Piramal Fund Management Private Limited
(formerly known as INDIAREIT Fund Advisors Private Limited)

Portfolio Management Services

Disclosure Document

KEY INFORMATION AND DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES BY PIRAMAL FUND MANAGEMENT PRIVATE LIMITED (FORMERLY KNOWN AS INDIAREIT FUND ADVISORS PRIVATE LIMITED)

- This document has been filed with the Board along with a certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations 1993.
- The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decisions for engaging a Portfolio Manager.
- The Document is dated October 26, 2018. Necessary information about the Portfolio Manager required by an investor before investing is disclosed in the Disclosure Document.
- Investors 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 document from the service provider.
- The Principal Officer designated by the Portfolio Manager is:

Mr. Vaibhav Rekhi
Designation: Partner
Piramal Fund Management Private Limited
(formerly known as INDIAREIT Fund Advisors Private Limited)
Address: Ground Floor, Piramal Tower
Peninsula Corporate Park, Lower Parel
Mumbai
Tel No.: +91 22 6151 3405
Email address: vaibhav.rekhi@piramal.com
Dated: October 26, 2018

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS, 1993
(Regulation 14)

Piramal Fund Management Private Limited
(formerly known as INDIAREIT Fund Advisors Private Limited)
Regd. Office: Ground Floor, Piramal Tower,
Peninsula Corporate Park, Lower Parel, Mumbai
Tel: +91-22-6151-3440, Fax No. +91-22-6151-3444
Corporate Office: Ground Floor, Piramal Tower,
Peninsula Corporate Park, Lower Parel, Mumbai
Tel: +91-22-6151-3440, Fax No. +91-22-6151-3444
Website: http://piramal.com/fund-management/

We confirm that:

i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time.

ii) The disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the Portfolio to Piramal Fund Management Private Limited (formerly known as INDIAREIT Fund Advisors Private Limited).

iii) The content of this Disclosure Document has been duly certified by an independent chartered accountant viz. Narendra K. Aneja (Membership No. 30202 of M/s Aneja Associates, Chartered Accountants, 301, Peninsula Towers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013.

iv) Mr. Vaibhav Rekhi
Designation: Partner
Address: Ground Floor, Piramal Tower, Peninsula Corporate Park, Lower Parel, Mumbai
Tel: +91 22 6151 3405, Email ID: Vaibhav.rekhi@piramal.com

Signature of the Partner

Sd/-

Mr. Vaibhav Rekhi
Date: October 26, 2018
Place: Mumbai

Encl: Certificate from the Chartered accountant dated October 26, 2018

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1. DISCLAIMER

This Disclosure Document ("**Document**") sets forth concisely the information about the Portfolio Management Services offered by Piramal Fund Management Private Limited (formerly known as INDIAREIT Fund Advisors Private Limited) that a prospective Client should know before investing. This Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 1993 (as amended from time to time) and has been filed with the Securities and Exchange Board of India ("**SEBI**"). This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

2. DEFINITIONS

In this Disclosure Document, unless the context otherwise requires:

a. "**Account Statement**" shall have the meaning assigned to it in Clause 12.4.

b. "**Act**" means the Securities and Exchange Board of India, Act, 1992 (15 of 1992).

c. "**Agreement**" shall mean the portfolio management services agreement entered into between the Portfolio Manager and each Client.

d. "**AML Laws**" shall have the meaning assigned to it in Clause 14.1.

e. "**Board**" / "**SEBI**" means the Securities and Exchange Board of India.

f. "**Cash**" includes cheques, demand drafts, pay-slips, etc. and any other form of cash.

g. "**Client**" or "**Investor**" means any person who registers with the Portfolio Manager for managing his Portfolio.

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

i. "**Discretionary Portfolio Management Services**" mean portfolio management services provided by the Portfolio Manager exercising its sole and absolute discretion to invest in respect of the Client's account in any type of security as per the Agreement relating to portfolio management and to ensure that all benefits accrue to the Portfolio, for an agreed fee structure, entirely at the Client's risk.

j. "**FIU-IND**" shall have the meaning assigned to it in Clause 14.1.

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

l. "**KYC**" shall have the meaning assigned to it in Clause 14.1.

m. "**Interested Party**" shall have the meaning assigned to it in Clause 6.3(e).

n. “**PML Act**” shall have the meaning assigned to it in Clause 14.1.

o. “**Portfolio**” means the total holdings of all investments, securities and funds belonging to the Client.

p. “**Portfolio Entity/ies**” shall have the meaning assigned to it in Clause 5.2.

q. “**Portfolio Manager**” means Piramal Fund Management Private Limited (formerly known as INDIAREIT Fund Advisors Private Limited), a company incorporated under the Companies Act, 1956, having its registered office at Ground Floor, Piramal Tower, Peninsula Corporate Park, Lower Parel, Mumbai and registered with SEBI under the Regulations as a portfolio manager bearing registration No. INP000004136.

r. “**Promoter**” shall have the meaning assigned to it in Clause 3.2(a).

s. "**Regulations**" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 amended from time to time.

t. "**Rules**" means the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993.

u. “**Securities**” shall mean an instrument falling within the definition of ‘security’ under section 2(h) of the Securities Contract (Regulation) Act, 1956.

Words and expressions used in this Document and not expressly defined shall be interpreted according to the meaning assigned to it in the Agreement and if also not defined in the Agreement 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 Discretionary Portfolio Management Services.

3. DESCRIPTION

3.1. History, present business and background of the Portfolio Manager

INDIAREIT Fund Advisors Private Limited was incorporated on 14 July, 2005 under the Companies Act, 1956. The Portfolio Manager obtained a certificate from SEBI dated 15 September 2011 which was subsequently renewed to act as a Portfolio Manager under the Regulations bearing registration No. INP000004136. The name of the Portfolio Manager has changed from Indiareit Fund Advisors Private Limited to Piramal Fund Management Private Limited with effect from 29 March 2014.

The Portfolio Manager is providing portfolio management services to its existing investors and has asset under discretionary and advisory to the tune of Rs.504 crore, and managerial services to domestic venture capital funds, alternative investment funds and advisory services to managers of offshore real estate funds and currently has approximately Rs. 4,100 crores of assets under management / advisory.

The Portfolio Manager’s core strengths are its domain knowledge, well experienced and competent team in-house research capabilities and infrastructure to assist in providing Discretionary Portfolio

Management Services to its Clients.

The Portfolio Manager is currently one of the leading private equity investment advisor / manager for real estate assets in India. The Portfolio Manager has over the years developed strong relationships with real estate developers and other intermediaries in the real estate space, besides its own strong proprietary deal sourcing, which will help in the sourcing of deals for the Portfolio Manager.

The Portfolio Manager has a strong presence across 5 major cities in India and is manned by a very experienced team of qualified and seasoned professionals with in depth knowledge of real estate, infrastructure, IT and SEZ sector.

For more information on the Portfolio Manager, please visit http://piramal.com/fund-management

3.2. **Promoters and directors of the Portfolio Manager and their background in brief**

(a) Promoters / Shareholders

	Category of Shareholders	Equity Holding (number)	% to total equity holding
1	Promoter Group / PAC		
	- Piramal Enterprises Limited.	189,990	99.99%
	- Piramal Enterprises Limited jointly with Mr. Ajay G Piramal and Mr. Rajesh Laddha	10	0.01%
	Total	190,000	100%

Brief background of the Promoters

Piramal Enterprises Limited

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Financial Services, Pharmaceuticals and Healthcare Insights & Analytics. PEL's consolidated revenues were over US$1.6 billion in FY2018, with around 46% of revenues generated from outside India. In Financial Services, Piramal Capital & Housing Finance Ltd is registered as a housing finance company with National Housing Bank (NHB) and engaged in various financial services businesses. It provides both wholesale and retail funding opportunities across sectors. PEL also has long term equity investments worth ~US$1 billion in Shriram Group, a leading financial conglomerate in India.

In Pharma, through an end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, PEL sells a portfolio of niche differentiated Pharma products and provides an entire pool of Pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India. PEL's Healthcare Insights & Analytics business is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

(b) Particulars of Directors in the Portfolio Manager

The board of directors of the Portfolio Manager consists of eminent persons from the field of finance, investments and corporate law.

