

INCRD CAPITAL WEALTH PORTFOLIO MANAGERS PRIVATE LIMITED
(INP000007128)

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT

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

I. DECLARATION:

- The Disclosure Document (hereinafter referred as the “**Document**”) dated August 08,2024 has been filed with the Securities & Exchange Board of India (“SEBI”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- 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 informed decision for engaging InCred Capital Wealth Portfolio Managers Private Limited as a Portfolio Manager.
- The Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and hence, the investor should carefully read the entire document before making a decision and should retain it for future reference.
- Investors may also like to seek further clarifications after the date of this Disclosure Document from the Portfolio Manager.
- This Disclosure Document is prepared due to change in financial details of the Portfolio Manager
- The following are the Details of the Portfolio Manager:

Name of the Portfolio Manager	InCred Capital Wealth Portfolio Managers Private Limited
SEBI Registration Number	INP000007128
Registered Office Address	Unit No 1203 - B, 12 th Floor, The Capital, C-70, G Block, BKC, Bandra (East), Mumbai – 400051
Phone	022 4161 1596
Email	compliance@incredcapital.com
Website	www.incredequities.com

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

Name of the Principal Officer	Mr. Rupin Shah
Phone	022 4097 7000
Email Id	rupin.shah@incredcapital.com
Office Address	Unit No-1203, B Wing, The Capital, C-70, G Block, BKC, Bandra East, Mumbai – 400051

Date: August 08,2024

Place: Mumbai

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III. Contents of the Document:

1. Disclaimer clause:

The particulars given in this Document have been prepared in accordance with the Securities Exchange Board of India (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.

2. Definitions:

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

- a) **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) **“Agreement”** means agreement between Portfolio Manager and its Client and shall include all Schedules and Annexures attached thereto.
- c) **“Application”** means the application made by the Client to the Portfolio Manager to place its funds and/or securities 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.
- d) **“Assets”** means (i) the Portfolio and/or (ii) the Funds.
- e) **“Body Corporate”** shall have the meaning assigned to it in or under clause (11) of section 2 of the Companies Act, 2013.
- f) **“Bank Account”** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in accordance with the agreement entered into with the Client.
- g) **“Board”** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- h) **“Client”** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio and /or funds.
- i) **“Custodian”** means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by SEBI from time to time.
- j) **“Depository Account”** means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.
- k) **“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, where under the Portfolio Manager exercises any degree of discretion in the investments or management of assets of the Client.

- l) **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
- m) **“Disclosure Document”** shall mean this disclosure document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to the Regulations.
- n) **“Distributor”** means a person/entity empanelled by the Portfolio Manager which refers clients to the Portfolio Manager in lieu of commission/charges (whether known as Channel Partners, Agents, Referral Interfaces or by any other name).
- o) **“Financial Year”** means the year starting from April 1 and ending on March 31 of the following year.
- p) **“Funds”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to Portfolio Investment Management Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to Portfolio Investment Management Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.
- q) **“Goods”** means the goods notified by the Central Government under clause (bc) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative.
- r) **“Initial Corpus”** means the value of the funds and / or the market value of securities brought in by the Client at the time of subscribing to Portfolio Management Services.
- s) **“Investment Approach”** means a broad outlay of the type of securities and permissible instruments to be invested in by the portfolio manager for the Client, taking into account factors specific to clients and securities which shall inter-alia include but not limited to investment objective, description of type of securities, investment horizon and risks associated with the investment approach.
- t) **“Non-discretionary Portfolio Management Services”** means a portfolio management services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, for an agreed fee structure and for a definite described period, invests in respect of the Client’s account in any type of security entirely at the Client’s risk and ensure that all benefits accrue to the Client’s Portfolio.
- u) **“Parties”** means the Portfolio Manager and the Client; and **“Party”** shall be construed accordingly.
- v) **“Person”** includes an individual, a Hindu Undivided Family, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
- w) **“Portfolio”** means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Portfolio Investment Management Agreement and includes any Securities and goods mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Portfolio Investment Management Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares or otherwise in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

- x) **“Portfolio Manager”** shall have the same meaning as given in regulation 2(1)(o) of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time. For the purpose of this Disclosure Document, Portfolio Manager is InCred Capital Wealth Portfolio Managers Private Limited
- y) **“Eligible Fund Manager”** shall have the same meaning as assigned to it in sub-section 4 of Section 9A of the Income Tax Act, 1961.
- z) **“Eligible Investment Fund”** shall have the same meaning as assigned to it in sub-section 3 of Section 9A of the Income Tax Act, 1961.
- aa) **“Principal Officer”** means an employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for: -
 - (i) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and
 - (ii) all other operations of the portfolio manager.
- bb) **“Qualified Client”** will include following person :
 - a. who is a fit and proper person,
 - b. complies with know your client (KYC/CKYC) norms stipulated by the Investment Manager and SEBI,
 - c. has not been convicted of any offence,
 - d. has a sound financial standing and credit-worthiness, and
 - e. is willing to execute necessary documentation as stipulated by the Portfolio Manager and other than any Person, which cannot subscribe to the Investment Approach without being in breach of any law or requirement of any country or governmental authority in any jurisdiction whether on its own or in conjunction with any other relevant circumstances.
- cc) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended from time to time.
- dd) **“Scheduled Commercial Bank”** means any bank included in the second Schedule to the Reserve Bank of India Act 1934
- ee) **“SEBI”** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the SEBI Act.
- ff) **“Securities”** includes: “Securities” as defined under the Securities Contracts (Regulation) Act, 1956 as amended from time to time and includes:
 - a. Shares scrip, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate
 - b. derivative
 - c. units or any other instrument issued by any collective investment scheme to the investors in such schemes;
 - d. security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - e. units or any other such instrument issued to the investors under any mutual fund scheme;
 - f. any certificate or instrument (by whatever named called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable,
 - g. including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt;
 - h. Government securities;

- i. such other instruments as may be declared by the Central Government to be securities;
- j. rights or interest in securities;

Words and expressions used in this 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.

3. Description:

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

The company was incorporated on February 13, 2018 under the provisions of Companies Act, 2013. The registered office of the Company is situated in Mumbai, Maharashtra.

The Company was incorporated as BSH Corporate Advisors and Consultants Private Limited and effective from 22nd April 2020 Ministry of Corporate Affairs approved the change of name to InCred Capital Wealth Portfolio Managers Private Limited.

The Company was set up with the objective of being in the business of providing business support services and provide advice, services, consultancy in various fields and to carry on the business as advisors and to assist in all financial, costing, accounting, internal controls and other similar matters.

On April 30, 2020 the Company got registered as a Stock Broker from SEBI.

The Company is also registered with SEBI as an Investment Advisor and the registration has come on July 31, 2020. The business activities under this license is yet to commence.

The company has received certificate of registration no. INM000012865 from SEBI for Merchant Banking on 01 November 2021. The company has also received certificate of registration no. IN-DP-559-2021 from SEBI as a participant in the CDSL on 04 February 2021

(ii) Promoters of the Portfolio Manager, Directors and their background:

Promoters

InCred Wealth Private Limited holds 99.99% of the shareholding of the Portfolio Manager Company. Mr. Bhupinder Singh holds 51% of voting rights in InCred Wealth Private Limited. Bhupinder Singh has worked at Deutsche Bank for 16 years in various capacities, in London and Singapore. Most recently, he co-headed the Corporate Banking and Securities (CB&S) of Deutsche Bank for the Asia Pacific region, based out of Singapore.

In this Capacity he managed Deutsche Bank's Fixed Income, Equities and Investment Banking divisions and was a member of the global CB&S executive committee.

He was also the head of Corporate finance division for Deutsche Bank in the Asia Pacific region managing the corporate coverage, investment banking, capital markets, advisory and treasury solution businesses.

He oversaw Asian Credit book of US\$ 10 bn of which US\$ 4bn was in India. Before joining Deutsche Bank, Mr. Singh had worked in the investment banking teams of Jardine Fleming and DSP Merrill Lynch.

Directors and their background

Name, DIN and Age	Qualifications	Brief Experience
Mr. Prateek Indwar DIN: 08548077 (56 years)	Prateek holds an MBA from IIM Calcutta and a bachelor's degree in chemical engineering from IIT Kanpur	Prateek has a 30+ year track record in building, reshaping and leading Financial Services businesses in India and overseas. He has held leadership roles in India and London across Investment Banking, Equity Capital Markets, Corporate Banking and Debt Capital Markets at leading global and Indian financial institutions such as Bank of America, GE, ICICI, IDFC, SBICAPS and IndusInd Bank. He has formed close partnerships with Promoters, CXOs of issuers, and Institutional Investors and PE investors in leading them through Private Equity, Pre-IPO Equity Advisory, IPO and follow-on issuances through market cycles. Deal roster ranges from lead-managing some of India's largest and marquee capital market issues for corporates and banks – including a complex confidence capital raise for large banks - to mid/small cap issuers owned by PE investors, and further advising Government of India / MOF on several strategic issuances including the LIC IPO. During his stint at SBICAPS, he led the formation of a transformational JV between SBI Group and Investec

		(UK) that led to both the groups significantly growing their Equities business. He also catalyzed inorganic growth initiatives in the AIF / private equity asset management business and other select JVs.
Mr. Nitin S Rao DIN: 08108320 (Age: 55 Years)	MBA from Symbiosis Institute of Business Management, Pune Bachelor of Mechanical Engineering, Government College of Engineering, Pune	Mr. Rao has 30 years of experience in the Wealth Management industry. He is the Former CEO of Reliance Wealth Management Pvt Ltd and Group Head at HDFC Bank overseeing Private Banking and Investment Product distribution. He has built the HDFC Private Banking network from scratch.
Mr. Kamlesh Dangi. DIN: 05152439 (51 Years)	Master of Business Administration – Human Resources. SIMSR-Mumbai.	Mr. Dangi has 23+ years of experience across various industries. He was a part of ICICI Bank & Religare. Previously, he has worked with UTI Mutual Funds and was Group President – Human Resources.

