies Act, 1956, of the Portfolio Manager in India):**

- (a) PRP Edge Wealth Advisors Pvt Ltd.
- (b) PRP Realty Pvt Ltd.

**(4) Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:**

Sr. No.	Particulars	Remarks
1	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder	None
2	The nature of the penalty/direction	None
3	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	None
4	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency:	None
5	Any inquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee under the Act or Rules or Regulations made thereunder.	None
6	Penalties imposed for any economic offense and/or violation of any securities laws	None

**(5) Details of Services Offered / Proposed to be Offered**

**(i) Services offered:**

The Portfolio Manager offers Portfolio Management services under Discretionary, Non-Discretionary, and Advisory categories to its prospective clients.

**(a) Discretionary Portfolio Management:**

Under the Discretionary Portfolio Management Services, the Portfolio Manager will have the sole and absolute discretion with regard to the selection of the type of securities traded on behalf of the Client and held in the portfolio, based on the executed agreement. The Portfolio Manager has the discretion as regards the choice and timing of the investment decisions, to make changes in the investment and to invest some or all of the funds of the Client in such manner and in such industries/sectors/securities at the Portfolio manager discretion. The Securities invested/disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients' funds is absolute and final and cannot be called in question or be open for review at any time during the course of the Agreement or any time thereafter except on the ground of malafide intent, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines, and notifications in force from time to time.



**(b) Non-discretionary Portfolio Management:**

In the case of non-discretionary services, the investment objectives and the securities to be invested would be entirely decided by the Client. The same could vary widely from client to client. However, the execution would be carried out only after getting approval from the Client.

Under the Non-Discretionary category, the investment decisions of the Portfolio Manager are guided by the instructions received from the client. The deployment of funds is the sole discretion of the client and is to be exercised by the portfolio manager in a manner strictly complies with the client's instruction. The decision of the client in the deployment of funds and the handling of his / her / its portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to investments or divestments upon instructions of the client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the client to take appropriate investment decisions. For the purpose of acting on the client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as email, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling of securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so that all benefits accrue to the client's portfolio, for an agreed fee structure and for a definite described period, entirely at the client's risk.

**(ii) Investment Objective:**

The funds of the Clients shall be invested in such capital and money market instruments, including securities as defined under the Securities Contract (Regulation) Act, 1956, and shall include any securities, derivatives and other instruments which are tradable on any of Exchanges as well as such units of Unit Trust of India and / or other mutual funds (whether listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, securitized debt instruments, investments in company deposits, bank deposits, treasury bills and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

The Portfolio Manager may, however, enter into futures contracts, options in securities, options on indices and other similar types of investment, which may result in the Client having to provide initial margin payments and which would be deemed. The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the Client's Account. The investment in the securities mentioned in the above point will be in accordance with the objectives as given in the agreement and also any of the product/plan categories accepted by the client.

The investment objectives would be one or more of the following or combination thereof:

- a. To provide investment flexibility to the client across various market segments
- b. To generate good returns on investments
- c. To generate short term and/ or long-term capital appreciation

The Portfolio Manager offers various investment strategies-based portfolios to allow for standardized customization in sync with investor profile and also customized portfolio as per suitability and specific requirements of the client. The general objective is to formulate and device the investment philosophy to achieve long term growth of capital.

*The objective of the Derivative Exposure:* The objective to use derivatives is purely to protect the portfolio in case of a severe market correction. We seek to use derivatives purely to protect the client's portfolio in case of sharp drawdowns of the aggregate market. The Derivatives will only be used for hedging and/or portfolio rebalancing.

**(iii) Types of Securities**

The portfolio manager/fund manager shall invest in all such types of securities as defined in above (Please refer to definitions) and in all such securities as permissible from time to time.