S.No.	Name	Age	Qualification	Work Experience
a.	Ajay Piramal	62	B.Sc. (Hons.) from Bombay University, Master in Management Studies from Jamnalal Bajaj Institute of Management Studies and Advanced Management Programme, Havard.	Ajay Piramal is one of India's leading industrialists, philanthropists and social entrepreneurs. He is the Chairman of Piramal Group, with activities in healthcare, financial services, real estate, information services, glass packaging, etc. Apart from India, the Group has et-ups in the US, the UK, the European Union, Japan, Pacific and South Asia, with its products being sold in more than 100 countries. He is also the Chairman of Shriram Capital Ltd., the holding company for financial services and insurance entities of Shriram Group. The Shriram Group employs over 67,500 personnel and serves over 21.3 million customers
b.	Khushru Jijina	53	Is a fellow member of Institute of Chartered Accountants of India	Currently the Director of the Portfolio Manager. He has an illustrious career spanning over 2 decades in the field of real estate, corporate finance and treasury management and has been with the Piramal group for around 14 years. Mr. Jijina joined the Piramal Group in 2001 as the Vice President-Treasury and had been instrumental in securing debt at the lowest cost for the group, setting new benchmarks in the debt market. He was a key member of the

				founding team of Portfolio Manager in 2006 and was instrumental in raising two domestic funds (together Rs. 1,014 crores) and the INDIAREIT Offshore Fund (US $ 200 million) and was also responsible in advising/ deploying a large proportion of these investments. Mr.Jijina was reinducted in the senior management of Portfolio Manager in September 2012 and is now designated as the Director. He also served as Managing Director of Piramal Realty where he was spearheading the group's foray into real estate development - Piramal Realty has rapidly built a pipeline of over 20 million sq. ft. in Mumbai and aspires to build high quality living and work spaces through customer centric design and strong execution. Prior to this, Mr.Jijina was the Executive Director in Piramal Sunteck Realty, where he was responsible for a portfolio of projects spanning Mumbai, Navi Mumbai, Nagpur, Jaipur and Oman and oversaw all aspects of their execution. He started his career with Rallis, a TATA Group company, where he held several important positions in corporate finance over a span of 12 years.
c.	Niraj Bhukhanwala	44	MBA from INSEAD, France, Bachelors in Electrical Engineering from The Indian Institute of Technology,	On the professional front he was a part of the team that set up Intel's venture capital operations in India. There he focused on early stage

			Mumbai Master in Electrical Engineering from the University of Maryland, College Park.	technology investments. Prior to Intel, he has worked with Mckinsey and Company in London focusing on pan European strategies in the telecom and Enterprises sector. He is Director of Bhukhanwala Holdings Private Limited It is a closely held boutique investment company and the primary investment vehicle for the Bhukhanwala Group, one of the pre-eminent Indian business groups. It is a registered NBFC with the Reserve Bank of India with investments across various asset classes with a focus on private equity investments
d.	Shitin Desai	70	Mr. Desai holds a bachelor's degree in Commerce from the University of Mumbai	He has more than 40 years experience in Financial Services Sector. Mr. Desai has been an Independent & Non-Executive Director at Sharda Cropchem Limited since December 16, 2013. He serves as a Director of DSP Merrill Lynch Ltd., The Foundation for Promotion of Sports & Games, DSP Blackrock Trustee Co. Pvt. Ltd. He has been an Independent Director of Piramal Glass Limited since April 30, 2013. He is also a member on the Committee of Takeovers appointed by SEBI, Investor Education and Protection Fund constituted by Ministry of Company Affairs, the RBI Capital Market Committee, Advisory Group of Securities Market of RBI and Insider Trading Committee. He is a

				Member of FICCI.

(c) Particulars of Key Personnel in the Portfolio Manager

NAME	AGE	QUALIFICATION	FUNCTIONS AND WORK EXPERIENCE
Sachin Deodhar	47	Member of Institute of Chartered Accountants of India	Sachin has more than 22 years of experience in financial services sector in India, including operational functionalities of mutual funds, venture capital funds, hedge funds, equity broking houses, etc. In his earlier assignment as Chief Financial Officer at Kotak India Realty Fund, he was primarily responsible for investors' relations, audit, compliance and fund structuring. He has exposure to various functions including treasury, loan syndication, assurance/audit, portfolio management, MIS, budgeting, internal audits, consulting, due diligence and risk management.
Vaibhav Rekhi	37	MBA from ISB, Hyderabad and an undergraduate from the Wharton Business School, University of Pennsylvania	Vaibhav has over 11 years of experience across investment banking and real estate private equity. From 2010, Vaibhav has been working with Piramal Fund as Partner – Funds and looks after a wide gamut of activities including new fund launches, new investments, fund raising etc. From 2006 to 2010, Vaibhav worked at Savills and DTZ in London where he set up and was responsible for the capital advisory business - equity raising, debt structuring, M&A and fund advisory mandates. He has had significant experience in the indirect property fund space, with a particular emphasis on emerging markets. From 2004 to 2006, Vaibhav has worked at HSBC within their Investment Banking Divisions across London, Hong Kong, New York and Milan where his broad-based experience ranged from M&A and general corporate finance advisory mandates to equity and debt capital markets transactions as well as structured asset financings. He also advised on the US$2.6 billion IPO of Link REIT in Hong Kong (which was on the date of such IPO the largest REIT IPO)

Top Group companies / firms of the Portfolio Manager on turnover basis as on March 31, 2018 (last audited balance sheet)

NAME OF ENTITY	MAIN ACTIVITY / SERVICES OFFERED	TOTAL TURNOVER (RUPEES IN CRORE)
Piramal Enterprises Limited	Healthcare Insights and Analytics / Financial Services/ Pharma	3,936.74
DR/Decision Resources, LLC*	Information Management	966.59
Piramal Critical Care, Inc.*	Pharmaceutical manufacturing and services	891.79
Piramal Healthcare (UK) Limited*	Pharmaceutical manufacturing and services	716.76
Piramal Critical Care Limited*	Pharmaceutical manufacturing and services	497.63
DRG Holdco Inc.*	Holding Company	162.63
Piramal Healthcare (Canada) Limited*	Pharmaceutical manufacturing and services	160.81
Ash Stevens LLC*	Pharmaceutical manufacturing and services	147.48
Piramal Healthcare Inc.*	Holding Company	145.47
Millennium Research Group Inc.*	Healthcare Insights and Analytics	142.92

* As on December 31, 2017

Details of the services being offered: Discretionary / Advisory

The Portfolio Manager offers discretionary and advisory services. These services are offered to each Client under a specific agreement entered into between the Portfolio Manager and the Client.

Discretionary Portfolio Management Services

Under these services, all an Investor has to do is to give the Portfolio Manager his Portfolio in any form i.e. in securities or cash or a combination of both. The minimum size of the Portfolio under the Discretionary Portfolio Management Services should be Rs. 25 lakhs as per the current Regulations. However, the Portfolio Manager reserves the right to prescribe a higher threshold product-wise or in any other manner at its sole discretion.

The Portfolio Manager has the absolute discretion as to the investments and / or management of the portfolio of securities or the funds of the Client. Subject to the arrangement as agreed with the Client (i) the choice as well as the timings of the investment, management or divestment decisions rest solely with the Portfolio Manager or (ii) the choice and timing of investment rests with the Client, while the management and divestment decisions rest solely with the Portfolio Manager. An agreement outlining the details of services including the objectives, rights and responsibilities, fees and expenses, etc. shall be entered into with each Client separately. Under the Discretionary Portfolio Management Services offered to the Clients, the Portfolio Manager may, from time to time, launch products that are structured towards meeting specific needs of Clients. These products would be managed in accordance with the product specifications provided by the Portfolio Manager to the Client.

The Portfolio Manager, may at times and at its own discretion, take into consideration, the views of the Client pertaining to the investment / disinvestment decisions of the Portfolio or the Client may give informal guidance to customize the Portfolio. However, subject to the agreement, the decisions pertaining to investment / divestment may rest solely with the Portfolio Manager.

The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision in deployment of the Client's monies is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Rules, and Regulations, guidelines and notifications in force from time to time.

Advisory Services

Under these services, the Portfolio Manager will provide advisory portfolio management services, in accordance with the provisions of the Regulations, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy and executing investment and divestment of individual Securities on the Client’s Portfolio, for an agreed fee structure, with the decision making being entirely at the Client’s discretion.

4. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY.

(a) There have been no instances of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder, against the Portfolio Manager.

(b) There have been no instances of penalties imposed for any economic offence and/ or violation of any securities law on the Portfolio Manager.

(c) There are no instances of any deficiency in the systems and operations of the Portfolio Manager, which the Board or any other regulatory agency has specifically observed.

(d) There have been no instances of any enquiry/ adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or rules or regulations made there under.

(e) Pursuant to inspection, SEBI has issued a letter dated 25th January 2018 to Piramal Fund Management Private Limited (acting in its capacity as the investment advisor), has communicated certain discrepancies/deficiencies with respect to IndiaReit Fund (“Fund”), which is registered with SEBI as a venture capital fund.

(f) An investor to Indiareit Fund Scheme IV being Mrs. Vimala Shyam has challenged the premium charged to her at the time of purchase of the units. She has filed consumer matter before Bangalore District Consumer Disputes Redressal Forum. Evidence of both the parties are filed and the matter is now referred to mediation by the Forum. Piramal Fund Management Pvt Ltd is the investment advisor to Indiareit Fund Scheme IV.

(g) One of the investor has filed a suit against Piramal Fund Management Pvt Ltd and Others in the High Court of Bombay in relation to investments made in Indiareit Fund Scheme 1 ("Scheme 1") which is a scheme of Indiareit Fund, a VCF registered with SEBI under the SEBI (Venture Capital Fund Regulations), 1996. Piramal Fund Management Pvt Ltd is the investment advisor to Scheme 1. The matter is yet to be listed for hearing before the court

5. SERVICES OFFERED BY THE PORTFOLIO MANAGER UNDER CURRENT STRATEGY

5.1. Present investment objectives

The objective is to create long term wealth and provide consistent returns over the investment horizon. The Portfolio Manager aims to achieve its investment objective by investing in the Securities of entities in the real estate sector, infrastructure, property management, SEZs, IT and Logistics Parks, etc.