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis (latest audited financial statements used for this purpose)

- a) InCred Wealth and Investments Services Private Limited
- b) InCred Capital Financial Services Private Limited
- c) InCred Wealth Private Limited
- d) InCred Asset Management Private Limited
- e) InCred Research Services Private Limited
- f) InCred Alternative Investments Private Limited
- g) Booth Fintech Private Limited
- h) Alpha Fintech Private Limited
- i) mValu Technology Services Private Limited
- j) InCred Value Plus Private Limited

(iv) Details of the services being offered:

○ **Non - Discretionary Services:**

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

recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

○ **Advisory Services:**

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

The Portfolio Manager shall be solely acting as an advisor in respect of Portfolio of the Client and shall not be responsible for the investment / divestment of securities and / or administrative activities of the Client's Portfolio.

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

- a) All cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act or rules or regulations made thereunder.

Nil case of penalties imposed by SEBI for the Portfolio Management Services

- b) The nature of the penalty/direction.

Not Applicable.

- c) Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.

Nil case of penalties/fines imposed for any economic offence and/ or for violation of any securities laws for the Portfolio Management Services

- d) Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.

None.

- e) Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency.

None.

- f) Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its partners, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer or employee, under the SEBI Act or rules or regulations made thereunder.

- SEBI vide letter dated April 3, 2024 has issued a show cause notice for violation of regulation 31(2) of the SEBI Merchant Bankers regulations, 1992 and Clause 2 of Schedule III (Code of conduct of Merchant Bankers)

5. Services offered:

The Portfolio Manager offers Non-Discretionary Portfolio Management Services and Advisory Services as per Portfolio Management Services Agreement executed with each Client.

Portfolio Manager under Non-Discretionary Portfolio Management Service (NDPMS) may invest or advise up to 25% of the assets under management of the client in unlisted securities., in addition to the securities permitted for discretionary portfolio management.

Portfolio Manager shall not invest the clients' funds in the portfolio managed or administered by another portfolio manager or based on the advice of any other entity.

Non-Discretionary Portfolio Management Service (NDPMS) and Advisory services are offered basis each client's need.

5.1 The Portfolio Management Services to be offered shall be as per the following Investment Approach:

- InCred Vantage Portfolio

i) InCred Vantage Portfolio

Particulars	Details
Name of Investment approach	InCred Vantage Portfolio
Strategy as per SEBI circular December 16, 2022	Hybrid
Investment Objective	Objective of the approach/ strategy is to create a multi asset portfolio basis investor risk profile, investment goals and investment policy guidelines, in order to generate superior risk

	adjusted returns.	
Description of types of securities eg., equity or debt, listed or unlisted, convertible instruments, etc.	Equity and equity related securities, fixed income instruments (CPs, CDs, Bonds, Non-Convertible Debentures, Market Linked Debentures, Preference Shares etc.), Exchange Traded Funds (Equity, Gold, Commodities, etc.), REITs/ InvITs, Unlisted securities, Units of Mutual Funds in Direct plan, Alternate Investment Funds (AIF) and other such securities that are allowed under SEBI PMS Regulations.	
Basis of selection of such types of securities as part of the investment approach	Securities are selected basis proprietary research methodology developed in-house. This methodology involves screening of securities basis performance, investment objective, underlying risks, issuer credentials, manager credentials (in case of MFs / AIFs), suitability basis view on the markets (equity / fixed income) etc. as a part of the recommended universe. Further, basis product level suitability, client profile and allocation preferences, a portfolio is constructed, also keeping in mind the in-house view on the markets.	
Allocation of portfolio across types of securities	Types of Securities	Allocation Range
	Equity & Equity related instrument	0 – 100%
	Fixed Income & Fixed Income Related Securities	0 – 100%
	Unlisted Equities / Alternate Investment Funds (AIF) (as permitted under SEBI PMS Regulations)	0 – 25% 0- 25%
	Portfolio construction / allocation across securities will be customized based on investor risk profile, investment goals, and specific investment policy guidelines.	
Appropriate benchmark to compare performance and basis for choice of benchmark	<p>Nifty 50 Hybrid Composite Debt 50:50 Index</p> <p>Pursuant to SEBI circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022, read with APMI circular APMI/2022-23/02 dated March 23, 2023, only three benchmarks under the Strategy “Hybrid” have been defined, one of which is Nifty 50 Hybrid Composite Debt 50:50 Index. Accordingly, the Portfolio Manager has chosen Nifty 50 Hybrid Composite Debt 50:50 Index.</p> <p>About Nifty 50 Hybrid Composite Debt 50:50 Index: The indices have a base date of 03rd September, 2001 and a base value of 1000. The index is derived from the total return versions of the Nifty 50 index and the Nifty Composite Debt Index. Weights of the equity and fixed income sub-indices can drift between monthly reset dates due to underlying asset price movement.</p>	

	These weights are reset to their pre-defined levels on a monthly basis. (source: nseindia.com)
Indicative tenure or investment horizon	Open ended, 3 year and above
Risk associated with the investment approach	<p>Key risks applicable to Non-Discretionary PMS:</p> <p>Delay in Portfolio Manager receiving the Client's approval for execution of the investment and its actual execution by Portfolio Manager could have an impact on portfolio performance due to Price movement in the underlying security.</p> <p>Investments in Non-Convertible Debentures, Market Linked Debentures, Alternative Investment Funds, Unlisted Securities, closed ended Mutual funds (viz FMPs) and other securities may be part of the portfolio with a hold till maturity objective. Exit before maturity may not be possible or if available in some cases will be at high impact cost and exit charge.</p>
Other salient features, if any	NA
Risks	<p>Investments in equity and equity related securities involve a degree of risk and investors should not invest in the Investment approach unless they can afford to take the risk of losing their investment.</p> <p>Equity securities and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the portfolio may be restricted by trading volumes and Settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. Similarly, the inability to sell securities held in the Investment approach's portfolio may result, at times, in potential losses to the Investment approach, should there be a subsequent decline in the value of securities held in the Investment approach's portfolio.</p> <p>Debt Securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (Credit Risk) on the due date(s) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (Market Risk).</p>

	<p>The timing of transactions in debt obligations, which will often depend on the timing of the Purchases and Redemptions in the Scheme, may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with the prevailing interest rates.</p> <p>To the extent the investments are made into REITs, InvITs and/or unlisted securities, the approach shall be subject to risks associated with REITs, InvITs and/or unlisted securities. For further details, please refer to section 6: “General Risk Factors”.</p>
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5.2 The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines –

The Portfolio Manager may utilize the services of the group companies and / or any other subsidiary or associate company of the sponsor, 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 on commercial terms and on arm’s length basis and at mutually agreed terms and conditions and to the extent permitted under all applicable laws after evaluation of the competitiveness of the pricing offered and the services to be provided by them. The details of transactions with Related Parties are disclosed separately. While entering into such transactions, in accordance with obligations under the Regulations, the Client’s interests shall always be paramount.

Further, the Portfolio Manager may also provide portfolio management services to its group companies and / or any other subsidiary or associate company of the sponsor, its employees, officers, director etc. In such cases, the Portfolio Manager shall ensure fair treatment to all its clients and in conduct of portfolio management services observe high standards of integrity in accordance with the Regulations.

The investments in securities of the associate / group companies would be within the overall framework of Regulations and in terms of Agreement executed with the Client.

5.3 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 Portfolio Manager for a Portfolio, subject to minimum amount as specified under SEBI Regulations, as amended from time to time. Currently the minimum investment amount is Rs. 50 Lacs. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and / or funds under the service.

5.4 Direct on-boarding of clients

The Portfolio Manager provides the facility to the Client for Direct on-boarding with us without any involvement of a broker/distributor/agent engaged in distribution services. The Client can sign up for our services by writing to us at ndpms.ops@incredcapital.com

Further, under this facility the Portfolio Manager may levy statutory charges to the client. Accordingly, the Portfolio Manager will not charge any Distribution related fees to the Client.

6. General Risk Factors:

The investments made in securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved.

The below risks factors are non-exhaustive and are intended to highlight certain risks associated with investing in Securities.

Following are the risk factors as perceived by the management and as may be applicable, depending on the Product for which Portfolio Manager's services are utilised:

- Investments in Securities are subject to market risks and there is no assurance or guarantee that the objective of the Investment / Products/Services will be achieved.
- The securities invested into would be exposed to price changes on a day-to-day basis. These price changes may occur due to instrument-specific factors as well as general macroeconomic conditions. Markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. The securities may be subject to price volatility due to factors such as interest sensitivity, market perception, and creditworthiness of issuer and market liquidity. Different parts of the market can react differently to these developments. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- As with any investment in securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
- The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- The past performance of the Portfolio Manager does not indicate its future performance. There is no assurance that past performances will be repeated. Investors are not being offered any guaranteed or indicative returns by the Portfolio Manager. Investment decisions or recommendations made by the Portfolio Manager may not always be profitable.

