Emkay
Your success is our success

9/c

26th December 2023

To,
PMS Department
Securities & Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block
Bandra – Kurla Complex
Bandra East
Mumbai 400 051.

अंतवस्तु सत्यापित नही की
Contents Not Verified
26 DEC 2023
सेबी /SEBI
मुंबई /MUMBAI

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Dear Sir,

Sub: Submission of Disclosure Document & Form C

With reference to the above, please find herewith enclosed the following:

- Disclosure Document duly certified by an Independent Chartered Accountant along with their Certificate dated 26th December 2023.
- Form C dated 26th December 2023 duly signed by the Principal Officer.

We trust you will find the above in order. Kindly acknowledge the receipt for the same.

Thanking you

Yours truly,

For **Emkay Investment Managers Ltd.**

EMKAY INVESTMENT MANAGERS LIMITED ★ MUMBAI

Rajesh Sharma
Director

FORM C
SECURITIES AND EXCHANGE BOARD OF INDIA

(PORTFOLIO MANAGERS) REGULATIONS, 2020

(Regulation 22)

EMKAY INVESTMENT MANAGERS LIMITED
The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar West, Mumbai – 400028.

We confirm that:

The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.

The Disclosures Document made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management.

The Disclosure Document has been duly certified by an Independent Chartered Accountant viz. Mr. Nilesh J. Shah (Membership No. 113739, of Lovi Mehrotra & Associates, Chartered Accountants, 5, (2nd Floor) Tardeo A.C. Market, Tardeo,Mumbai 400 034. (Tel: 022-23520788/23510885) on 26th December, 2023.

For Emkay Investment Managers Ltd.

Jhaveri for NO

EMKAY INVESTMENT MANAGERS LIMITED ★ MUMBAI

Kashyap Javeri
Principal Officer

Date: 26th December 2023
Place: Mumbai

EMKAY INVESTMENT MANAGERS LIMITED

DISCLOSURE DOCUMENT - PORTFOLIO MANAGEMENT SERVICES

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

(i) The Document has been filed with the Board along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

(ii) 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 decision for engaging a portfolio manager.

(iii) The Disclosure Document contains all the essential information of the Portfolio Manager. Investors need to carefully read the entire document before making any investment decision and should retain it for future reference.

(iv) This Disclosure Document supersedes the Disclosure Document filed with SEBI on November 17, 2023.

(v) The detail of Portfolio Managers is as below:

Name of the Portfolio Manager	Emkay Investment Managers Limited
SEBI Registration Number	INP000004458
Address	7th Floor, The Ruby, Senapati Bapat Marg, Dadar West, Mumbai 400028. India
Phone	91- 22-66299285
Fax	91-22-66299105
Website	www.emkayim.com

(vi) The details of Principal Officer, so designated by the Portfolio Manager is as below:

Name	Mr. Kashyap Javeri
Phone No.	91-22-66121367
E-mail address	kashyap.javeri@emkayim.com

EMKAY INVESTMENT MANAGERS LIMITED ★ MUMBAI

EMKAY INVESTMENT MANAGERS LIMITED

DISCLOSURE DOCUMENT - PORTFOLIO MANAGEMENT SERVICES

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EMKAY INVESTMENT MANAGERS LIMITED

DISCLOSURE DOCUMENT - PORTFOLIO MANAGEMENT SERVICES

1. Disclaimer Clause

This Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 as amended from time to time. It 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 on the accuracy or adequacy of the contents of this Document and any information contained herein. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

2. Definitions

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

i. **"Act"** means the Securities and Exchange Board of India, Act, 1992 (15 of 1992) (As amended by the Securities Laws (Amendment) Act, 2014)

ii. **"Agreement"** means the agreement executed between the Portfolio Manager and its clients in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 issued by the Securities and Exchange Board of India & includes any amendment thereto.