Portfolio Management – Discretionary

The Portfolio Manager will provide the above services in relation to the following strategy:

A) Indiareit Apartment Strategy

This Portfolio seeks to generate superior risk-adjusted returns. This Portfolio will invest in companies engaged in the construction and development of residential properties.
This Portfolio will invest in instruments [including but not limited to equity, equity linked instruments, debt, convertible debt instruments and other instruments such as preference shares, conditional / convertible debentures] issued by entities engaged in early stage completed or near completed residential property development in Mumbai, Pune, Bangalore, Chennai and National Capital Region of Delhi. The Securities in which the Portfolio invests may have a fixed tenor and redemption of the principal or part thereof shall depend on the structure of the instrument.
It is envisaged that the Portfolio Entities shall generate income from sale of residential properties being developed by them.

B) Domestic Real Estate Strategy I

This Portfolio seeks to generate superior risk-adjusted returns on Client's capital by investing in instruments including but not limited to equity, equity-linked instruments, debt, convertible debt instruments and other instruments such as preference shares, conditional / convertible debentures of portfolio companies which shall invest in early stage, completed, near completed residential properties, redevelopment projects, bulk purchase of stake in projects, acquisition and warehousing of land or may also engage in real estate construction and other real estate related activities.

5.2. **Types of securities**

The Portfolio Manager shall acquire Securities through primary acquisition and secondary purchases of target entities ("**Portfolio Entity/ies**"). These Securities may be listed or unlisted. The Portfolio Manager shall at all times keep the Client's Securities segregated from the Portfolio Manager's own Securities, if any. Client Securities will be held in the Client's name.

5.3. **Investments in group / associate companies**

The Portfolio Manager will not invest portfolio funds in the Securities of any associates/group companies of the Portfolio Manager.

6. RISK FACTORS

6.1. **General risks associated with portfolio management services**

(a) Securities investments are subject to market and other risks and the Portfolio Manager provides no guarantee or assurance that the objectives set out in the Document and/or the Agreement shall be accomplished.

(b) The investments may not be suited to all categories of Investors.

(c) The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

(d) Past performances of the Portfolio Manager or of the key personnel of the Portfolio Manager do not guarantee its/their future performance.

(e) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the Securities, physical and demat, in the Client's name, while price risk may arise on account of availability of price of Securities from stock exchanges during the day and at the close of the day.

(f) Investment decisions made by the Portfolio Manager may not always be profitable.

(g) The Portfolio Manager has limited previous experience or track record in portfolio management activities.

(h) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.

(i) The names of the strategies/options do not in any manner indicate their prospects or returns.

(j) The performance of the strategies /options may be adversely affected by the performance of individual companies, changes in the market conditions, macro and micro factors and forces affecting capital markets in particular such as interest rate risk, credit risk, liquidity risk and reinvestment risk.

(k) The market prices of the Securities in the Portfolio may be volatile and may not truly reflect its fundamental or intrinsic value due to the lack of sufficient liquidity for those Securities.

(l) The investments made by the Portfolio Manager are subject to limited liquidity in the market, settlement risk, impending readjustment of portfolio composition, highly volatile stock markets in India.

(m) The Portfolio Manager may make investments in unlisted Securities. This may also expose the Portfolio Manager to an illiquidity scenario since the exit from the Portfolio Entity would have to be a strategic exit.

(n) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.

(o) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non performance of a third party, Portfolio Entity's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

(p) The portfolio management service is subject to risk arising out of non-diversification. Non-diversified portfolios tend to be more volatile than diversified portfolios.

(q) The investments under the Portfolio will primarily have exposure towards Securities of companies belonging to the real sector and hence shall be affected by risks associated with real estate companies / sector. The performance of the companies which form the investment universe of the Portfolio would be affected by the growth and performance of the real estate sector in India.

(r) As per the SEBI (Alternate Investment Funds) Regulations, 2012 ("**AIF Regulations**") a privately pooled investment vehicle which collects investments from investors, is required to be registered with the SEBI, as an AIF. Accordingly, the Portfolio Manager may not be able to pool the portfolio of its Clients, without obtaining such registration for the portfolio/ strategies as AIF(s) under the AIF Regulations.

(s) Changes in applicable law may impact the performance of the Portfolio.

6.2. **Macro-Economic risks / Market cycles**

(a) Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monitory or fiscal policies, fall in the value of the currency, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.

(b) The investment made during the boom period and looking favorable may become a loss making proposition during the market recession. Hence there will always be a risk associated with the market cycle.

6.3. **Management and Operational risks**

(a) Reliance on the Portfolio Manager: The success of the portfolio / strategies will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Entities and the structuring of investments.

(b) Failure to meet drawdown's by Client: Default of the Client in making drawdown may restrict the Portfolio Manager from making the planned investments in the Portfolio Entities. Such defaults may also cause the portfolio / strategies to breach the investment and payment obligations towards the Portfolio Entity rendering it liable to pay damages, which may result in material adverse effect on the performance of the Portfolio.

(c) Deployment risk: After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.

(d) Identification of Appropriate Investments: The success of the Portfolio Manager as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

(e) Conflict of Interest: As manager and advisor to domestic venture capital funds and alternative investment funds and advisor to certain offshore funds ("**Interested Party**"), the Portfolio Manager will be subject to inherent conflicts of interest relating to the portfolio management activities conducted by it. The Portfolio Manager may participate in projects and entities on same or different terms as Interested Parties. In such cases, there could be potential conflicts between the interest of the Clients and the Interested Party.

(f) Exit Load: Clients may have to pay a high exit load to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client). In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

(g) Early Termination Fee: In case of early termination of the Agreement, additional rights available while the Securities were held as part of the Portfolio that were negotiated by the Portfolio Manager with a Portfolio Entity or its shareholders may no longer be available to the Client. Further, the Client may also be subject to early termination fee which shall be charged to the Client and recovered from the Client as per the terms of the Agreement.

6.4. **Risks related to investment in debt securities**

(a) Price-Risk or Interest-Rate Risk: Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. This risk is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

(b) Credit Risk: In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a Security may go down because the credit rating of an issuer goes down.

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

(d) Reinvestment Risk: Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

(e) Rating risks: Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

(f) Price volatility risk: Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these Securities may be less liquid than that for other higher rated or more widely followed Securities.

6.5. **Risks relating to real estate sector**

(a) Land laws: Land use in India is subject to various municipal legislations and zoning laws, which may sometimes be in conflict with each other or are subject to revision and change from time to time. Therefore, the land held or acquired by the investee companies may be impacted by such restrictions thereby reducing the value of such investments.

(b) Title: The method of documentation of land records in India has not been fully computerized and is generally done manually with physical records of all land related documents, which are physically updated. This could result in the up-gradation process taking a significant amount of time or being inaccurate in certain aspects. As a result the title of the real property that the Portfolio Entity might invest in may not be clear or may be in doubt, due to the non-availability of accurate and/or updated land records.

(c) Tenancy Risk: The Portfolio Manager may invest in Portfolio Entities, where significant returns are expected in terms of lease rentals or such similar form of incomes. The Portfolio Manager may invest in properties which are constructed with a specific need of a tenant. Any bankruptcy or insolvency of or vacation by a significant tenant or a number of smaller tenants could have a material adverse impact on the cash flows of the project. Further, there may be delays in replacement of a tenant or disposition of property, which are customized for particular tenants. This could impact Portfolio Manager's ability to realize full value of the investment.

(d) Local and Municipal laws: Real estate sector is subject to local and municipal level laws, taxes and compliances, in addition to the central and state level legal and tax compliances. Exposure to such laws and compliances could vary significantly from project to project depending on the location and are subject to change / revision from time to time. Municipal taxes and statutory expenses for compliances could adversely affect the performance of the Portfolio Manager.

(e) Environmental Laws: Indian Courts have implemented the "polluter pays" principle in the field of environment laws, whereby the person, company or industry responsible for the pollution, through the use or disposal of hazardous or toxic substance, either on, under or in a property, would be liable to restore the degradation of the property and the surrounding environment and compensate any victims thereby. The presence of contamination or hazardous or toxic substances, may adversely affect the Portfolio Entity's ability to deal with the property in any manner. This in turn could have an adverse impact on the performance of the Portfolio Manager.

(f) Government approvals and regulations: Land development and the real estate industry in India are heavily regulated by the Indian government, state governments and local authorities. There may be delays in procuring such approvals, which may not be within the control of project companies. If there are material problems in obtaining requisite governmental approvals, the schedule for the development and sale or letting of projects could be substantially disrupted or delayed.

(g) Contingencies and long-term commitments: Real estate projects typically have a long gestation period. While investments shall be selected based on developers that have proven track record in site evacuation in a time-bound and legally amenable manner, projects with longer gestation periods have inherent risks associated with them that may not necessarily be within the Portfolio Manager's control. Accordingly, the Portfolio Manager's exposure to a variety of implementation and other risks including delays in the process for aggregation of land, construction delays, unanticipated costs increases, changes in the regulatory environment and its inability to negotiate satisfactory arrangements with contractors and buyers or unit holders would be increased.

Further, changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors, may affect the real estate market and affect the demand for and valuation of such projects. Low interest rates on housing loans and favorable tax treatment of these loans have helped boost the recent growth of the Indian real estate market. Various provisions and norms imposed by the RBI in relation to housing loans by banks and housing finance companies could reduce the attractiveness of the property and the RBI or the Indian government may take further steps to reduce, directly or indirectly, credit to the real estate sector, which may adversely affect the availability of housing loans at attractive rates. These factors could negatively affect the demand for and valuation of such projects.

The business environment may materially change and the Portfolio Manager may not have the ability to modify the existing arrangements/development plan to reflect such changes. This may adversely impact Portfolio Manager's investments.