Consistent with the investment objective and subject to Regulations, the corpus will be invested in any of (but not exclusively) the following securities:

- a) Equity and equity-related securities including convertible bonds (including equity-linked debentures) and debentures and warrants carrying the right to obtain equity shares;
- b) Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills);
- c) Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
- d) Money Market instruments permitted by SEBI/RBI;
- e) Certificate of Deposits (CDs);
- f) Commercial Paper (CPs);
- g) Mutual Fund units, Fixed Deposits, Bonds, debentures etc.;
- h) Units of venture funds;
- i) Securitization instruments;
- j) Foreign securities as permissible by Regulations from time to time;
- k) Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

**(iv) Minimum Investment Amount**

The Portfolio Manager will not accept an initial corpus of less than Rs. 50.00 lacs or such minimum amount as specified by SEBI from time to time. The client may on one or more instances or on a continual basis, make further placements of funds/securities under the services.

**(v) Details of PMS Plans offered/proposed to be offer for Discretionary/ Non-Discretionary Services:**

**(a) PRP Defensive & Responsible Equity Fund**

PRP Defensive & Responsible Equity Fund would seek to earn total positive returns similar to the broad market but with lower risk. The fund is expected to earn positive returns when markets are going up and lose less than the broad market during correction phases. Over a business cycle, this strategy is expected to earn higher risk adjusted returns over benchmark. PRP Defensive & Responsible Equity Fund is suitable for those who attach higher importance to capital preservation and have lower appetite for volatility.

PRP Defensive & Responsible Equity Fund would be managed by a seasoned Fund Management team with experience over several business cycles.

At PRP we try and anticipate tomorrow's risk. We believe that sustainable alpha can be generated with responsible investing. Therefore, ESG (Environmental, Social & Governance) shall be the cornerstone of our stock selection process. We will not invest in companies that are laggards in the industry with regard to managing ESG risks.

In addition, PRP Defensive & Responsible Equity Fund shall evaluate companies based on Stability of Earnings, Leverage, Beta and Volatility (as measured by stock's Standard Deviation versus that of Nifty 50 Index).

PRP Defensive & Responsible Equity Fund shall be a high conviction fund with not more than 30 stocks in the portfolio. Fund would be benchmarked to Nifty 50 Total Return Index.

**(b) PRP India Opportunity Fund**

The fundamental objective of PRP India Opportunity Equity Fund is to provide risk adjusted capital appreciation superior to benchmark returns by investing in mid & large cap stocks. Portfolio is expected to be less volatile than benchmark.

PRP India Opportunity Equity Fund is suitable for investors who are looking for capital appreciation over medium to long term.

PRP India Opportunity Equity Fund would be managed by a seasoned Fund Management team with experience over several business cycles.

PRP India Opportunity Equity Fund will have a diversified portfolio of stocks selected on the basis of rigorous fundamental research. Stocks would be market cap agnostic. Securities shall be monitored continuously and material changes in fundamentals will be reflected in the portfolio.

Our model portfolio exhibits themes like market leadership, gaining market share, having scarcity value, genuinely believers of "Data is the new oil", exporters with moat, beneficiaries of capex and industrial revival and areas where regulatory overhang is receding.

PRP India Opportunity Equity Fund shall be a well-diversified fund with not more than 30 stocks in the portfolio. Fund would be benchmarked to the Nifty 50 Total Return Index.

**(c) PRP Indian Exports Momentum Portfolio**

The objective of this fund is to play the theme of rising exports from India - both merchandise and services.

The triggers for rising exports arise from demand for cloud and digital services offered by Indian IT companies plus higher merchandise imports by developed economies.

Post COVID, importers have strategically decided to diversify away from China. This is expected to benefit Indian exporters.

This fund is suitable for those who want to invest in export-oriented companies with medium to long term investment horizon. In the long run fund should outperform its benchmark Nifty 50 TRI.

PRP Indian Exports Momentum Portfolio would be managed by a seasoned Fund Management team with experience over several business cycles.

Fund will have a diversified portfolio of stocks selected on the basis of rigorous fundamental research. Securities shall be monitored continuously and material changes in fundamentals will be reflected in the portfolio.

PRP Indian Exports Momentum Portfolio consist of merchandise and services exporters. The portfolio will also have representation from corporate producing import substitutes and those providing logistic support to exporters.

The fund shall be a well-diversified fund with not more than 30 stocks in the portfolio.