○The performance of the Assets of the Client may be adversely affected by the performance of individual securities, changes in the market-place and industry specific and macro-economic factors. The Investment Approach are given different names for convenience purpose and the names of the Investment Approach do not in any manner indicate their prospects or returns.

○Investments in the Products/Services which the Clients have opted are subject to wide range of risks which inter alia also include but not limited to economic slowdown, volatility & illiquidity of the stocks, poor corporate performance, economic policies, changes of Government and its policies, acts of God, acts of war, civil disturbance, sovereign action and /or such other acts/ circumstance beyond the control of the Portfolio Manager.

○Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.

○Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

○The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.

○To the extent of the investments made by the scheme in mutual funds units, the risks associated with investing in such funds like market risk, credit & default risk, liquidity risk, redemption risk including the possible loss of principal; etc. will exist. Further, the Client also bear the recurring expenses of Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he/she invested directly into underlying securities of the mutual fund schemes.

○Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party.

○The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.

○Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a

derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

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

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

- There are inherent risks arising out of investment approach, investment objectives, asset allocation and non-diversification of portfolio.

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

- The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yield. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

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

- The Portfolio Manager manages allocations in all client portfolios in line with investment objectives of the investment approach and these products/investment approaches and

mandates run simultaneously. As such there may be a risk that investment opportunities in toto may not be offered to the investors in particular investment approach or mandate. To that extent, potential returns from the opportunity may be curtailed. The Portfolio Manager may run the same approach in different formats for different clients and to that extent available investment opportunities might be shared with such other clients, unless there are specific exclusion instructions by individual clients.

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

- When stocks are bought or sold on behalf of clients, it is the endeavour of the portfolio manager to execute for all clients uniformly as a common pool to get best price and efficiency. Despite this, the trade orders for all eligible clients may not be executed in entirety at single instance due to consideration of liquidity, impact costs, corporate actions etc. and hence the order may be executed over time at different prices across multiple brokers. The average price realised may vary on account of trades being executed at different points of time with multiple brokers. Trades which are not done with the pool will not have the weighted average price of the pool same is applicable in case of the NRI Client, since NRI client's trades are separated as per Regulation.

- **Risks factors associated with investments in equities**

- Investments in equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made may be restricted by trading volumes and settlement periods. The value of the investments may be affected by interest rates, currency exchange rates, changes in law/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors.

- Investments in equity and equity related securities involve a degree of risk and investors should not invest unless they can afford to take the risk of losing their investment.

- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may however expose the Client's portfolio to liquidity risk. Such investments shall be subject to the scope of investments as laid down in the Agreement.

- **Risks factors associated with investments in Fixed Income Instruments**

- Interest-Rate Risk: Fixed income instruments such as government bonds, corporate bonds, money market instruments and derivatives run price-risk or interest-rate risk. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

- Re-investment Risk: Investments in fixed income instruments carry re-investment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond.
- Basis Risk: The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.
- Spread Risk: In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
- Liquidity Risk: The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.
- Credit Risk: This is the risk associated with the issuer of a debenture/bond or a money market instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer.
- Liquidity Risk on account of unlisted securities: The liquidity and valuation of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.
- Settlement Risk: Fixed income instruments run the risk of settlement which can adversely affect the ability of the portfolio manager to swiftly execute trading strategies which can lead to adverse movements in the portfolio.
- Different types of fixed income securities in which the Portfolio Manager would invest carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon the investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds are comparatively less risky than AA rated bonds.
- transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations if found to having conflict of interest with the transactions in any of the client's portfolio. The personal securities transaction of employees of the Portfolio Manager are governed by employee dealing policy which incorporates requirements specified under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Employees who are directly involved in investment operations of portfolio management services provided by Portfolio Manager are prohibited from dealing in securities that are held by any PMS Approach (other than securities forming part of the index of ETFs) and also required to obtain approval from Compliance officer for trade in securities. The approval for trades are given for trades in securities which satisfies conditions specified in the Policy to address instances of conflict of interest. There are no transactions in purchase and sale of securities by specified employees and Portfolio Manager which requires disclosures. In exceptional cases the disclosure as required by the regulations shall be made and in case of any conflict of

interest, Portfolio Manager shall render high standard of services and shall also ensure to put the client's interest above all.

- Conflict of interest related to services offered by group companies of the portfolio manager

- **Risk factors associated with investments into REITs and InvITs:**

- **Price Risk:** Securities/Instruments of REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices is a fluctuation in general market conditions, factors and forces affecting capital market, Real Estate and Infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures.
- **Interest Rate Risk:** Securities/Instruments of REITs and InvITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.
- **Credit Risk:** Credit risk means that the issuer of a REIT/InvIT security/ instrument may default on interest payment or even on paying back the principal amount on maturity. Securities/ Instruments of REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be prescheduled.
- **Liquidity Risk:** This refers to the ease with which securities/instruments of REITs/InvITs can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities/instruments for which a liquid market exists. As these products are new to the market they are likely to be exposed to liquidity risk.
- **Reinvestment Risk:** Investments in securities/instruments of REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or Dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- **Legal and Regulatory Risk:** The regulatory framework governing investments in securities/instruments of REITs and InvITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs/InvITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, compete effectively or make distributions.

NOTE:

- ❖ Investment under Portfolio Management Services will be only as per the SEBI Regulations on PMS.
- ❖ The un-invested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager be held in cash or deployed in Liquid fund schemes, Exchange Traded Index Funds, short term debt-oriented schemes of Mutual funds, Gilt schemes, Bank deposits and other short-term avenues for Investment.

- ❖ Portfolio Manager, will, before investing in the securities of its associate 1 group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio. The investments in securities of the associate / group companies would be within the overall framework of Regulations and in terms of PMS Agreement executed with the Client.
- ❖ The Portfolio Manager and its group companies/associates are engaged in a broad spectrum of activities in the financial services sector. The Portfolio Manager may utilize the services of its group companies or associates may utilize services of its Associates/ Group Companies for activities like Depository Participant, broking, distribution etc. relating to Portfolio Management Services. Such utilisation will be purely on arm's length & purely on commercial basis and at a mutually agreed terms and conditions to the extent and limits permitted under the Regulations.
- ❖ Apart from Discretionary Portfolio Management Services, the Portfolio Manager also offers Non- Discretionary Portfolio Management Services wherein the choice as well as the timings of the investment decisions rest solely with the Client. The Portfolio Manager manages the Assets of the Client in accordance with the directions given by the Client. Further the Portfolio Manager also offers Advisory Portfolio Management Services wherein the Portfolio Manager only renders investment advice to the Client in respect of securities. Under Advisory services, discretion to execute the transactions and responsibility for execution /settlement of the transactions lies solely with the Client.

7. Client Representation:

i. Details of client accounts activated:

	Category of clients	Total no. of Clients	Funds Managed (Rs. Cr)	Discretionary/Non-Discretionary
1	Associate / Group Companies (Last 3 Years as on March 31)			
	2021-22	-	-	Discretionary
		-	-	Non-Discretionary
	2022-23	-	-	Discretionary
		-	-	Non-Discretionary
	2023-24	-	-	Discretionary
		-	-	Non-Discretionary
	2024-25 (As on June 30,2024)	-	-	Discretionary
		-	-	Non-Discretionary
2	Others (last 3 years)			
	2021-22	-	-	Discretionary
		2	12.35	Non-Discretionary
	2022-23	-	-	Discretionary
		13	160.68	Non-Discretionary

	2023-24	43	362.47	Non-Discretionary
		1	78.43	Advisory
		51	348.54	Non-Discretionary
	2024-25 (As on June 30,2024)	2	172.78	Advisory

“Funds Managed” indicates market value of Assets under Management.

The above figures are given in compliance with amendment to the SEBI (Portfolio Managers) Regulations, 2020.

ii. Transactions with related parties are as under:

Details of the related party and Transactions with related parties for the year-ended March 31, 2024 and March 31, 2023 are mentioned in **Annexure I**

iii. Details of investments in the securities of related parties or associates of the Portfolio Manager:

The details of investment of client's funds by the portfolio manager in the securities of its related parties or associates are as below:

Details as on last day of previous calendar quarter (i.e. as on March 31, 2024)

Sr. No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	percentage of total AUM as on last day of the previous calendar quarter
1	Not applicable				

8. The Financial Performance of Portfolio Manager (Based on audited financial Statements)

Financial highlights of InCred Capital Wealth Portfolio Managers Private Limited for the last 2 years are given as under:

Particulars	2023-24 (INR in Lakhs)	2022-23 (INR in Lakhs)
Profit/(Loss) before Depreciation & Tax	5405.67	1536.89
Depreciation	(197.02)	(146.35)
Profit/(Loss) before Tax	5208.65	1390.54
Tax Provision/MAT	(1323.59)	216.01
Deferred Tax Provision for the year	(192.32)	127.60
Tax Expenses for previous years	139.12	-
Profit/(Loss) for the year after Tax	3831.86	1046.93
Add/(Less): Balance B/F from the previous year	(16.54)	(1065.18)
Other Comprehensive Income	(18.54)	1.71
Total comprehensive income for the year	3813.32	1048.64
Appropriation for earlier years	-	-
Profit/(Loss) transferred to Balance Sheet	3813.32	1048.64
Net Worth	7463.95	3114.76

9. Portfolio Management performance of the Portfolio Manager for the last 3 years and in case of discretionary Portfolio Manager disclosure of performance indicators calculated using Time Weighted Average (TWRR) method in terms of Regulation 22 of the Regulations.