(h) Litigation: Property litigation in India is generally very time consuming and complicated and there is generally a preponderance of litigation with respect to property. If any property in which Portfolio Manager has invested is or becomes subject to any litigation it could have an adverse impact, financial or otherwise in terms of implementation of the proposed projects which in turn could have materially adverse effect on the performance of the Portfolio Manager's investments.

(i) Enforcement Risk: While Indian laws provide for specific performance of contractual obligations as well as claims for damages in the event of breach of contract, and property rights may be enforceable through the Indian judicial system, it may be difficult to obtain swift and equitable enforcement of contractual obligations or property rights.

(j) Global Economy: The real estate market is significantly affected by changes in Government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. Economic developments outside India have adversely affected the property market in India and may affect Portfolio Manager's investments. Since the second half of 2008, the global credit markets have experienced, and may continue to experience, disruptions which have originated from the liquidity crisis affecting the United States and the European Union credit and sub-prime residential mortgage markets. These and other related events, such as the collapse of a number of financial institutions, have had and continue to have a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India. The deterioration in the financial markets has led to a recession in many countries, which may lead to significant declines in employment, household wealth, consumer demand and lending and as a result may adversely affect economic growth in India and elsewhere.

On account of the prevailing conditions of the global and Indian credit markets, it is expected that the buyers of property will remain cautious. As a consequence, rentals are expected to continue to face downward pressure and consumer sentiment and market spending are expected to turn more cautious in the near-term. These factors could have a series of effects on the investments, thus affecting overall returns to the Clients.

(k) Difficult Home Financing Markets: Rising interest rates affect a prospective customer's ability to obtain affordable financing for purchase of properties, particularly the purchase of completed residential developments by individuals. Availability of credit to such customers, affects the affordability of, and hence the market demand for, residential real estate developments.

In addition, the deterioration in the financial markets has led to a recession in many countries, which may lead to significant declines in employment, household wealth, consumer demand and lending. The adverse changes in the global and Indian credit and financial markets have recently significantly diminished the availability of credit and led to an increase in the cost of financing. This has made it more difficult for the potential customers to obtain financing for purchasing the properties. If interest rates continue to remain high, and credit conditions continue to be difficult, the potential customers may be unable to obtain financing for purchasing the properties on acceptable terms or at all. This could affect the demand for the redevelopment projects undertaken, and have a material and adverse effect on the business and the results of operations of Portfolio Manager.

(l) Building and other consents in relation to the projects of the Portfolio Entities may not be granted: There can be no assurance that any building permits, consents or other approvals required from third parties including central, state and local Governmental bodies, in connection with the construction and letting of existing or new development projects will be issued or granted at all, or in a timely manner to the Portfolio Entities. It is possible that some projects may be located in areas that may require significant infrastructure support, including roads, electrical power, telecommunications, water and waste treatment. The Portfolio Entities may be dependent on third parties, including local authorities, to provide such services. Any delay or failure by any third party to provide such additional services or a failure to obtain any required consents and approvals on acceptable terms or in a timely fashion may affect the ability of the Portfolio Entities to execute or complete existing and/or new development projects.

(m) Time for Completion of projects: The development projects have a long gestation period and there is a need to estimate all costs, risks, market cycles and revenues for four to five years to assess the viability of the project. The time and costs required to complete a property development may be subject to substantial increases due to many factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labour, acquisition of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the requisite approvals and permits from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of, a project and result in costs substantially exceeding those originally budgeted for.

The above factors may impact the cash flows of the Portfolio Entities. If the plans or assumptions change or prove to be inaccurate, or if the cash flow from operations proves to be insufficient due to unanticipated expenses or otherwise, it may adversely affect the financial performance of the Portfolio Entities and ultimately Portfolio Manager.

6.6. **Other important terms**

(a) Prospective Clients should review / study the Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalisation, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.

(b) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.

(c) The Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document.

7. CLIENT REPRESENTATION

7.1. Categories of clients serviced

Category of clients	No. of clients	Funds managed (Rs. Cr)	Discretionary/ Non-Discretionary (if available)
Associates / Group Companies			
As at 31 March 2015	Nil	Nil	NA
As at 31 March 2016	Nil	Nil	NA
As at 31 March 2017	Nil	Nil	NA
As at 31 March 2108	Nil	Nil	NA
Others			
As at 31 March 2015	28	104.00	Discretionary
As at 31 March 2015	1	416.99	Advisory
As at 30 Sept 2015	28	104.00	Discretionary
As at 30 Sept 2015	1	559.5	Advisory
As at 31 March 2016	28	104.00	Discretionary
As at 31 March 2016	1	605.41	Advisory
As at 30 Sept 2016	224	187.28	Discretionary
As at 30 Sept 2016	1	626.15	Advisory
As at 31 March 2017	225	184.34	Discretionary
As at 31 March 2017	1	575.10	Advisory
As at 30 Sept 2017	292	216.89	Discretionary
As at 30 Sept 2017	1	378.00	Advisory
As at 31 March 2018	285	206.62	Discretionary
As at 31 March 2018	1	368.20	Advisory
As at 30 Sept 2018	285	180.85	Discretionary
As at 30 Sept 2018	1	323.43	Advisory

7.2. Disclosures in respect of transactions with related parties as per the standards specified by the institute of chartered accountants of India.

Please refer to Annexure I for disclosures pertaining to related parties.

8. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (BASED ON AUDITED BALANCE SHEET)

Please refer to Annexure II for the financial performance of the Portfolio Manager.

9. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER FOR THE LAST THREE YEARS AND IN CASE OF DISCRETIONARY PORTFOLIO MANAGER

DISCLOSURE OF PERFORMANCE INDICATORS CALCULATED USING WEIGHTED AVERAGE METHOD IN TERMS OF REGULATION 14 OF THE REGULATIONS

Debt Securities

Portfolio Performance (%)	**Apr18-Sep18**	**FY17-18**	**FY16–17**	**FY15-16**
1. Indiareit Apartment Strategy*	7.14%	14.80*[1]	18.84%	16.45%
Benchmark Performance (%)*[S-IBEX]*	1.85%	6.14%[1]	8.11%	9.16%
2. Domestic Real Estate Strategy I (Dodaballapur)**	-1.08%	6.94%[2]	NA	NA
Benchmark Performance (%)*[S-IBEX]*	2.01%	3.08%[2]	NA	NA
3. Domestic Real Estate Strategy I (Ashiana)**	-2.23%	2.60%[3]	NA	NA
Benchmark Performance (%)*[S-IBEX]*	2.01%	3.96%[3]	NA	NA
4. Domestic Real Estate Strategy I (SPR)	-	13.56%[4]	14.67%	NA
Benchmark Performance (%)*[S-IBEX]*	-	4.80%[4]	7.59%	NA

*Performance is calculated based on fair market value as on September 30, 2018 and is net of all fee and charges levied by the Portfolio Manager

** Valuation is done on an annual basis. Performance is based on last valuation as on March 31, 2018. The next valuation will be as on March 31, 2019

[1] From 01 Apr'17 to 31 Mar'18 [2] From 24 Aug'17 to 31 Mar'18 [3] From 14 Aug'17 to 31 Mar'18 [4] From 01 Apr'17 to 29 Jan'18

10. NATURE OF COSTS AND EXPENSES FOR CLIENTS

The following are indicative types of costs and expenses for clients availing the Discretionary Portfolio Management Services.

All costs, expenses and fees relating to each of the services offered by the Portfolio Manager shall be annexed to the Agreement to be entered into between the Portfolio Manager and the Client, and the agreements in respect of each of the services availed at the time of execution of such agreements. The below mentioned fees, charges and expenses shall be directly debited to the Clients' account as and when the same becomes due for payment.

10.1. **Investment management and advisory fees**

These fees are charged to Client for Discretionary Portfolio Management Services offered by the Portfolio Manager. The fee may be a fixed charge or a percentage of the quantum of funds managed or may be return based or a combination of any of these. The following is an indicative list:

(a) Fixed fee: A fixed management fee in terms of the Agreement.

(b) Variable fee: The variable fees shall be linked to the Portfolio performance and shall be charged based on the returns above a certain threshold prescribed in terms of the Agreement.

(c) Entry fee: In addition to the above, the Client may be charged an entry fee in terms of the Agreement.

(d) Default fee: In addition to the above, the Client may be charged a default fee in terms of the Agreement.

(e) Exit fee or early termination fee: In the event of earlier termination (prior to the expiry of the contract period), an early termination fee may be charged and recovered from the Client as per the terms of Agreement.

(f) Any other fee permissible under the Regulations and agreed between the Portfolio Manager and the Client under the Agreement.

A brief description of the various other charges is as follows:

10.2. **Custodian / Depository Fees**

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

10.3. **Registrar and transfer agent fee**

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

10.4. **Brokerage and transaction costs**

The brokerage charges and other charges like service charge, stamp duty, transaction costs including bank charges, securities transaction tax, turnover tax, exit and entry loads on the purchase and sale of securities or any other tax levied by statutory authorities on purchase and sale of securities. The investments would be usually done through registered members of the stock exchange. Brokerage would be as per the actual, charged by the broker.

10.5. **Certification and professional charges**

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

10.6. **Bank and Depositary charges**

For availing the Discretionary Portfolio Management Service, the Clients may have to open bank account and demat account and in this regard the Clients will have to pay charges as per schedule of charges forming part of the account opening forms signed by them.