**(vi) We shall not invest in any/ associate group companies.**

**(6) Risk Factors:**

- (i)** Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
- (ii)** 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, the relatively small number of scripts accounting for the large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- (iii)** The past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.
- (iv)** The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- (v)** Investment decisions made by the Portfolio Manager may not always be profitable.
- (vi)** Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.
- (vii)** All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- (viii)** Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
- (ix)** Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While

the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.

- (x) Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have a direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- (xi) Liquidity Risk: Liquidity of investments in equity and equity-related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the plan are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.
- (xii) Credit Risk: Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the creditworthiness of the issuer and general market risk.
- (xiii) Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.
- (xiv) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- (xv) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

- (xvi) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- (xvii) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
- (xviii) 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 the 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 a 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 the performance of the investment in mutual fund units.
- (xix) Prospective clients should review / study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.
- (xx) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- (xxi) Clients are not being offered any guaranteed/assured returns.
- (xxii) The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or a few sectors and hence shall be affected by risks associated with those sectors.
- (xxiii) 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 the name of the Portfolio Management Portfolio/Product.
- (xxiv) The arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of

the Income- tax Act, 1961 and taxed accordingly.

- (xxv) 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.
- (xxvi) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Clients may suffer opportunity loss.
- (xxvii) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
- (xxviii) In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that was negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.
- (xxix) Changes in Applicable Law may impact the performance of the Portfolio.
- (xxx) Risks pertaining to stock lending: In the case of stock lending, risks related to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, the inadequacy of the collateral and settlement risks.
- (xxxi) Risk arising out of non-diversification, if any.
- (xxxii) Specific Risk Disclosures associated with investments in Securitized Debt Instruments;
  - a) Presently, the secondary market for such securitized papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
  - b) Securitized transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differs from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.
- (xxxiii) Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures;
  - The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact



on their value and may result in a loss.

- The Issuer of Equity index-linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in indices, futures, and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
- The Structured Products, even after being listed, may not have a market at all;
- The returns on the Structured Products, including those linked may be lower than prevailing market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures or less income/return than the Debenture holder may have expected, or obtained by investing elsewhere or in similar investments.
- In the case of Equity Index-Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.
- At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
- The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.



## (7) Client Representation:

(i) Details of client's accounts active: As on 31<sup>st</sup> March 2020;

Sr. No.	Category of clients	No. of clients	Funds managed (amt in Rs. cr)	Discretionary/ Non-Discretionary (if available)
1	Associates/group companies	-	-	-
2	Related Parties: Corporate	-	-	-
3	Related Parties: Individual	-	-	-
4	Others	-	-	-
5	<b>TOTAL</b>	0	0.00	-

## (ii) Complete Disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India: Please refer below for related parties with whom transactions have taken place during the year 2019-20 (audited).

Sr. No.	Name of the related parties	Nature of Payment	Amount (in Rs.)
1	Puneet Pandey (Director)	Remuneration	1,52,70,135
2	Rashmi Pandey (Director)	Remuneration	1,10,06,712
3	Prakhar Pandey (Director)	Remuneration	44,00,000

## (8) The Financial Performance of Portfolio Manager:

## 8.1 Capital Structure (Rs. in Crore)

Particulars	As on 31-Mar-2018	As on 31-Mar-2019	As on 31- March-2020
a) Paid-up capital	0.01	0.01	0.01
b) Free reserves (excluding re-valuation reserves)	9.89	7.80	10.89
<b>c) Total (a) + (b)</b>	<b>9.90</b>	<b>7.81</b>	<b>10.90</b>

## 8.2 Deployment of Resources (Rs. in Crore)

Particulars	As on 31-Mar-2018	As on 31-Mar-2019	As on 31- Mar-2020
(a) Fixed Assets	2.47	2.16	2.01
(b) Plant & Machinery & Office Equipment's	-	-	-
(c) Investments	-	0.62	3.30
(d) Others	-	-	-
<b>Total</b>	<b>10.22</b>	<b>6.13</b>	<b>11.47</b>

**8.3 Major Sources of Income: (Rs. in Crore)**

Particulars	As on 31-Mar-2018	As on 31-Mar-2019	As on 31- Mar-2020
(a) Income from Advisory Fee	5.78	0.11	28.91
<b>Total</b>	<b>5.78</b>	<b>0.11</b>	<b>28.91</b>

**8.4 Net Profit (Rs. In lakhs)**

Particulars	As on 31-Mar-2018	As on 31-Mar-2019	As on 31- Mar-2020
Profit After Tax	1.08	(2.09)	4.43

**(9) Audit Observation for last 3 preceding years:**

For Audit observation purpose, the Portfolio Manager shall attach the Auditor's Reports of last 3 years.