INVESTMENT APPROACH WISE RETURNS IN (%) [*]										
Sr no	Investment Approach Name	Benchmark	FY 2024-25 (As on June 30,2024)		FY 2023-24		FY 2022-23		FY 2021-22	
			Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
1	InCred Vantage Portfolio-NDPMS	Nifty 50 Index	6.93	4.97	18.07	18.87	2.79	0.77	NA	NA

Note:

1. Category wise return in each portfolio shall be calculated based on simple average of all such client returns which in turn has been calculated using weighted average return method after adjusting for inflows and outflows during the period.
2. Returns shall be calculated after charging fees and expenses (but before taxes).
3. As per Regulations 22(4)(e) of SEBI PMS Regulations 2020, performance shall be calculated using Time Weighted Rate of Return (**TWRR**).
4. In accordance with SEBI circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022, read with APMI circular APMI/2022-23/02, the benchmarks for the investment approaches stands changed w.e.f. April 01, 2023. For revised benchmark indices for each investment approach, refer from page 11 to 25.

** Pursuant to the Business Transfer Agreement dated November 15, 2022 entered into between InCred Asset Management Private Limited ("Portfolio Manager") and InCred Capital Wealth Portfolio Managers Private Limited ("InCred Capital Wealth") the discretionary Portfolio Management Services business ("DPMS") of the InCred Capital Wealth has been transferred to the Portfolio Manager by way of slump sale with effect from April 01, 2023.*

10. Audit Observations:

There has not been any adverse audit observation for the audit conducted for FY 2021-22, FY 2022-23 and FY 2023-24.

11. Nature of expenses:

i. Investment Management & Advisory Fees:

Investment Management and Advisory fees charged may be a fixed fee or a return-based fee or a combination of both as detailed in the Schedule to the Portfolio Management Services agreement. The Fees may be charged as agreed between the Client and the Portfolio Manager. The detailed fee schedule is available as a part of Agreement and depends on the nature of product.

ii. Depository Charges:

These charges relate to opening and maintenance of Depository Accounts and/or custody fee and charges (wherever required) paid to the Custodians and/or Depository Participants, dematerialization of scrips, Securities lending & borrowing & their transfer charges in connection with the operation and management of the Client's Portfolio account.

iii. Custodian Fees: As may be applicable from time to time charged to the Client on actual basis.

iv. Fund Accounting Fee: As may be applicable from time to time charged to the Client on actual basis.

v. Registrar & Transfer Agent Fees: Fee payable to Registrar and Transfer Agent for effecting transfer of Securities and may include stamp duty costs, courier, post and notary charges. As applicable on actual basis

vi. Brokerage & Transaction Cost:

The investments under Portfolio Management would be done through registered members of the Stock Exchange(s) who charge brokerage up to a maximum of 2.5% of contract value. In addition to the brokerage, transaction cost like, turnover charges, stamp duty, turnover tax, Securities transaction tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments may also be levied by the broker. Entry or exit loads (if any) on units of Mutual Funds invested by the Portfolio Manager will also be charged from Clients.

vii. Goods and Service Tax: As applicable from time to time, charged over and above all fees and charges billed to the Client

viii. Entry Load /Exit Load

Portfolio Manager will not charge any fees to Clients at the time of onboarding except for specific charges applicable for execution of the Agreement and related documents for account opening.

Portfolio Manager shall charge exit load to the Client in the following manner:

- In the 1st year of investment: Maximum 3% of the amount redeemed
- In the 2nd year of investment maximum 2 % of the amount redeemed
- In the 3rd year of Investment: Maximum 1% of the amount redeemed
- After period of 3 years from the date of investment: Nil

ix. Certification and professional charges, including legal costs:

Actual Charges payable for out sourced professional services like accounting, auditing, taxation and legal services (including instituting or defending legal suits) etc. for documentation, notarisations, certifications, attestations required by bankers or regulatory authorities including legal fees etc.

x. Incidental expenses:

Charges in connection with day-to-day operations like courier expenses, stamp duty, postal, telegraphic, opening and operation of bank account, distribution charges or any other out of pocket expenses as may be incurred by the Portfolio Manager.

Investors may note that, the fees/ expenses that may be charged to Clients mentioned below are indicative only. The same will vary depending upon the exact nature of the services to be provided to investors.

	Nature of Expense (indicative)	Maximum Indicative Rate of Fees (%)	
1.	Investment Management and Advisory Fees **		
	a) Fixed Fee	Upto 5% per annum	
	b) Performance linked fees as permitted under the regulations	The fees will be a percentage of the returns generated for the Portfolio as may be agreed by the client in a PMS Agreement	
	c) Exit Loads	Portfolio Manager may charge exit load to the Client in the following manner	
		Year of exit	Exit Load %
		In the first year of investment	Maximum of 3% of the redemption amount
		In the second year of investment	Maximum of 2% of the redemption amount
		In the third year of investment	Maximum of 1% of the redemption amount
		After the period of 3 years from the date of investment	Nil
2.	Fund Accounting and Custody and Other Charges ***#	Upto 0.50% per annum	
3.	Brokerage & transaction charges	On actuals	
** Basis of charge – Indicative (anyone or combination of the below)			
1. On Average Daily Assets under Management			
2. On Capital Invested			
3. On capital committed			
# Includes audit fees, franking, notary charges, miscellaneous expenses			

Note:

- Average daily portfolio value means the value of the portfolio of each client determined in accordance with the relevant provisions of the agreement executed with the client and includes both realized and unrealized gains/losses.
- Performance linked fee can be charged at intervals as agreed between the Client and the Portfolio Manager.
- The Portfolio Manager may also be entitled to recover transaction fee, brokerage charges, demat fees, and/or disbursement made in respect of the investments (and/or disbursements) and/or any incidentals in the form of stamp duties, registration charges, professional fees, legal fees, consultancy charges, service charges etc. and such other expenses, duties, charges incurred on behalf of the Client on account of the Service provided to him/her/it.

- d. 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.
- e. Charges for all transactions in a financial year (Broking, Demat, custody etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. Any charges to self/associate shall not be at rates more than that paid to the non-associates providing the same service.

12. Taxation:

The following information is based on the Income Tax Act, 1961 ('The Act') as amended by the Finance Act, 2024. The information set forth below is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. The client should seek advice from his/her/its own professional advisor if he/she/it is in any doubt regarding the taxation consequences of investing in the Products offered under Portfolio Management Services.

According to Section 115BAC of the ITA, Individuals and Hindu Undivided Family (HUFs) will have an option to pay tax on its total income at the reduced tax rates. without claiming certain deductions/exemptions as specified] which is now the default tax option (Default Regime). However, the taxpayer will have an option to opt out of the default regime and pay tax under old regime.

The following Income Tax slab rates are notified in new tax regime vs old tax regime:

Income Tax Slab	Tax rates as per new Regime*
₹ 0 - ₹ 3,00,000	Nil
₹ 3,00,001 - ₹ 6,00,000	5% (Refer Note 1)
₹ 6,00,001 - ₹ 9,00,000	₹ 15000 + 10% of total income exceeding ₹ 6,00,000 (Refer Note 1)
₹ 9,00,001 - ₹ 12,00,000	₹ 45000 + 15% of total income exceeding ₹ 9,00,000
₹ 12,00,001 - ₹ 15,00,000	₹ 90000 + 20% of total income exceeding ₹ 12,00,000
Above ₹ 15,00,000	₹ 150000 + 30% of total income exceeding ₹ 15,00,000

Income Tax Slab	Tax rates as per old regime*
₹ 0 - ₹ 2,50,000	Nil
₹ 2,50,001 - ₹ 5,00,000	5% (Tax rebate of INR 12,500 available)
₹ 5,00,001 - ₹ 10,00,000	₹ 12,500 + 20% of total income exceeding ₹ 5,00,000
Above ₹ 10,00,000	₹ 112,500 + 30% of total income exceeding ₹ 10,00,000

Note 1: Tax rebate available upto income of INR 7,00,000

Individuals and HUF under new tax regime will not be allowed certain deductions and exemptions as mentioned in section 115BAC of the Act which among others includes the following:

- 1.) Profession tax
- 2.) House Rent Allowance
- 3.) Housing Loan Interest
- 4.) Leave Travel Allowance
- 5.) Deductions under Chapter VIA of the Act such as section 80C (life insurance premium), section 80CCC (pension premium), 80D (health insurance premium), 80TTA (bank interest), 80G (Donations) etc, except 80CCD (2) (contribution to pension scheme of central government) and section 80JJAA (employment linked deduction).

Note 2 - Alternate Minimum Tax

Per the Act, if the income-tax payable on total income by any person other than a company is less than the alternate minimum tax, the adjusted total income is deemed to be the total income of that person and he is liable to pay income-tax on such total income at the rate of 15%. Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Further, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the ITA.