10.7. **Incidental Expenses**

Charges in connection with courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank accounts, expenses pertaining to storage/retrieval of documents, legal fees, costs incurred for instituting or defending legal suits, audit fees, out of pocket expenses etc.

11. TAXATION IMPLICATIONS FOR CLIENTS

11.1. General

In view of the individual nature of tax consequences on the income, capital gains or otherwise, arising from investments through Discretionary Portfolio Management Services, each Client is advised to consult his / her / its tax advisor with respect to the specific tax consequences to him / her / it on investment through Discretionary Portfolio Management Services. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

The tax implications mentioned herein are effective as on the date of issue of this Document i.e. 26th October 2018 and may change due to modifications in existing legislation.

This document does not encompass detailed tax implications which are applicable / relevant to Portfolio entities (i.e. the entities in which the funds are invested).

11.2. Basic Tax Rates

The following rates are applicable:

Slab Rate For individuals (aged less than 60 years), Hindu undivided family, Association of persons and Body of individuals	Slab Rate For senior citizens (aged 60 years and above but less than 80 years)	Slab Rate For very senior citizens (aged 80 years or more)	Tax Rate
Upto 250,000	Upto 300,000	Upto 500,000	NIL
250,001 to 500,000	300,001 to 500,000	Not applicable	5%
500,001 to 1,000,000	500,001 to 1,000,000	500,001 to 1,000,000	20%
Above 1,000,000	Above 1,000,000	Above 1,000,000	30%
Rebate from income tax of Rs, 2,500 or 100% of tax (whichever is less) for resident individual having total income <= 3,50,000 Levy of surcharge on tax: • 10% for individuals having total income exceeding Rs. 50 Lakhs upto Rs. 1 Crores • 15% for individuals having total income exceeding Rs. 1 Crore Health and Education cess to be levied at 4% on tax (inclusive of surcharge, if any)			

For partnership firms (including limited liability partnerships)

- Partnership firms are taxable at 30%
- Surcharge on tax of 12% applicable in case where total income exceeds Rs. 1 Crore
- Health and Education cess to be levied at 4% on tax (inclusive of surcharge, if any)

For domestic companies

- Domestic companies are required to compute income tax at 30%**, e**xcept for companies whose total turnover or gross receipts in financial year 2016-17 did not exceed Rs. 250 Crores. Such companies are required to compute income tax at 25%.
- Where the income-tax payable on the total income, as per normal provisions of the ITA, do not exceed 18.5% of the "Book profits" (determined as per prescribed formulae), domestic companies may also be liable to tax based on such "Book profits". This is commonly known as tax paid under Minimum Alternative Tax provisions
- Surcharge on tax is applicable as follows:-
    - at 7% if the total income exceeds Rs.1 Crore but does not exceed Rs.10 Crore
    - at 12% if the total income exceeds Rs. 10 Crores
- Health and Education cess to be levied at 4% on tax (inclusive of surcharge, if any)

11.3. **Gains on sale of Securities / buy back of listed shares**

The characterization of gains on sale of Securities / buy back of listed shares generally depends on characteristics of the securities i.e. whether the same are held as capital assets or stock in trade. If the securities are held as capital assets, the gains could be chargeable to tax as "capital gains" and if the securities are held as stock in trade, the gains could be chargeable to tax as "business income".

In view of the above, income arising on sale of securities / buy back of listed shares could either be characterised either as business income or capital gains, depending on the facts of each individual investor.

11.4. **Buy back of unlisted equity shares or preference shares**

Section 115QA of the Income-tax Act, 1961 ("ITA") levies a tax of 20% (increased by a surcharge of 12% and health and education cess of 4% on tax) on domestic unlisted companies, when such companies distribute income pursuant to a share repurchase or "buy back". Section 115QA of the ITA defines 'distributed income' to mean "the consideration paid by the company on buy-back of shares as reduced by the amount which was received by the company for issue of such shares". Thus, tax at the rate of 20% (increased by a surcharge of 12% and health and education cess of 4% on tax) is levied on a domestic company on consideration paid by it as reduced by the amount which was received by the company for issue of such shares. As per Section 115QA of the ITA tax on buy-back is payable by a company irrespective of whether income tax is payable on its total income as computed under the ITA. The tax paid to the Indian Government for the buy-back is treated as the final payment of tax and no further credit can be claimed by the company or any other person in respect of the amount of tax so paid. Gains arising on buy back of shares shall be exempt in the hands of investors.

11.5. **Transfer and Redemption of NCDs**

The characterization of gains/income earned on sale/redemption of debentures generally depends on characteristics of the debentures i.e. whether the same are held as capital assets or stock in trade, and whether the same are being transferred to a third party or are being redeemed by the issuing company.

If debentures are transferred to a third party prior to their maturity, and if the same have been held as capital assets, income arising from such transfer could be treated as capital gains. If debentures are transferred to a third party prior to their maturity, and if the same have been held as stock in trade, income arising from such transfer could be treated as business income.

If the debentures are redeemed, if the same have been held as capital assets, the difference between the redemption price and the subscription price, could be treated as interest income and taxed under the head “income from other sources”. If the debentures are held as stock in trade, the interest income could be taxed under the head “business income”.

11.6. **Business Income**

If the gains are characterised as business income in the hands of the investors, then the same would be taxable at as per the tax rates in Clause No. 1.2 as applicable to the person on total income basis. Securities Transaction Tax (‘STT’) paid would be allowed as a deduction while computing business income.

11.7. **Capital Gains**

The capital gains would be computed as under:

Sale consideration Rs. XXX
Less: Cost of acquisition (Note 1) Rs. XXX
Less: Expenses on such transfer Rs. XXX
Capital gains Rs. XXX

Note 1: In case of computation of long term capital gains, option of indexation of cost is available to resident on all securities (other than bonds, debentures and listed equity shares).
Note 2: The cost of acquisition of bonus shares would be deemed to be NIL.
Note 3: STT paid will not be allowed as deduction while computing income from capital gains.

Tax implications in the hands of domestic investors on sale of equity / preference shares would be as under:

PERIOD OF HOLDING	**CHARACTERISATION**	**TAX RATE (TO BE INCREASED BY SURCHARGE AS APPLICABLE AND HEALTH AND EDUCATION CESS AT 4 %)**
12 months or less (in case of listed shares) and 24 months or less (in case of	Short Term	- 15%, in case of equity shares listed on a recognised stock exchange and the sale / transfer is subject to STT In case of preference shares listed on a

unlisted shares)		recognised stock exchange, tax rates in Clause No. 11.2 as applicable to the person Tax rates in Clause No. 11.2 as applicable to the person, in case of shares not listed on any recognised stock exchange in India
More than 12 months (in case of listed shares) and more than 24 months (in case of unlisted shares)	Long Term	- In case of equity shares listed on a recognised stock exchange, long term capital gains tax at 10%, on gains received from sale of equity shares exceeding Rs. 100,000 in a financial year. However, in order to be taxed at 10%, STT shall be paid on both, purchase as well as sale, except for certain exempted modes of acquisition of equity shares notified by the Central Government vide Notification No. 60/2018[1] dated 1 October 2018, wherein STT has not been paid *(Refer Note 1 below).* Resident individuals and HUFs having income below the basic exemption limits can reduce their tax liability arising under section 112A of ITA to the tune of balance basic exemption limit available to them Capital gain under this section shall be computed without giving effect to indexation and foreign exchange fluctuation. Where the long term capital asset being listed equity shares are acquired by the tax payer before 1st February, 2018, cost of acquisition shall deemed to be higher of; 1. The actual cost of acquisition of such asset; and 2. The lower of: i. the fair market value[2] ("FMV") of such asset ii. full value of consideration received or accruing as a result of the transfer of such asset The benefit of deductions under Chapter VI-A and rebate under section 87A of the ITA shall not be allowed from such capital gains. - 20% (after considering indexation) in case of shares not listed on any recognised stock

[1] F No. 370142/9/2017-TPL

[2] Fair market value would be the highest price on stock exchange on which it is traded as on 31st January, 2018 and where there is no trading in such asset on such exchange on 31st January, 2018, the highest price of such asset on such exchange on a date immediately preceding 31st January, 2018 when such asset was traded on such exchange

		exchange in India - 10% (without indexation) / 20% (after considering indexation), whichever is less, in case of preference shares listed on recognised stock exchange

Note 1: Certain exempted modes of acquisition of equity shares notified by the Central Government which are eligible for reduced rate of taxation @ 10%

As per the CBDT Notification dated 1st October 2018, capital gains on following transactions being in the nature of acquisition of equity shares shall be allowed at the beneficial rate of 10% even if STT has not been paid at the time of Purchase of such equity shares;

1. Transactions entered before 1st October 2004, or
2. Transactions entered on or after 1st October 2004 which are not chargeable to STT, other than the following;

   a) Where existing listed equity shares of a company whose shares are not frequently traded on a recognized stock exchange, are acquired through a preferential issue **EXCEPT** where such acquisition is;

      i. Approved by the Supreme Court, High Court, National Company Law Tribunal ("NCLT"), Securities and Exchange Board of India ("SEBI") or Reserve Bank of India ("RBI"),
      ii. By any non-resident in accordance with Foreign Direct Investment ("FDI") guidelines,
      iii. By an investment fund referred to in Explanation 1(a) to Section 115UB of the ITA, or a venture capital fund referred to in Section 10(23FB) of the ITA or a Qualified Institutional Buyer ("QIB"),
      iv. Through preferential issue to which the provisions of chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations do not apply.