**(10) Performance of the Portfolio Manager for the last 3 years (Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020:**

Since business yet to be started, the same is not applicable.

**(11) Fees and Services Charged (To be based on actual):**

**(i) Investment Management Fee i.e.,** Fixed Fees charged as agreed with the client wide terms and conditions mentioned in the agreement relating to the Portfolio Management Services offered to the Clients.

**(ii) Performance Management Fee i.e.,** A performance fees based on profit slabs provided in the portfolio agreement is charged as agreed with the client wide terms and conditions mentioned in the agreement. Performance fees will be charged on the performance over the hurdle rate, management fee and any costs of trading. It shall be computed on the basis of high-water mark principle over the life of the investment for charging of performance/profit sharing fees.

**High Water Mark Principle:** High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly.

The portfolio manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

**(iii)** The fees charged to the client for PMS Service comes under "Fees for technical services" under Sec 194J of the Income Tax Act 1961. This section calls for withholding tax on the fees that the client pays to the portfolio manager if he or she falls under

- An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the

financial year.

- Corporate.

- (iv) **Custodian fee / Depository Charges & Fund Accounting Charges:** Charges relating to custody and transfer of shares, bonds and units, opening and operation of demat account, dematerialization and rematerialization, and/or any other charges in respect of the investment etc. The actual fees levied by the custodian for custody, demat charges and fund accounting shall be charged to the client as mentioned in the agreement with the client and as agreed between the Portfolio Manager and the Custodian from time to time. These charges are expected to be in the range of 5 to 15 BPS per annum.
- (v) **Registration and transfer agents' fees:** Fees payable for the Registrars and Transfer Agents in connection with effecting the transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps, and courier charges.
- (vi) **Brokerage, transaction costs, and other services:** The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees, and such other levies as may be imposed upon from time to time.
- (vii) **Fees and charges in respect of investment in mutual funds:** Mutual Funds shall be recovering expenses or management fees and other incidental expenses and such fees and charges shall be paid to the Asset Management Company of the Mutual Funds on behalf of the Client. Such fees and charges are in addition to the portfolio Management fees described above.
- (viii) **Certification charges or professional charges:** The charges are payable to professional services like accounting, taxation, certification and any other legal services, etc.
- (ix) **Securities lending and borrowing charges:** The charges pertaining to the lending of securities, costs of borrowings and costs associated with the transfer of securities connected with the lending and borrowing transfer operations.
- (x) **Stamp Duty:** As may be applicable at actuals.
- (xi) **Goods & Services Tax:** As applicable from time to time.
- (xii) Any incidental and ancillary out of pocket expenses: All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the client shall be charged to the Client.
- (xiii) The portfolio manager shall deduct directly from the cash account of the client all the fees/costs specified above. Other expenses, which could be attributable to the Portfolio Management, would also be directly deducted and the client would be sent a statement about the same.
- (xiv) The fee so charged may be a fixed fee or performance-based fee or a combination of both as agreed in the agreement.
- (xv) Portfolio Manager shall not charge any entry/setup fees to Clients at the time of onboarding except the specific charges applicable for execution of the agreement and

related documents for account opening. These will be capped at INR 2500.

- (xvi) Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).
- (xvii) We shall provide an option to clients to be on-boarded directly, without intermediation of persons engaged in distribution services. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied.

**(12) Taxation:**

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors / clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor /client is advised to consult his/ her/its own professional tax advisor. The information/data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice.

Income on Investment in Securities is subject to tax in the following manner:

**(a) Dividend**

The Finance Act, 2020 has abolished the provisions related to Dividend Distribution Tax ("DDT") and hence the dividends distributed by an Indian company are taxable in hands of the shareholders/unit holders at the rates applicable to the respective assesses.