The income tax rates for Senior Citizens and Super senior Citizens are as follows:

Income Tax Slab	Tax Rate for Individuals of the age of 60 and above but less than the age of 80 Years*	Tax Rates for Super Senior Citizens of the age of 80 Years and above*
Up to Rs. 3,00,000	Nil	Nil
Rs. 3,00,001 to Rs. 5,00,000	5%	Nil
Rs. 5,00,001 to Rs. 10,00,000	20%	20%
Above Rs. 10,00,000	30%	30%

** Surcharge (at applicable rates) and health and education cess at the rate of 4% shall apply separately.*

- Income Tax Rates & Surcharge for Domestic Companies/foreign companies for FY 2024-25

Turnover Particulars	Tax rates as per Old regime*	Tax rates as per New regime*
Total turnover or Gross receipts up to 400 Cr. in the FY 2021-22	25%	NA
Domestic Co other than above (except for new manufacturing	30%	22% (Opting to pay tax as

companies)		per section 115BAA of the Act)
Minimum Alternate Tax (MAT) rate	15% (In case the Company does not opt for the new tax regime, MAT rate of 15% would apply where the tax computed at the rate of 15% of book profits is higher than tax computed as per the normal provisions of the Act)	NA (In case the Company opts for new tax regime, MAT will not apply)
Foreign company	<u>Tax rate for foreign companies on the business income and income under the head 'Income from other sources' is 40%</u>	

** Surcharge (at applicable rates) and health and education cess at the rate of 4% to apply on the income tax rates mentioned.*

- Surcharge rates for various assesees have been captured in the table below: :-

Assesses	Rate of surcharge & Cess applicable
Individuals (including NRIs /PIOs), HUFs, Non-Corporate FPIs	<ul style="list-style-type: none"> • Surcharge of 10% on income tax if total income is above Rs. 50 lakhs but below Rs. 1 crore. • For total income above Rs. 1 crore surcharge shall be 15 % on income tax (on income above 1 crore). • For total income (other than specified income) ¹ above Rs. 2 crore – 25% surcharge • For total income (other than specified income) above Rs. 5 crore surcharge – 25% (under new tax regime)/ 37% (under old tax regime) <p>Health & Education cess of 4% is payable on the total amount of income tax including surcharge.</p>
Companies where the taxable income more than Rs. 1 crore and upto Rs. 10 crores (Old regime)	<ul style="list-style-type: none"> • Domestic company: Surcharge of 7% on income tax and Health & Education cess of 4% is payable on the total amount of income tax including surcharge. • Foreign company: Surcharge of 2% and Health & Education cess of 4% is payable on the total amount of income tax including surcharge.
Companies where the taxable income is more than Rs. 10 Crore (Old regime)	<ul style="list-style-type: none"> • Domestic company: Surcharge of 12% on income tax and Health & Education cess of 4% is payable on the total amount of tax including surcharge • Foreign company: Surcharge of 5% and Health & Education cess of 4% is payable on the total amount of tax including

¹ Surcharge rate shall be restricted to 15% on 'specified income' which includes dividend income, capital gains on specified securities (listed shares/ units of equity oriented mutual funds) mentioned under section 111A and 112A of the Income-tax Act, 1961.

	surcharge
Surcharge under new tax regime under section 115BAA of the Act	<ul style="list-style-type: none"> Fixed surcharge rate of 10% on income tax is payable. Health & Education cess of 4% is payable on the total amount of tax including surcharge
Surcharge on specified income	<ul style="list-style-type: none"> Surcharge on specified income such as dividend income, short term capital gains under section 111A of the Act and long-term capital gains under section 112 and section 112A of the Act (i.e., on listed equity shares and equity oriented mutual funds on which STT is paid) shall be restricted to 15% Health & Education cess of 4% is payable on the total amount of tax including surcharge

- Taxability on Dividend received from Domestic Company or Mutual Fund (Equity Oriented or Debt Mutual Funds): -

The Dividend received on the shares and units of above Mutual Funds held in the Products offered under the Portfolio Management Services are subject to tax in the hands of investor. At the applicable slab rates as mentioned above (plus applicable surcharge and health and education cess). No Dividend Distribution tax shall be applicable on the amount of dividend income declared and to be paid by domestic Co or Mutual fund. The Indian company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors) where the dividend paid/ payable exceeds INR 5,000.

Further, for non-residents, as per Section 90(2) of the Act, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of residence of the non-resident subject to the availability of DTAA benefits to the non-resident. However, no assurance can be provided that the Tax Treaty benefits would be available to the non-resident investor or the terms of the DTAA would not be subject to amendment or a different interpretation in the future. The Indian company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors)

- Taxability on Capital Gains: -

Period of Holding:

Capital assets are classified as long-term assets ('LTCA') or short-term assets ('STCA'), based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the shares and securities are held, the gains would be taxable as short-term capital gains ('STCG') or long-term capital gains('LTCG'). This is discussed below:

Nature of asset	STCA	LTCA
For assets being shares in a company or any other security listed on a recognised stock exchange in India i.e., equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero-coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets being shares of a company (other than shares listed on a recognised stock exchange in India) and immovable property being land or building	Held for not more than 24 months	Held for more than 24 months
For assets other than those specified above	Held for not more than 36 months	Held for more than 36 months
Market Linked Debentures or unit of a Specified Mutual Fund acquired on or after 1 April 2023	Short Term Capital Asset (irrespective of the period of holding)	NA

(a) Long Term Capital Gains

In case of listed equity shares and securities and units of equity oriented schemes sold on a recognized stock exchange, which are subject to Securities Transaction Tax('STT') (currently 0.001% for units of equity oriented scheme and 0.1% on equity shares). The tax on Long Term Capital Gains is captured below:

Resident Individuals, HUF, Partnership firm and Indian company:

- Long term capital gains on listed equity shares (on which STT is paid at the time of acquisition and transfer), equity shares to be listed equity shares sold through offer for sale and units of equity oriented mutual funds (on which STT is paid at the time of transfer) – 10% (plus applicable surcharge and cess) if Capital gain is more than Rs.1 Lakh. Computation of the gains shall be subject to grandfathering (refer Note below).
- Long term capital gains in respect of other listed securities (other than units of mutual funds, listed bonds and listed debentures) on which STT has not been paid or Zero-coupon bonds – Lower of 20% (plus surcharge and education cess) computed after cost indexation, or 10% (plus surcharge and education cess) of the gains computed without cost indexation.
- Long term capital gains on unlisted securities (other than bonds/debentures but including units of other than equity oriented mutual funds) – 20% (plus surcharge and education cess) of the capital gains computed after cost indexation.

Non - resident Individuals and Foreign company:

- Long term capital gains on listed equity shares (on which STT is paid at the time of acquisition and transfer) equity shares to be listed equity shares sold through offer for sale and units of equity oriented mutual funds (on which STT is paid at the time of transfer) - 10% (plus applicable surcharge and cess) if Capital gain is more than Rs.1 Lakh Computation of the gains shall be subject to grandfathering (refer Note below).
- Long term capital gains in respect of other listed securities (other than units of mutual funds, listed bonds and listed debentures) on which STT has not been paid or Zero-coupon bonds - 10% (plus applicable surcharge and cess) of the gains computed without cost indexation. However, Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) on long-term capital gains arising on sale of listed securities (where STT is not paid).
- Long term capital gains on unlisted shares and securities - 10% (plus surcharge and education cess) of the gains computed without cost indexation.

Note : The exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust has been withdrawn w.e.f. 1 April 2018. The LTCG above INR 1 lakh on following transfers shall be taxable at 10% (plus surcharge and cess):

- *listed equity shares (STT paid on acquisition and transfer)*
- *units of equity oriented mutual fund (STT paid on transfer); and*
- *units of business trust (STT paid on transfer)*

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains and the cost of acquisition of equity shares, equity oriented mutual fund or units of business trust shall be higher of:

- *Actual cost of acquisition; and*
- *Lower of:*
 - o *Fair market value as on 31 January 2018; and*
 - o *Value of consideration received upon transfer*

** The CBDT has issued a notification providing the negative list for the purpose of section 112A i.e., modes of acquisition exempted from the condition to pay STT on acquisition.*

(b) Short Term Capital Gains (Resident / non-resident individuals, Indian company and foreign company)

As per the Finance Act 2023, the capital gains on transfer/redemption/maturity of Specified Mutual Funds acquired on or after 01 April 2023 should be deemed to be short term capital gains (irrespective of the period of holding) and such short-term capital gains should be chargeable to tax at the ordinary tax rates (Refer tax rates

provided for 'Other short-term capital gains' in the table above). "Specified Mutual Fund" means a mutual fund by whatever name called, where not more than 35% of its proceeds is invested in the equity shares of domestic companies,"

Further, as per the Finance Act 2023, gains on market linked debentures should be taxed as short-term capital gains irrespective of the period of holding. "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.

Given the above, Short-term Capital Gains (including gains on 'specified mutual funds' and market linked debentures and other than shares or units of equity-oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax) is added to the total income is chargeable to tax as per the relevant slab rates for individuals and at the applicable tax rates for persons other than individuals (as mentioned above). However, tax on short term capital gains on sale of shares and units of equity-oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax, would be @ 15% (plus applicable surcharge and education cess).

(c) For non-residents, as per Section 90(2) of the Act, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the DTAA between India and the country of residence of the non-resident subject to the availability of DTAA benefits to the non-resident. However, no assurance can be provided that the Tax Treaty benefits would be available to the non-resident investor or the terms of the DTAA would not be subject to amendment or different interpretation in the future.

Section 90(4) of the ITA provides that in order to claim Treaty benefits, the non-resident investor has to obtain a TRC as issued by the foreign tax authorities. Further, the non-resident investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC. As per notification no. 03/2022 dated July 16, 2022, Form 10F is required to be filed electronically.

The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others)
- Assessee's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the government of the country or the specified territory of which the assessee claims to be a resident
- Period for which the residential status, as mentioned in the TRC, is applicable; and

- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The additional information prescribed above may not be required to be provided if it already forms a part of the TRC.