   b) Where existing listed equity shares of a company are acquired off market i.e. not through a recognized stock exchange, **EXCEPT** where such acquisition is in accordance with the provisions of the Securities Contract (Regulation) Act, 1956 and is;

      i. Through an issue of shares by a company other than those mentioned in (a) above,
      ii. By scheduled banks, reconstruction or securitization companies or public financial institutions during their ordinary course of business,
      iii. Approved by the Supreme Court, High Court, NCLT, SEBI or RBI in this behalf
      iv. Under employee stock option scheme or employee stock purchase scheme as framed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999,
      v. By any non- resident in accordance with FDI guidelines,
      vi. In accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011,
      vii. From the government,
      viii. By an investment fund referred to in Explanation 1(a) to Section 115UB of the ITA, or a venture capital fund referred to in Section 10(23FB) of the ITA or a QIB,

ix. By mode of transfer referred to in section 47 or section 50B or sub-section (3) of section 45 or sub-section (4) of section 45 of the ITA, if the previous owner or the transferor, of such shares has not acquired them by any mode referred to in clause (a) or clause (b) or clause (c) [other than the **EXCEPTIONS** mentioned in clause (a) or clause (b)]

c) Acquisition of equity share of a company when it is temporarily delisted i.e. period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with SEBI Act, 1992 (15 of 1992) and the rules made there under.

Tax implications in the hands of domestic investors on sale of listed debentures prior to maturity would be as under:

PERIOD OF HOLDING	**CHARACTERISATION**	**TAX RATE (TO BE INCREASED BY SURCHARGE AS APPLICABLE AND HEALTH AND EDUCATION CESS AT 4% ON TAX)**
12 months or less	Short Term	Tax rates in Clause No. 11.2 as applicable to the person irrespective of whether the sale is on the floor or off the floor of the stock exchange
More than 12 months	Long Term*	10%, in case of debentures listed on a recognised stock exchange.

**Note 1: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures*

Tax implications in the hands of domestic investors on sale of unlisted debentures prior to maturity would be as under:

PERIOD OF HOLDING	**CHARACTERISATION**	**TAX RATE (TO BE INCREASED BY SURCHARGE AS APPLICABLE AND HEALTH AND EDUCATION CESS AT 4% ON TAX)**
36 months or less	Short Term	Tax rates in Clause No. 11.2 as applicable to the person
More than 36 months	Long Term	20%.

11.8. Interest income

Interest income would be characterized as 'business income' or 'income from other sources' depending on whether the debentures are held as 'stock-in-trade or capital assets'. Further, gains arising on redemption of debentures prior to redemption would be treated as interest income. Expenses incurred to earn such interest income would be available as deduction. Interest income would be taxable at the rates in Clause No. 1.2 as applicable to the investor.

11.9. Dividend Income

Dividend declared by an Indian company is exempt from tax in the hands of its shareholders provided the company distributing the dividends has paid a dividend distribution tax as per the ITA. Additionally, as per provisions of Section 115BBDA of ITA, persons, other than domestic companies and certain prescribed trusts / institutions, are liable to 10% income tax (plus surcharge as applicable and health and education cess at 4% on tax) if income by way of dividends, in aggregate, exceed Rs. 10 lakh per financial year.

11.10. Deemed income on investment in shares/ securities of unlisted Companies in India

The Client may acquire shares / securities of a company for a consideration which is lower than the FMV or without consideration. As per the provisions of the ITA, where any client receives any property, being shares (directly or on conversion of securities into shares) or securities, from any persons, other than relatives, without any consideration or for a consideration which is lower than the FMV by more than Rs. 50,000 (Indian Rupees Fifty Thousand), the shortfall in consideration is taxable in the hands of the acquirer as Other Income.

The rules for determining the FMV of shares have been prescribed under the Income-tax Rules, 1962, ("IT Rules"). As per the amended Rule 11UA of IT Rules, the FMV of unlisted equity shares would be as per the following formulae:

(A+B+C+D-L) x PV/PE, where

A: Book value of all the assets (except those mentioned at B, C and D below) as reduced by income tax paid (net of refund) and unamortised deferred expenditure
B: Fair market value of jewellery and artistic work based on the valuation report of a registered valuer
C: Fair market value of shares or securities as determined in the manner provided in this rule
D: Stamp duty valuation in respect of any immovable property
L: Book value of liabilities, excluding paid up equity share capital, amount set apart for undeclared dividend, reserves and surplus, provision for tax, provisions for unascertained liabilities and contingent liabilities
PV: Paid up value of equity shares
PE: Total amount of paid up equity share capital as shown in the balance sheet.

It is important to note that the book value has to be determined as per the 'balance sheet', which term has been defined under Rule 11U to mean the audited accounts of the company as drawn upto the 'valuation date'.

Accordingly, in case it is held that Other Income is earned by the Client, such Other Income would be chargeable to tax at 30% plus applicable surcharge and cess, in case of resident companies and firm and in case of individual, as per applicable slab rates. Further, the cost of the acquisition of the shares acquired would be deemed to be the FMV of the shares as determined above.

11.11. Capital Gains Tax implications on conversion of debentures into shares

The Client may invest in debt securities / debentures of Indian portfolio companies which may convert into shares of the company at a later date. Conversion of such debt securities / debentures of a company into shares of that company is not regarded as a transfer under the ITA. Hence, no capital gains would arise in the hands of the beneficiaries on conversion of convertible debentures of a company into shares. At the time of transfer of the converted shares, the cost of acquisition of a convertible debenture would be deemed to be the cost of acquisition of such shares. Further, the holding period of the shares would commence from the date of allotment of debentures.

11.12. **Capital Gains Tax implications on conversion of preference shares into equity shares**

The Client may invest in convertible preference shares of Indian portfolio companies which may convert into equity shares of the company at a later date. Conversion of such convertible preference shares of a company into equity shares of that company is not regarded as a transfer under the ITA. Hence, no capital gains would arise in the hands of the beneficiaries on conversion of preference share of a company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a preference share would be deemed to be the cost of acquisition of such equity shares. Further, the holding period of the equity shares would commence from the date of allotment of preference share.

11.13. **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. It is pertinent to note that, any long term capital loss arising on sale of listed equity shares would also be eligible for set off against the long term capital gains. The unabsorbed short term and long term capital loss can be carried forward for 8 (eight) assessment years.

11.14. **Income Stripping**

As per Section 94(1) of the ITA, where any person owning securities sells or transfers the same or similar securities and buys back or reacquires those securities and the result of the transaction is that any interest becoming payable in respect of the securities is receivable otherwise than by such owner, the said interest payable, whether it would or would not have been chargeable to income tax apart from the provisions of Section 94(1) of the ITA, would be deemed to be the income of the owner of the securities and not to be the income of any other person subject to certain specified conditions.

As per Section 94(2) of the ITA, where any person has had at any time during any previous year any beneficial interest in any securities, and the result of any transaction relating to such securities or the income thereof is that, in respect of such securities within such year, either no income is received by him or the income received by him is less than the sum to which the income would have amounted if the income from such securities had accrued from day to day and been apportioned accordingly, then the income from such securities for such year shall be deemed to be the income of such person.

11.15. **Dividend stripping**

Where any person buys or acquires any securities 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) and such person (i) sells or transfers such securities within a period of 3 (three) months after such record date, and (iii) the dividend or income on such securities received or receivable by such person is exempt, then, any loss arising to such person on account of such purchase and sale of securities, 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.

11.16. **Securities Transaction Tax ("STT")**

Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @ 0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange

Disclaimer: The tax information provided above is generic in nature and is subject to change from time to time. The actual tax implications for each Client could vary substantially from what is mentioned above, depending on the facts and circumstances of each case. From 1st April 2017,General Anti-avoidance Regulations("GAAR") are applicable which empowers tax authorities to disregard or combine or re-characterize any part or whole of a transaction / arrangement such that the transaction / arrangement gets taxed on the basis of its substance rather than its form if such arrangement gets classified as an impermissible avoidance arrangement. This could result in any tax benefit being denied, including denial of treaty benefits, shifting of residency of investors and / or re-characterization of capital gains income as any other classification. Accordingly, the Client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his of income or loss and the expenses incurred by him as a result of his investment in the Discretionary Portfolio Management Service offered by the Portfolio Manager.

TAXATION IMPLICATIONS (SPECIFICALLY FOR NON-RESIDENT INDIAN CLIENTS)

11.16 **General**

In view of the individual nature of tax consequences on the income, capital gains or otherwise, arising from investments through Discretionary Portfolio Management Services, each Client is advised to consult his / her / its tax advisor with respect to the specific tax consequences to him / her / it on investment through Discretionary Portfolio Management Services. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

As per the relevant PMS agreement, all the investment from Non-residents Indian ("NRI") in Indian companies is going to be under non repatriation route. The tax treatment for NRIs is broadly similar to tax treatment elucidated in 11.2 to 11.15 above, barring some changes, which are covered hereinafter.

The tax implications mentioned herein are effective as on the date of issue of this Document and may change due to modifications in existing legislation.