Further, The Finance Act, 2020 has amended Section 57 of the IT Act, in respect of deduction from the dividend income. The said amendment governs that no deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income. Also w.e.f. 1st April 2020 mutual fund / RTA shall be required to deduct TDS at 10 per cent only on dividend payment (Above Rs 5000); No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain. However, with effect from 14<sup>th</sup> May 2020, TDS on dividend is reduced to 7.5% for FY2020-21 only.

**(b) Interests on Investment are taxable except in certain cases where it is exempted from tax under Income Tax Act 1961.**

**(c) In case the securities are sold within one year (for listed securities except for units other than units of equity oriented mutual funds) or within three years (for unlisted securities) from the date of purchase, the resultant gains or losses are termed as short-term capital gains or losses. Short term gains arising out of transfer of equity shares if the securities are sold on a recognized stock exchange in India and on which securities transaction tax has been paid are taxed at a concessional rate of 15% (as increased by surcharge plus education cess), in other cases they would be taxed at the slab rate applicable to the respective PMS client type.**

In case the securities are sold after one year (for listed securities) or three years (for unlisted securities) and three years for units other than units of equity oriented mutual funds from the date of purchase, the resultant gains or losses are termed as long term capital gains or losses and the gain is arising out of transfer of equity shares which are sold on a recognized stock exchange in India and on which securities transaction tax has been paid would be taxed at 10% (as increased by surcharge plus education cess) in case of listed securities and 20% (as

increased by surcharge plus education cess) in case of unlisted securities and units other than units of equity oriented mutual funds.

From A.Y. 2019-20, Long Term capital gain (where STT is paid) in excess of Rs. 1 Lakh will be chargeable at the rate of 10% and on the balance amount of the total income, the tax will be computed as if it were the total income of the assessee.

Note: “Listed Securities” as defined under the explanation to section 112(1) of Income Tax Act, means the securities as defined in clause 2(h) of Securities Contract (Regulations) Act, 1956 and listed on any recognized stock exchange in India.

“Unlisted Securities” means securities other than listed securities.

“Units” shall have the meaning assigned to it in clause (b) of explanation to section 115AB of Income Tax Act, 1961.

The following are the tax provisions presently applicable to clients investing in the Portfolio Management Products under the Income Tax Act, 1961.

Tax on Long Term Capital Gain:

If the capital asset, which is transferred, is equity share or units of equity oriented mutual funds and the transaction is subject to Securities Transaction Tax, the Long-Term Capital Gain in excess of Rs. 1 Lakh is chargeable to tax @ 10%.

In other cases, the tax will be calculated as follows:

Capital Asset	If it is not subject to Securities Transaction Tax		
	Long Term		Short Term
	Without Indexation	With Indexation	
1. Deventure Listed	10 %	Not Applicable	Normal
2. Deventure Non-Listed	20 %	Not Applicable	Normal
3. Government Securities	10 %	20 %	Normal
4. Bonds Listed	10%	Not Applicable	Normal
5. Bonds Non-Listed	20%	Not Applicable	Normal

#### TDS

If any tax is required to be withheld on account of any future legislation, the portfolio manager shall be obliged to act in accordance with the regulatory requirements in this regard. Interest would be subject to tax as per prevailing provisions of the Income Tax Act, 1961.

#### Advance Tax Obligations

It shall be the client’s responsibility to meet the advance tax obligations payable on the due dates as per the Income Tax Act, 1961.

Provisions of Income Tax Act 1961, undergoes change frequently and is also based on the status of the client, thus the client is advised to consult his/her tax consultant for appropriate advice on the tax treatment of income indicated herein.

The fees charged to the client for PMS come under the ambit of “fees for technical services”

under Section 194J of the Income Tax Act, 1961 ("the Act"). As the section calls for withholding tax, the client is required to withhold tax @ 10 % excluding GST, on the fees that the client pays to the Portfolio Manager if he/she falls under the following two categories:

- a) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
- b) Corporate

This implies, the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the clients.