Capital Losses

As per the provisions of the ITA, short term capital loss can be set off against both short term capital gains and long term capital gains but long term capital loss can be set off only against long term capital gains. The unabsorbed short term and long term capital loss can be carried forward for 8 (eight) assessment years

Gains arising on buy-back of shares by Company

As per section 10(34A) of Act, gains arising on buy back of shares shall be exempt in the hands of the fund. However, as per section 115QA of Act, a distribution tax at the rate of 23.296% is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, CBDT vide its notification dated 17 October 2016 has prescribed buyback rules by inserting new Rule 40BB to Rules for determination of the amount received by the Indian company in respect of issue of shares.

As per the Finance (No. 2) Act 2019, the above provision would also be applicable in case of buyback of shares listed on a recognized stock exchange.

Expenditure incurred in relation to income not includible in the total income

As per the provisions of section 14A read with rule 8D of the ITA, if any income of the Investor does not form part of the total income or is exempt under the provisions of the ITA then any expenditure incurred by the Investor, directly or indirectly, in relation to such income will not be allowed as deduction for the purpose of calculating the total taxable income of the Investor.

Provisions regarding Dividend income and Bonus

According to the provisions of Section 94(7) of the Act, where any person buys or acquires any securities or units of a mutual fund or the Unit Trust of India within a period of 3 (three) months prior to the record date (i.e., the date that may be fixed by a company for the purposes of entitlement of the holder of the securities to receive dividend or by a mutual fund or the administrator of the Specified Undertaking or the Specified Company, for the purposes of entitlement of the holder of the units to receive income, or additional unit without any consideration, as the case may be) and such person (i) sells or transfers such securities within a period of 3 (three) months after such record date, or (ii) such unit within a period of 9 (nine) months after such record date, and (iii) the dividend or income on such securities or unit received or receivable by such person is exempt, then, any loss arising to such person on

account of such purchase and sale of securities or unit, to the extent such loss does not exceed the amount of such dividend or income received or receivable, would be ignored for the purposes of computing his income chargeable to tax.

- According to the provisions of Section 94(8) of the Act, if an investor purchases any securities or units within 3 months before the record date (for entitlement of bonus) and sells/redeems the securities or units within 9 months after that date, and by virtue of holding the original securities or units, he becomes entitled to bonus securities or units, then the loss arising on transfer of original securities or units shall be ignored for the purpose of computing his income chargeable to tax (even though he continues to hold all / part of the additional securities or units allotted as bonus). In fact, the loss so ignored will be treated as cost of acquisition of such bonus securities or units.

The Finance Act, 2022 has made the said provision applicable to securities as well (i.e., stocks and shares) and also modified the definition of unit, so as to include units of business trusts such as InvIT, REIT and AIF, within the definition of units. This amendment will take effect from the assessment year commencing on or after 01 April 2023. Switching from one scheme to another

As stated in the respective underlying mutual fund scheme information documents, switching from one scheme / option to another scheme / option will be affected by way of redemption of units of the relevant scheme/ option and reinvestment of the redemption proceeds in the other scheme / option selected by the unit holder. Hence, switching will attract the same implications as applicable on transfer of such units (refer capital gains section above).

- Consolidation of Schemes

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of mutual fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. Further, transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains under the Act.

- Tax withholding:

- Resident Investors

No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gains. However, on income other than capital gains, mutual funds specified under section 10(23D) of the Act, shall be required to deduct TDS at rate of 10 per cent where the amount payable exceeds Rs. 5,000 in a financial year.

- Foreign Portfolio Investors (FPI)

Under section 196D of the Act, tax is required to be deducted at the rate of 20% on dividend income earned by the FPI. No tax is required to be deducted at source on income way of capital gains earned by a FPI. The remittance to a country with which a DTAA is in force, the tax should be deducted at the rate provided in the Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee subject to availability of DTAA benefits to the assessee.

○ NRI's other than FPI's

Under Section 195 of the Income-tax Act, 1961, the Mutual Fund is required to deduct tax at source at the rate of 20% (plus applicable surcharge and cess) (without indexation) on any long-term capital gains arising to non-resident investors from units other than units of an equity-oriented scheme. Long term capital gains from units of equity-oriented schemes & listed equity shares are liable to be withheld at the rate of 10% (plus applicable surcharge and cess) if the capital gains exceed Rs.1 Lakh during the financial year starting from April 1, 2018 subject to Grandfathering Clause.

In respect to short-term capital gains from units other than units of an equity-oriented scheme, tax is required to be deducted at source at the rate of 30% (Assuming Highest tax bracket for investor) (plus applicable surcharge and cess) if the payee unit holder is a non-resident non-corporate and at the rate of 40% (plus applicable surcharge and cess) if the payee unit holder is a foreign company. In case of equity-oriented schemes, tax is required to be deducted at the rate of 15% (plus applicable surcharge and cess) for both corporate and non-corporate non-resident unit holders

In the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee subject to the availability of DTAA benefits to the assessee.

○ Withholding at higher rate in case of non-availability of permanent account number ('PAN'):

Section 206AA of the Act provides that where a recipient of income (which is subject to withholding tax) does not have a PAN, then tax is required to be deducted by the payer at the higher of the following:

- rates specified in the relevant provisions of the Act; or
- rates in force; or
- at the rate of 20%.

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services, payment on transfer of capital assets and dividends provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;

- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
 - Tax Identification Number in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.
- Withholding at higher rates due to non-filing of income-tax return:

Section 206AB of the Act, proposes a higher withholding tax rate in case of any person (other than a non-resident who does not have a permanent establishment in India) who has not filed the return of income for the previous assessment year (immediately prior to the concerned financial year) and the aggregate of tax deducted at source and tax collected at source in his case is Rs. 50,000 or more in the said previous year. The withholding tax rates in case of such person shall be as higher of the below:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Further, where the provisions of section 206AA of the Act are applicable to such person, tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA of the Act.

The Finance Act, 2023 has amended section 206AB to exclude a person who is not required to furnish the return of income for the relevant assessment year and is notified by Central Government in this behalf, from the definition of specified person.

Please Note:

The tax incidence to investors could vary materially based on residential status, characterization of income (i.e., capital gains versus business profits) accruing to them. Please refer to **Annexure 1** for characterization of income as capital gains vs. business income. The Information provided here is general in nature & can be changed in future by Department or Government. Please consult your financial planner/tax advisor before taking a decision.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE IT ACT. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, PARTNER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE IT ACT. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

ANNEXURE 1

Characterization of an income as capital gains vs. business income

Gains arising from the transfer of securities held in the companies may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such securities were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the tax authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as “business profits” or as “capital gains”. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the CBDT has provided guidance (vide its Instruction: No. 1827, dated August 31, 1989 and Circular No. 4/2007, dated June 15, 2007) in respect of characterisation of gains as either capital gains or business income. Following are the key illustrative factors indicative of capital gains characterisation (not business income):

- (a) Intention at the time of acquisition – capital appreciation
- (b) Low transaction frequency
- (c) Long period of holding
- (d) Shown as investments in books of accounts (not stock in trade)
- (e) Use of owned funds (as opposed to loan) for acquisition
- (f) Main object in constitution document is to make investments
- (g) Higher level of control over the investee company

The Company intends to organize itself in a manner that it complies with the conditions and parameters mentioned in the CBDT circular and instructions such that the income from sale of securities in the investee companies should generally be categorized as capital gains. However, the possibility of the tax authorities seeking to treat such income as business income cannot be ruled out.

Please note that with a view to reduce litigation and maintain consistency, the CBDT has issued Circular No. 6 of 2016, dated February 29, 2016 providing that listed shares / securities held for more than 12 months would be treated as capital gains unless the tax payer himself treats the same as stock in trade; in other cases involving sale of listed shares / securities, the characterisation of income would be decided on the basis of previous circulars and instructions issued by the CBDT on this subject. The Circular also provides that a position once adopted by the taxpayer would not be allowed to be changed and it would be applicable for the subsequent assessment years. It is however clarified that the principles as outlined in the circular shall not be applicable in cases where the genuineness of the transaction itself is questionable. Furthermore, with respect to the characterisation of gains arising on transfer of unlisted shares, the CBDT² has issued an instruction dated May 2, 2016 providing that income from transfer of unlisted shares (for which no formal market exists for trading), except in certain specified circumstances such as (i) the genuineness of transactions in unlisted shares itself is questionable; or (ii) the transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or (iii) the transfer of unlisted shares is made along with the control and management of underlying business., would be treated as 'Capital Gain' irrespective of period of holding. Now, the CBDT³ has clarified that exception (iii) would not apply in the case of Category I and II AIF, where-in the rational provided was that the investment by such AIFs are predominantly in unlisted shares of start-ups / ventures and hence, some level of control and management is required to be exercised by such AIFs to safeguard the interest of the investors

² F. No. 225/12/2016/ITA.11

³ F.No.225/12/2016/ITA.II

13. Accounting Policies:

- A. The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.
- B. For every Client Portfolio, the Portfolio Manager shall keep and maintain proper books of accounts, records and documents, for the Client, on mercantile system of accounting, so as to explain its transactions and to disclose at any point of time the financial position of the Client's Portfolio and Financial Statements and in particular give a true and fair view of the state of affairs.
- C. Following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts & records of the Client.
 - 1. Investments are stated at cost of acquisition by the Portfolio Manager.
 - 2. Dividend income earned shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on a stock exchange, dividend income shall be recognized on the date of receipt.
 - 3. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
 - 4. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.
 - 5. Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that year.
 - 6. Bonus shares shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
 - 7. Rights entitlement shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.
 - 8. The cost of investments acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the broker's bought note.
 - 9. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
 - 10. All other expenses payable by the Client shall be accrued as and when Liability is incurred.
 - 11. Investments in listed equity and debt instruments will be valued at the closing market prices on the National Stock Exchange (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the

Bombay Stock Exchange or other exchange will be used for valuation of securities. In case of the securities are not traded on the valuation date, the last available traded price shall be used for the valuation of securities. Investments in units of Mutual Funds shall be valued at the repurchase price of the previous day declared for the relevant Scheme on the date of the report.