11.17 **Basic Tax Rates**

The following rates are applicable:

Slab Rate (For non-resident individuals)	Tax Rate
Upto Rs. 250,000	NIL
Rs. 250,001 to Rs. 500,000	5%
Rs. 500,001 to Rs. 1,000,000	20%
Above Rs. 1,000,000	30%
Levy of surcharge - • 10% for individuals having total income exceeding Rs. 50 Lakhs upto Rs. 1 Crores • 15% for individuals having total income exceeding Rs. 1 Crore Health and Education cess at 4% on tax respectively (inclusive of surcharge, if any) Maximum marginal rate ("MMR") is 35.88%	

11.18 **Transfer and Redemption of listed NCDs**

The characterization of gains/income earned on sale/redemption of debentures generally depends on characteristics of the debentures i.e. whether the same are held as capital assets or stock in trade, and whether the same are being transferred to a third party or are being redeemed by the issuing company.

If debentures are transferred to a third party prior to their maturity, and if the same have been held as capital assets, income arising from such transfer could be treated as capital gains. If debentures are transferred to a third party prior to their maturity, and if the same have been held as stock in trade, income arising from such transfer could be treated as business income.

Where the debentures are redeemed and if the same have been held as capital assets, the difference between the redemption price and the subscription price, could be treated as interest income and taxed under the head "income from other sources". Where the debentures are held as stock in trade, the interest income could be taxed under the head "business income".

Capital gains should be taxed as per the Income tax Act, 1961 ("ITA") as under

Period of holding	Nature of Income	Tax rate *(Refer Note 1)*
12 months or less	Short-term capital gains on transfer of listed debentures	For an NRI at MMR (benefit of slab rates can be availed)
More than 12 months	Long-term capital gains on transfer of listed debentures	10% (without indexation) *(Refer Note 2)*

Note 1: These tax rates are to be increased by surcharge as applicable and health and education cess at 4% on tax. Further, the tax rates for non-residents could be reduced based on rates applicable under the tax treaty.

Note 2: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed debentures.

11.19 **Interest income earned from listed NCDs**

In case of NRIs, though Section 115E provides for a beneficial rate of 20% plus applicable surcharge and cess in case of interest income from specified assets (which include debentures issued by Companies), there is a controversy around applying the beneficial rate since the specified asset would have to be acquired /subscribed / purchased in foreign currency. However, in this case, the investment in the specified asset, i.e. debentures issued by Companies would be in Indian currency only. Accordingly, the higher rates of 35.88% (thirty five point eighty eight percent) has been considered on a conservative basis in case of non-resident individuals

Disclaimer: The tax information provided above is generic in nature and is subject to change from time to time. The actual tax implications for each Client could vary substantially from what is mentioned above, depending on the facts and circumstances of each case. From 1st April 2017,General Anti-avoidance Regulations("GAAR") are applicable which empowers tax authorities to disregard or combine or re-characterize any part or whole of a transaction / arrangement such that the transaction / arrangement gets taxed on the basis of its substance rather than its form if such arrangement gets classified as an impermissible avoidance arrangement. This could result in any tax benefit being denied, including denial of treaty benefits, shifting of residency of investors and / or re-characterization of capital gains income as any other classification. Accordingly, the Client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his of income or loss and the expenses incurred by him as a result of his investment in the Discretionary Portfolio Management Service offered by the Portfolio Manager.

12. ACCOUNTING POLICY / VALUATIONS

12.1. Key accounting policies

The following are the key accounting policies:

(a) Investments in listed Securities will be valued at the closing market prices on the BSE. If the Securities are not traded on the BSE on the valuation day, the closing price of the Security on the NSE will be used for valuation of Securities. In case of the Securities that 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 or at the last available repurchase price declared for the relevant scheme on the date of the report.

(b) Unlisted Securities/investments will be valued at cost till the same are priced at fair market value. Such fair value may be determined by an agency appointed by the Portfolio Manager, on periodic basis (at least annually).

(c) Realised gains/losses will be calculated by applying the First In First Out principle.

(d) Unrealized gains/losses are the differences, between the current market value/net asset value and the historical cost of the Securities.

(e) Interest will be accounted on accrual basis. The interest on debt instruments will be accounted on accrual basis.

(f) In respect of all interest-bearing investments, income must be accrued on a day to day basis as it is earned.

(g) Transactions for purchase or sale of investments will be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. 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 in 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.

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

(i) Dividends on shares will be accounted on ex-dividend date and dividends on units in mutual funds will be accounted on receipt of information from the mutual fund house and interest, stock lending fees earned etc., will be accounted on accrual basis. The interest on debt instruments will be accounted on accrual basis.

12.2. **Maintenance of funds**

Books of accounts would be separately maintained in the name of the Client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided under the Regulations. The principle of going concern is applied while recording transactions and in preparation of financial statements. In line with SEBI circular No. IMD/DOF I/PMS/Cir- 4/2009 dated 23 June 2009, the Portfolio Manager may keep the funds of all Clients in a separate bank account maintained by the Portfolio Manager subject to the following conditions:

(a) There are clear segregation of each client's fund through proper and clear maintenance of back office records;

(b) Portfolio Managers does not use the funds of one client for another client;

(c) Portfolio Managers also maintains an accounting system containing separate client-wise data for their funds and provide statement to clients for such accounts at least on monthly basis; and

(d) Portfolio Manager reconciles the client-wise funds with the funds in the aforesaid bank account on daily basis.

12.3. **Maintenance of portfolio**

In case of investments in both listed and unlisted Securities by the Portfolio Manager on behalf of its Clients, the Portfolio Manager shall maintain separate Depository Account for each Client by the end of the day on which the Securities were purchased by the Portfolio Manager.

12.4. **Account Statement**

A statement of Portfolio will be sent by either ordinary post / courier / email to each Client stating the details of transaction undertaken on a quarterly basis within 30 days after the end of the quarter or at the requested frequency of the Client as per the Agreement ("**Account Statement**").

12.5. **Receiving Account Statement / Correspondence By E-Mail**

The Portfolio Manager may send account statements and any other correspondence using email 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.

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.

12.6. **Nomination Facility**

The Portfolio Manager will provide an option to the Client to nominate a person in whom all the rights and benefits of the Portfolio shall vest in the event of his / her death. Where the investments are held by more than one person jointly, the joint holders may together nominate a person in whom all the rights shall vest in the event of the death of all the joint holders.

The Nomination facility extended under the Discretionary Portfolio Management Services is in accordance with SEBI instructions and subject to other applicable laws. The single / joint/ surviving holders can subsequently write requesting for a nomination form in order to nominate any person to receive the benefits of the Portfolio upon his / her / their death, subject to completion of necessary formalities. Further, if either the Portfolio Managers incur any loss whatsoever arising out of any litigation or harm that it may suffer in relation to the nomination, they will be entitled to be indemnified absolutely from the deceased holders estate. Upon the demise of the holder, the benefits of the Portfolio would be transmitted in favor of the nominee subject to the nominee executing suitable indemnities in favor of the Portfolio Manager and necessary documentation to the satisfaction of the Portfolio Manager.
Clients are advised to read the instructions carefully before nominating. The Portfolio Manager can call for such documents from the nominee as deemed necessary.

12.7. **Transmission of Portfolio**

A person becoming entitled to the investments under the Portfolio in consequence of the death, insolvency or winding up the sole holder or the survivors of joint holders, upon producing evidence and documentation to the satisfaction of the Portfolio Manager and upon executing suitable indemnities in favor of the Portfolio Manager, shall be registered as a Client of the Portfolio Manager.

13. INVESTOR SERVICES

13.1. **Name, address and telephone number of the investor relations officers who shall attend to the investor queries and complaints.**

Name	: Vaibhav Rekhi
Address	: Ground Floor, Piramal Tower ,Peninsula Corporate Park, Lower Parel, Mumbai
Telephone	: +91 22 61513405
Email	: vaibhav.rekhi@piramal.com

The official mentioned above will ensure prompt Investor services. The Portfolio Manager will ensure that these officials are vested with the necessary authority, independence and the wherewithal to handle Investor complaints.

13.2. **Grievance Redressal And Dispute Settlement Mechanism**

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

SEBI has introduced an online platform “SCORES” (i.e. SEBI Complaints Redress System) where Clients can lodge complaints against the registered intermediaries. Please refer to the following link: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1340957586933.pdf

Dispute Settlement Mechanism: All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with and subject to the provisions of The Arbitration and Conciliation Act 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit. The Arbitration proceedings shall be conducted in English.

The Agreement with the Client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the Agreement with a Client or the performance of the Agreement by the either party of its obligations will be conducted exclusively in courts located within the city of Mumbai in the State of Maharashtra.

14. PREVENTION OF MONEY LAUNDERING

14.1. Prevention of Money Laundering Act, 2002 (“**PML Act**”) came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its circular No. ISD/CIR/RR/AML/1/06 dated January 18, 2006 mandated that all intermediaries including Portfolio Managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a "Know Your Customer" (“**KYC**”) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by Clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. SEBI has further issued circular no. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the PML Act requiring *inter alia* maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India ("**FIU-IND**"). The PML Act, the Rules issued thereunder and the guidelines/circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as "**AML Laws**".

14.2. The Client(s), including guardian(s) where Client is a minor, should ensure that the amount invested through the services offered by the Portfolio Manager is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, AML Laws, Prevention of Corruption Act, 1988 and/or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under.

14.3. To ensure appropriate identification of the Client(s) under its KYC policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager reserves the right to seek information, 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. It may re-verify identity and obtain any incomplete or additional information for this purpose, including through the use of third party databases, personal visits, or any other means as may be required for the Portfolio Manager to satisfy themselves of the investor(s) identity, address and other personal information.