Please note: These are indicative & brief taxation policies and are not exhaustive. The taxation in the hands of the investor might differ based on their income, structure, location, residence status and other requirement as defined and laid down by the income tax act from time to time. An investor should consult a tax expert/tax advisor before entering into any agreement.

**(13) Accounting Policies:**

- 1) Basis of accounting
  - a. Books and Records for each product is separately maintained in the Back-office software (with Fund Accountant) in the name of the client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Management) Regulations, 2020, and SEBI (Investment Advisers) Regulations, 2013 as amended from time to time.
  - b. Accounting under the respective portfolios is done in accordance with Generally Accepted Accounting Principles except with Point (a) of Income/Expenses.
  - c. Transactions for purchase and sale of investments are recognized as of the trade date. In determining the holding cost of investments and the gain or loss on sale of investment, the first-in-first-out method is followed. The same is done at the product level. The cost of the investments acquired or purchased would include brokerage, stamp charges, and any charges customarily included in the broker's contract note or levy by any statute except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account.
  - d. Realized Gains/Losses are calculated by applying the First in/ First Out method.
  - e. Where eligible securities have been received from the client towards corpus, the closing market value of the previous day of activation of account/receipt of securities (in case of the additional corpus) is considered as a capital contribution and deemed to be the cost of investments for the purpose of tracking performance.
  - f. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

- g. Unrealized gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.
- 2) Income/expenses
- All investment income and Expenses are accounted on accrual basis except Custodian, Fund Accounting, audit fees& Depository charges which are accounted on cash basis.
  - The dividend is accrued on the Ex-date of the securities and the same is reflected in the clients' books on the ex-date.
  - Similarly, bonus shares are accrued on the ex-date of the securities and the same are reflected in the clients' books on ex-date.
  - In case of fixed income instruments, purchased/sold at Cum-interest rates, the interest component up to the date of purchase/sale is taken to interest receivable/payable account.
  - Further, Mutual Fund dividend shall be accounted on receipt basis.
- 3) Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.
4. Audit
- The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.
  - The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co- operate with such chartered accountant in course of the audit.

**The Accounting Policies and Standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.**

**(14) Investor Services:**

- (i) The details of the investor relation officer who shall attend to the investor queries and complaints are mentioned here below:

Name of the person	<b>Mr. Pawan Kumar</b>
Designation	Compliance Officer
Address	508, 5th Floor, Eros City Square, Rosewood City, Sector - 49-50, Gurugram - 122018, Haryana
Email	pawan@prpedge.com
Investor Grievance Email ID	investor_grievance@prpedge.com



Telephone	0124-4249000
-----------	--------------

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

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

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

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

Alternatively, with effect from September 2011, SEBI has launched a new web-based centralized grievance system called SCORES i.e., SEBI Complaints Redressal System, for online filing, forwarding, and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the company.

<https://scores.gov.in/scores/complaintRegister.html>

SEBI vide press release PR No. 80/2012 dated 30th August' 2012 has extended its toll-free helpline service for Investors (1800 22 7575 / 1800 266 7575) to Saturday and Sunday from the existing Monday to Friday. The service on Saturday and Sunday would be available initially to investors from all over India in English, Hindi, Marathi, and Gujarati from 9:30 a.m. to 5:30 p.m. For any queries/ feedback or assistance, the Client may also e-mail to [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in).



The agreement with the client shall be governed by construed and enforced in accordance with the laws of India. Any dispute with the client shall at first be settled by mutual discussion, failing which the same will be referred to and settled by arbitration in accordance subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification/enactment thereof for the time being in force. A sole arbitrator will be appointed by mutual consent of the portfolio manager and the client. The arbitration shall be held in Mumbai and be conducted in the English language. Any action or suit involving the agreement with a client or the performance of the agreement by



either party of its obligations will be exclusively in courts located at any place in India subject to the jurisdiction clause in the portfolio agreement.

Approved by the Board of Directors of PRP Professional Edge Associates Pvt Ltd.

**For PRP Professional Edge Associates Pvt Ltd.**

**Mr. Puneet Pandey**  
**Director**

Place: Gurugram, Haryana

Date: 01<sup>st</sup> Sep 2021