12. Open positions in derivative transactions, will be marked to market on the valuation day.
13. Private equity/Pre IPO placements will be valued at cost or at a last deal publicly available price at which company has placed shares to other investors till it is listed.
14. Unrealised gain/losses are the differences, between the current market value/ Net Asset Value and the historical cost of the securities.
15. Valuation of investments in Non – Convertible Debentures (NCD) / Market Linked Debentures (including Equity Linked Debentures) (MLD) shall be based on prices provided by valuation agency appointed by the issuer of the such securities. In case of any default by the issuer, the Portfolio Manager may at his sole discretion value the NCD / MLD as deems appropriate.
16. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which the portfolio obtains an enforceable obligation to pay the price or, in the event of a sale, when the portfolio obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold. 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. Conflict of Interest:

In the normal course of business, circumstances may arise that could result in the interest of Portfolio Manager conflicting with that of its affiliates / group entities, Portfolio Manager makes best efforts to ensure that such conflicts of interest are identified and managed and that clients' interests are protected. Portfolio Manager shall ensure fair treatment to all clients while providing unbiased services and render high standards of services and shall also ensure to put the client's interest above all.

Portfolio Manager and its group companies have policies and procedures in place to control the flow and use of nonpublic, price sensitive information and employees' personal account trading. Where appropriate and reasonably achievable, Portfolio Manager segregates the activities of staff working in areas where conflicts of interest may arise.

15. Custody of Securities

- i. Custody of all Securities of the Client shall be with the Custodian who shall be appointed, from time to time, at the discretion of the Portfolio Manager. Currently, the Portfolio Manager uses the custodial/depository/fund administration services of Kotak Mahindra Bank Ltd. and may appoint more custodians in future if required
- ii. The Custodian shall act on instructions of the Portfolio Manager.

- iii. All such custodian or fund accounting fees, charged by the Custodian shall be payable by the Client.
- iv. The Portfolio Manager shall not be liable for any act of the Custodian, done with or without the instruction of the Portfolio Manager, which may cause or is likely to cause any loss or damage to the Client.

16. Investor Services

i. Details of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:

Name of the Person	Vishant Patade / Akshay Gaikwad
Designation	Assistant Managers- Operation
Address	Unit No. 1203-B, 12 th Floor, The Capital, C-70 G Block, BKC, Bandra East, Mumbai - 400051
Email Id	ig.pms@incredcapital.com
Telephone	022 4161 1596 / 91-9820455802

ii. Grievance Redressal and dispute settlement mechanism:

For any queries/complaints, investor can approach Investor Relation Officer at details given above.

Further investor may also approach the Compliance Officer / Principal Officer of the Portfolio Manager. The details including, inter-alia, name & address of Compliance Officer & Principal Officer, their e-mail addresses and telephone numbers are displayed at each offices of the InCred Capital Wealth Portfolio Managers Private Limited.

The officers mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that these officials are vested with necessary authority, independence and the means to handle investor complaints. 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 action of 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 including any dispute regarding fees & charges 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.

In case of non-redressal of the complaint by the Portfolio Manager, investors can approach SEBI for redressal of their complaints. Investors may lodge their complaints through SCORES (SEBI Complaints Redress System - <https://scores.gov.in/scores/Welcome.html>) or by sending their complaints on the address given below:

Office of Investor Assistance and Education,
Securities and Exchange Board of India,
SEBI Bhavan II Plot No. C7, 'G' Block,
Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Additionally, in order to enhance transparency in the Investor Grievance Redressal Mechanism, pursuant to SEBI circular SEBI/HO/IMD/IMD-II_DO7/P/CIR/2021/681 dated December 10, 2021, the Portfolio Manager shall disclose on its website www.incredequities.com, the data pertaining to all complaints including SCORES complaints received by them in the SEBI prescribed format. The information shall be made available on a monthly basis by 7th of the succeeding month.

17. Miscellaneous Provisions

a) Investor Charter

With a view to enhancing awareness of investors about the various activities which an investor deals with while availing the services provided by portfolio managers, an investor charter has been prepared by SEBI. The same is notified vide SEBI circular SEBI/HO/IMD/IMD-II_DO7/P/CIR/2021/681 dated December 10, 2021.

The investor charter is a brief document in an easy-to-understand language. It details different services provided by the portfolio managers to the investors alongwith estimated timelines, like account opening, agreement with the portfolio manager, periodic statements to the investors, investor grievance redressal mechanism, responsibilities of investors etc. at one single place for ease of reference. All registered Portfolio Managers are advised to bring to the notice of their clients the Investor Charter by prominently displaying on their websites. Accordingly, the Investor charter is disclosed on website of Portfolio Manager www.incredequities.com

b) Details of Diversification Policy of the Portfolio Manager

Diversification is a risk management strategy that mixes a variety of securities within a portfolio. The rationale behind diversification is different securities will, on an average, yield better long-term returns and lower the risk of any individual holding or security. Although diversification does not ensure a profit or guarantee against loss, it can help reduce the volatility of portfolio over time.

Since investing requires disciplined risk management, the Portfolio Manager would incorporate adequate safeguards for controlling risks in the portfolio construction process. While allocating and choosing securities, the Portfolio Manager will aim to diversify by gaining broad exposure to different industries and companies in order to reduce risk.

Risk Diversification in Equity and equity related instruments:

There are two kinds of risk in equity investments, Systematic Risk or Market Risk and Unsystematic Risk. Unsystematic risk can be mitigated through diversification while

systematic or market risk is generally unavoidable. Unsystematic risk is unique to a given business or industry and can be diversified by investing in a portfolio of stocks.

The Portfolio Manager intends to invest in a sufficiently large number of equity and equity related instruments so as to limit exposure to a particular company. The Portfolio Manager aims to ensure a well-diversified equity portfolio comprising stocks across various sectors of the economy while managing or recommending investments for Client portfolio. This shall aid in managing concentration risk and sector specific risks. The Portfolio Manager shall also target to manage or recommend sufficient exposure across different market cap segments - i.e. large, mid-cap and small cap. This shall aid in managing volatility and also improve liquidity in Client's Portfolio.

Clients are requested to note that while the above measures are prudent and more relevant for diversified investment approaches, to the extent possible, these measures would also be implemented in case of sector or thematic or market cap concentrated investment approaches offered by Portfolio Manager.

Risk Diversification in Fixed Income Securities:

Investments in Fixed Income Securities shall be managed or recommended to Clients depending on factors such as liquidity, investment tenure, risk appetite of Clients etc. The Portfolio Manager will attempt to reduce liquidity risk by investing and/or recommending investments in securities that would result in a staggered maturity profile, investment in securities that provide relatively easy liquidity and securities that have reasonable secondary market activity. Exposure to debt securities, other than Sovereign exposures, would be diversified, comprising a number of issuers across sectors. This shall aid in managing concentration risk and sector-specific risks.

Please refer to "Basis of selection of such types of securities as part of the investment approach" and "Allocation of portfolio across types of securities" for further information on diversification measures for respective Investment Approaches as offered by the Portfolio Manager.

c) Email Communications

The Portfolio Manager may send account statements and any other correspondence using e-mail as the mode for communications as may be decided from time to time. It is deemed that the Client is aware of all security risks including possible third-party interception of Account Statement and content of the Account Statement becoming known to third parties.

The Client may at any time request for a physical copy of the Account Statement.

A Statements of Portfolio will be sent by email to each Client (first applicant in case of joint holders) stating the details of holding statement, account performance report, realised gain/(loss) statement, logical bank book, balance sheet, profit & loss account & transaction undertaken on a regular basis or at the requested frequency of the client. Same may also be made available through Portfolio Manager's website.

The Portfolio Manager may also undertake to accept non-commercial transactions such as change in address, change in bank details, change in mode of payment etc. received through email, provided the request is sent by the Client from the same email address which is registered with the Portfolio Manager.

d) Nomination Facility

Clients are requested to note that the nomination details registered with the Portfolio Manager shall not be applicable to the securities held in the individual Client demat account maintained with the Depository. For the securities held in electronic form (demat form) by the Client (s) in their Depository Participant Account (DP Account) opened for availing the services of the Portfolio Manager, the nomination details registered with the Depository and the rules prescribed by the Depository shall be applicable.

The Portfolio Manager is providing an option to the Individual Client(s) to nominate one or more persons in whom the investment or the cash allocation held by the Portfolio Manager under the respective Client account (other than the securities held by the Client in their individual Client demat account opened for availing the services of the Portfolio Manager) shall vest in the event of his / her / their death. However, the facility of nomination is not available to non-individuals including society, trust, company, body corporate, partnership firm, Karta of Hindu Undivided Family, PSU, AOP, BOI, Banks, FII's, holders of Power of Attorney.

The decision of the Portfolio Manager with respect to treatment of nomination shall be final and binding on Client(s) and nominees. Nominations (Single/multiple) received in the form prescribed by the Portfolio Manager alone shall be valid.