14.4. The Client(s) and their attorney(ies), if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/passport/driving license/PAN card, etc. and/or such other documents or produce such information as may be required from time to time for verification of the personal details of the Client(s) including inter alia identity, residential address(es), occupation and financial information by the Portfolio Manager. If the Client(s), their attorney(ies) or the person making payment on behalf of the Client(s), refuses/fails to provide the required documents/information within the period specified by the Portfolio Manager then the Portfolio Manager shall have absolute discretion to freeze the account of the Client(s), reject any application(s) and effect mandatory repayment/returning of assets of the account of the Client(s) subject to the fees payable to the Portfolio Manager, if any. The Portfolio Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND that it believes are suspicious in nature within the purview of the AML Laws and/or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise investors or distributors of such reporting. The KYC documentation requirements shall also be complied with by the persons becoming the client by virtue of operation of law e.g. transmission, etc.

14.5. 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 account/rejection of any application or mandatory repayment/returning of funds/asset of the account due to non-compliance with the provisions of the AML Laws and KYC policy and/or where the Portfolio Manager believes that transaction is suspicious in nature within the purview of the AML Laws and/or for reporting the same to FIU-IND.

15. ACTS DONE IN GOOD FAITH

15.1. Any act, thing or deed done in good faith in pursuance of or with reference to the information provided in the application or other communications received from the Client will constitute good and full discharge of the obligation of the Portfolio Manager.

15.2. In cases of copies of the documents / other details such as list of authorised signatories, that are submitted by a limited company, body corporate, registered society, trust or partnership, if the same are not specifically authenticated to be certified true copies but are attached to the application form and / or submitted to the Portfolio Manager, the onus for authentication of the documents so submitted shall be on such investors and the Portfolio Manager will accept and act on these in good faith wherever the documents are not expressly authenticated. Submission of these documents /details by such investors shall be full and final proof of the corporate Client's authority to invest and the Portfolio Manager shall not be liable under any circumstances for any defects in the documents so submitted.

15.3. In cases where there is a change in the name of such Client, such a change will be effected by the Portfolio Manager only upon receiving the duly certified copy of the revised Certificate of Incorporation issued by the relevant Registrar of Companies / registering authority. In cases where the changed PAN number reflecting the name change is not submitted, such transactions accompanied by duly certified copy of the revised Certificate of Incorporation with a copy of the old Pan Card and confirmation of application made for new PAN Card will be required as a documentary proof.

16. CLIENT INFORMATION

16.1. The Portfolio Manager shall presume that the identity of the Client and the information disclosed by him is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner and the investor is duly entitled to invest the said funds.

16.2. Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client is holding the funds/Securities in his name is legally authorized/entitled to invest the said funds through the services of the Portfolio Manager, for the benefit of the beneficiaries.

16.3. Notwithstanding anything contained in this Document, the provisions of the Regulations and the guidelines there under shall be applicable.

16.4. Investors are advised to read the Document carefully before entering into an agreement with the Portfolio Manager.

16.5. The contents of this disclosure document had been certified by Chartered Accountant.

For Piramal Fund Management Private Limited
(formerly known as Indiareit Fund Advisors Private Limited)

Sd/-	*Sd/-*
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Khushru Jijina	Niraj Bhukhanwala
Director	Director

Date: October 26, 2018

Place: Mumbai

ANNEXURE I
RELATED PARTY TRANSACTIONS

(a) Name of related parties

- **Holding company**

Piramal Enterprises Limited

- **Fellow subsidiary companies**

PHL Fininvest Private Limited
Piramal Finance Limited
Piramal Housing Finance Limited (formerly Piramal Housing Finance Private Limited)

- **Other related parties where common control exists**

Piramal Corporate Services Limited

Piramal Holdings (Suisse) SA

Piramal Foundation for Education Leadership (till 20 March 2018)

Gopikrishna Piramal Memorial Hospital

Aasan Corporate Solutions Pvt Ltd (formerly known as Aasan Developers & Constructions Pvt Ltd)

- **Key managerial personnel ('KMP') and their relatives**

Mr. Ajay G. Piramal (remuneration is paid by the Holding Company)

Mr. Khushru Jijina, Director (resigned as Managing Director w.e.f. 1st March 2017)

(b) Transaction with related parties

Particulars	KMP	Companies where common control exists	Holding company	Subsidiary/ Fellow subsidiary companies
Remuneration				
Mr. Khushru Jijina	**-**	-	-	-
	(1,213)	-	-	-
Amenities charges paid				
Aasan Corporate Solutions Pvt Ltd	-	**70**	-	-
	-	(89)	-	-
Rent paid				
Gopikrishna Piramal Memorial Hospital	-	**-**	-	-
	-	(1)	-	-
Aasan Corporate Solutions Pvt Ltd	-	**102**	-	-
	-	(88)	-	-
Interest on loan				
Piramal Enterprises Limited	-	-	**906**	-
	-	-	(1,528)	-
Transfer of gratuity and leave encashment				
Piramal Finance Limited	-	**-**	-	**-**
	-	-	-	(210)
Short term loan given				
Piramal Holdings (Suisse) SA	-	**4,563**	-	-
	-	(3,243)	-	-
Short term borrowings				
Piramal Enterprises Limited	-	-	**-**	-
	-	-	(600)	-
Repayment of short term borrowings				
Piramal Enterprises Limited	-	-	**3,700**	-
	-	-	(6,150)	-

(b) Transactions with related parties *(Continued)*

Particulars	KMP	Companies where common control exists	Holding Company	Subsidiary/ Fellow subsidiary companies
Reimbursement of expenses				
Aasan Corporate Solutions Pvt Ltd	-	**24**	-	-
	-	(28)	-	-
PHL Fininvest Private Limited	-	-	-	-
	-	-	-	(6)
Piramal Housing Finance Limited	-	-	-	**2**
	-	-	-	-
Piramal Finance Limited	-	-	-	**4**
	-	-	-	(1)
Corporate social responsibility spend				
Piramal Foundation for Education Leadership	-	**40**	-	-
	-	(350)	-	-
Royalty charges				
Piramal Corporate Services Limited	-	**50**	-	-
	-	(25)	-	-
Outstanding balance payable				
Piramal Enterprises Limited	-	-	**5,125**	-
	-	-	(8,904)	-
Piramal Finance Limited	-	-	-	-
	-	-	-	(210)
PHL Fininvest Private Limited	-	-	-	-
	-	-	-	(6)
Outstanding balance receivable				
Aasan Corporate Solutions Pvt Ltd	-	**83**	-	-
	-	(83)	-	-
Piramal Holdings (Suisse) SA	-	**4,647**	-	-
	-	(3,282)	-	-

Note: Amounts in bracket indicate previous year numbers.

ANNEXURE II

PORTFOLIO MANAGER's FINANCIAL PERFORMANCE
BALANCE SHEET

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018 (Audited)		31 March 2017 (Audited)		31 March 2016 (Audited)	
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	**134**		134		134	
Reserves and surplus	**20,230**	**20,364**	19,088	19,222	16,226	16,360
Non-current liabilities						
Long-term borrowings	**-**		4		13	
Other long-term liabilities	**10**		1		2	
Long-term provisions	**435**	**445**	413	418	400	415
Current liabilities						
Short-term borrowings	**5,125**		8,825		14,375	
Trade payables	**413**		377		754	
Other current liabilities	**2,658**		967		456	
Short-term provisions	**77**	**8,273**	1,465	11,634	1,523	17,108
Total		**29,082**		31,274		33,883
ASSETS						
Non-current assets						
Fixed assets						
Tangible fixed assets	**223**		235		367	
Intangible fixed assets	**18**		24		30	
Capital Work-in-progress	**4**		-		-	
		245		259		397
Non current investments		**19,732**		27,236		29,386
Deferred tax asset (net)		**250**		265		241
Long-term loans and advances		**1,631**		1,246		1,637
Current assets						
Current investments		**4,906**		-		-
Trade receivables		**2,058**		1,971		1,662
Cash and bank balances		**133**		128		38
Short-term loans and advances		**127**		169		522
Total		**29,082**		**31,274**		**33,883**

PROFIT AND LOSS STATEMENT

(Currency: Indian rupees in lakhs)

Particulars	**31 March 2018 (Audited)**	**31 March 2017 (Audited)**	**31 March 2016 (Audited)**
Revenue from operations	**8,520**	12,490	8,342
Other Income	**2,139**	2,030	2,170
Total Revenue	**10,659**	14,520	10,512
Expenses			
Employee benefits expense	5,897	6,306	6,386
Finance costs	908	1,529	989
Depreciation & amortization expense	135	158	205
Other expenses	2,097	2,185	1,689
Total Expenses	**9,037**	**10,178**	**9,269**
Profit before Tax	**1,622**	**4,342**	**1,243**
Less: Tax Expenses			
Current Tax	**465**	1,476	542
Current Tax of earlier year	**-**	26	-
Deferred Tax Charge /(Credit)	**14**	(23)	(113)
Profit after Tax	**1,142**	**2,863**	**814**
Earnings Per Equity Share [Nominal value of share Rs. 10 (Previous year Rs. 10)]			
Basic	**601.29**	**1,507.05**	**428.61**
Diluted	**0.99**	**2.49**	**0.71**