The nominees/ administrators/ claimants/ successors/ executors/ legal heirs unconditionally and irrevocably agree that the transmission by the Portfolio Manager shall be made subject to the receipt of any such additional forms, information (personal or financial or otherwise), indemnities and relevant documentations (including KYC documents), if any, as may be required from time to time by the Portfolio Manager in the specified format.

e) Prevention of Money Laundering

The Portfolio Manager is committed to adhere to the requirements specified under the Prevention of Money Laundering Act 2002 and the requirements laid down by the Securities and Exchange Board of India (SEBI), in this respect. The Clients including guardians (in case of minors) shall ensure that the investments made by them are through legitimate sources only and do not involve or are not designated for this purpose of money laundering or any contravention or evasion of the requirements specified under any rules, laws and regulations specified by the Government of India or any other statutory body / entity.

While the Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct, in order to ensure appropriate identification of the Client(s) under its KYC policy and applicable laws and with a view to

monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek appropriate information / documents, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. with a purpose to comply with inter alia its regulatory obligations. The Portfolio Manager may also undertake field visits, verify information through third party databases etc. In case a Client refuses / fails / delays in providing the information sought by the Portfolio Manager, the Portfolio Manager retains the right to freeze the accounts of the Client, reject any transaction request, effect mandatory repayment / return assets etc.

The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client's account/rejection of any application or mandatory repayment/returning of funds due to noncompliance with the provisions of the PML Laws and KYC policy and/or where the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws and/or for reporting the same to FIU-IND. Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. The decision of the Portfolio Manager in this regard, shall be final.

17. DISCLAIMER

This document is purely for the purposes of providing information and every effort has been made to truly represent the facts and circumstances herein. Clients/Investors are advised to read the Document carefully before entering into an Agreement with the Portfolio Manager.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS DISCLOSURE DOCUMENT, THE PROVISIONS OF SEBI (PORTFOLIO MANAGERS) REGULATIONS 2020 AND THE RULES SHALL BE APPLICABLE.

For InCred Capital Wealth Portfolio Managers Private Limited

Name: Nitin S Rao (Director)	 
Name: Kamlesh Dangi (Director)	

Place: Mumbai

Date: August 08, 2024

Annexure 1

InCred Capital Wealth Portfolio Managers Private Limited
CIN: U74999MH2018PTC305048
Notes forming part of the financial statements for the year ended 31 March 24
(All amounts in INR Lakhs, unless otherwise stated)

Note 39 : Related Parties Transactions
Related party relationships / transactions warranting disclosures under IND AS - 24 "Related Party Disclosures" are as under:

a. List of Related parties where control exists and/or with whom transactions have taken place and relationships:

Nature of Relationship	Name of party
Key managerial personnel (KMP)	Nitin Rao, Director Venkatesh Vishwanathan, Director (upto 5 January 2024) Kamlesh Dangli, Director Prateek Indwar, Director Rakesh Gorakh Postande, Company Secretary
Relatives of KMP	Minal Kamlesh Dangli
Holding Company	InCred Wealth Private Limited
Subsidiary Company	InCred Research Services Private Limited
Enterprise over which KMP is able to exercise significant influence	InCred Financial Services Limited InCred Capital Financial Services Private Limited InCred Wealth and Investment Services Private Limited InCred Asset Management Private Limited One Financial Consultants Private Limited

b. Transactions during the year with related parties :

Particulars	KMP & Relatives of KMP		Enterprise over which KMP exercise significant influence		Holding Co.		Subsidiary		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Remunerations to KMP	78.66	5.50	-	-	-	-	-	-	78.66	5.50
	78.66	5.50	-	-	-	-	-	-	78.66	5.50
Borrowings taken:	-	-	-	-	81.00	1,160.00	-	-	81.00	1,160.00
InCred Wealth Private Limited	-	-	-	-	-	-	-	-	-	-
InCred Wealth and Investment Services Private Limited	-	-	42,682.39	12,207.68	-	-	-	-	42,682.39	12,207.68
InCred Capital Financial Services Private Limited	-	-	-	12,838.03	-	-	-	-	-	12,838.03
	-	-	42,682.39	25,045.71	81.00	1,160.00	-	-	42,763.39	26,205.71
Borrowings repaid:	-	-	-	-	1,121.00	120.00	-	-	1,121.00	120.00
InCred Wealth Private Limited	-	-	-	-	-	-	-	-	-	-
InCred Wealth and Investment Services Private Limited	-	-	44,450.00	12,717.36	-	-	-	-	44,450.00	12,717.36
InCred Capital Financial Services Private Limited	-	-	-	12,838.03	-	-	-	-	-	12,838.03
	-	-	44,450.00	25,555.39	1,121.00	120.00	-	-	45,571.00	25,675.39
Interest on Loans:	-	-	-	-	48.43	8.76	-	-	48.43	8.76
InCred Wealth Private Limited	-	-	-	-	-	-	-	-	-	-
InCred Wealth and Investment Services Private Limited	-	-	138.90	76.50	-	-	-	-	138.90	76.50
InCred Capital Financial Services Private Limited	-	-	-	207.05	-	-	-	-	-	207.05
	-	-	138.90	283.55	48.43	8.76	-	-	187.33	283.51
Advance Given	-	-	-	-	705.06	-	-	-	705.06	-
InCred Wealth Private Limited	-	-	-	-	-	-	4,800.00	-	-	-
InCred Research Services Private Limited	-	-	-	-	705.06	-	4,800.00	-	5,505.06	-
Advance Repaid	-	-	-	-	705.06	-	-	-	705.06	-
InCred Wealth Private Limited	-	-	-	-	-	-	-	-	-	-
InCred Research Services Private Limited	-	-	-	-	705.06	-	-	-	705.06	-
Interest on Advance given	-	-	-	-	5.11	-	-	-	5.11	-
InCred Wealth Private Limited	-	-	-	-	-	-	12.52	-	-	-
InCred Research Services Private Limited	-	-	-	-	5.11	-	12.52	-	17.63	-
Gross Brokerage and DP Income	-	-	-	-	-	-	-	-	-	-
Nitin Subramanya Rao	0.07	-	-	-	-	-	-	-	0.07	-
Kamlesh Dangli	0.01	-	-	-	-	-	-	-	0.01	-
Minal Kamlesh Dangli	0.01	0.79	-	-	-	-	-	-	0.01	0.79
InCred Wealth Private Limited	-	-	-	-	10.15	8.43	-	-	10.15	8.43
InCred Research Services Private Limited	-	-	-	-	-	-	0.01	0.02	0.01	0.02
InCred Financial Services Limited	-	-	2.77	0.50	-	-	-	-	2.77	0.50
InCred Wealth and Investment Services Private Limited	-	-	77.28	5.90	-	-	-	-	77.28	5.90
InCred Capital Financial Services Private Limited	-	-	3.33	1.41	-	-	-	-	3.33	1.41
InCred Valueplus Private Limited	-	-	0.10	-	-	-	-	-	0.10	-
	0.09	0.79	83.48	7.82	10.15	8.43	0.01	0.02	93.74	17.05

FORM C
SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS)
REGULATIONS, 2020
(Regulation 22)

Name of Portfolio Manager: InCred Capital Wealth Portfolio Managers Private Limited

Address : Unit No-1203, B Wing, The Capital, C-70,
G Block, BKC, Bandra East, Mumbai – 400051

Phone : 022 4097 7000

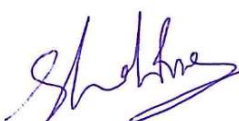
Website : www.incredequities.com

Email : NDPMS.OPS@incredcapital.com
rupin.shah@incredcapital.com

We confirm that:

- I. the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- II. the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Service.
- III. the Disclosure Document has been duly certified by CA Shardul Shah [Membership No:118394], Shah and Ramaiya Chartered Accountants having FRN No: 126489W located at 36/227, RDP 10, Sector 6, Charkop, Kandivali (West), Mumbai: 400067 on August 08, 2024.

For InCred Capital Wealth Portfolio Managers Private Limited



Mr. Rupin Shah
Principal Officer



Date: August 08, 2024

Place: Mumbai

CERTIFICATE

We have verified the Disclosure Document ("the Document") for Portfolio Management Services prepared by **M/s. InCred Capital Wealth Portfolio Managers Private Limited**, a Portfolio Manager registered with SEBI under the SEBI (Portfolio Managers) Regulations, 2020 (SEBI Reg. No. INP000007128), dated January 13, 2021, having its Registered Office at 'Unit No 1203 - B, 12th Floor, The Capital, C-70, G Block, BKC, Bandra (East), Mumbai - 400051.

The disclosure made in the document is made on the model disclosure document as stated in Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020.

With regard to TWRR calculation method, we have been informed by the management that the TWRR has been calculated by their software as per the logic specified by SEBI.

Our certification is based on the audited Balance sheet of the Company for the quarter ended March 31, 2024, audited by Statutory Auditors S. R. Batliboi & Associates LLP, Chartered Accountants and examination of other records, data made available and information & explanations provided to us.

Based on such examination we certify that:

- The Disclosure made in the document is true, fair and correct and
- The information provided in the Disclosure Document is adequate to enable the investors to make well-informed decisions.

The enclosed document is stamped and initialed / signed by us for the purpose of identification.

For Shah & Ramaiya.
Chartered Accountants
FRN.:126489W

SHARDUL
JASHWANTL
AL SHAH

CA Shardul Shah

Partner

M No.: 118394

UDIN No.: 24118394BKALAH7671

Place: Mumbai

Date: August 8, 2024