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

iv. **"Assets"** means (i) the Portfolio and /or (ii) the Funds.

v. **"Board"** means the Securities and Exchange Board of India.

vi. **"Business Day"** means a day **other than** (i) Saturday and Sunday and (ii) a day on which both the Stock Exchanges and Banks in Mumbai are closed.

vii. **"Client" or "Investor"** means any person who registers with the Portfolio Manager for availing the services of Portfolio Management Services.

viii. **"Custodian"** means any SEBI registered Custodian acting as a custodian of the Portfolio and or any other custodian with whom the Portfolio Manager enters into an agreement for the provision of custodial services and presently Axis Bank Limited and Kotak Mahindra Bank Limited acts as a custodian for the Portfolio Manager.

ix. **"Discretionary Portfolio Investment" or "DPMS"** means Portfolio Investment Management Service where the Portfolio Manager exercises discretion as to the investment

EMKAY INVESTMENT MANAGERS LIMITED MUMBAI

or the management of the portfolio of securities or the funds of the clients, as the case may be.

x. **“Advisory Services”** means the Portfolio Manager shall advice the client on buy/sell decision within the overall profile without any back office responsibility for trade execution, custody of securities or accounting functions.

xi. **"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.

xii. **"Depository"** means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.

xiii. **"Depository Participant"** means any persona SEBI registered entity with whom the Securities of the Client may will be held in dematerialized form in an account opened for that purpose and registered as such with any of the SEBI registered Depositories in fine with under SEBI (Depositories and Participants) Regulations, 1996.

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

xv. **"Funds"** means the money managed by the Portfolio Manager on behalf of the Client pursuant to Portfolio Investment Management Agreement and includes the money mentioned in the Application, any further money placed by the Client with the Portfolio Manager for being managed pursuant to Portfolio Investment Management Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

xvi. **"Funds Managed"** means the market value of the Portfolio of the Client as on a particular date.

xvii. **"Initial Corpus"** means the value of the funds and/or the market value of readily realizable investments brought in by the client at the time of registering as a client with the Portfolio Manager and subsequently accepted by the Portfolio Manager.

xviii. **"Investment Objectives"** means the investment objectives mutually agreed upon by the Client and the Portfolio Manager as detailed in the Application and the PMS Agreement.

xix. **“Investment Approach”** means investment approach provided by Portfolio Managers shall, inter-alia, include (i) investment objective (ii) description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc. (iii) basis of selection of such types of securities as part of the investment approach (iv) allocation of portfolio across types of securities (v) appropriate benchmark to compare performance and basis for choice of benchmark (vi) indicative tenure or investment horizon (vii) risks associated with the investment approach (viii) other salient features, if any.

xx. **"Mutual Fund Schemes"** means schemes, including Exchange Traded Funds (ETFs) of various mutual funds regulated by SEBI.

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xxi. **"Non-Discretionary Portfolio Investment" or "NDPMS"** means Portfolio Investment Management Services, which is not discretionary and under which the Portfolio Manager, subject to express prior instructions issued by the client from time to time in writing/on recorded lines/by email for an agreed fee structure and for definite described period, invests in respect of the clients account in any type of security entirely at the client's risk and ensure that all benefits accrue to the Clients Portfolio).

xxii. **"Portfolio"** means the total holding of all investments, securities and funds belonging to the client(s).

xxiii. **"Portfolio Manager"** means Emkay Investment Managers Limited, a company incorporated under the Companies Act, 1956 and having its registered office at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar West, Mumbai – 400 028.

xxiv. **"Principal Officer"** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

xxv. **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

xxvi. **"Rules"** means the Securities and Exchange Board of India (Portfolio Managers) Rules, 2020 as amended from time to time.

xxvii. **"Securities"** means securities as defined under the Securities Contracts (Regulation) Act, 1956 as amended from time to time.

xxviii. **"Securities lending"** means securities lending as per the Securities Lending Scheme, 1997 specified by the Board as amended from time to time.

xxix. **"The Company"** means Emkay Investment Managers Limited, a company incorporated under the Companies Act 1956, and having its registered office at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar West, and Mumbai- 400028.

xxx. **"Direct on-boarding"** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

xxxi. **"Accreditation Agency"** means a subsidiary of a recognized Stock Exchange or a subsidiary of a depository or any other entity as may be specified by the board from time to time.

xxxii. **"Accredited Investor"** means any person who is granted a certificate of accreditation by any accreditation agency who:

a) In case of any individual, Hindu Undivided Family, family trustor sole proprietorship has:

i) Annual income of at least two crore rupees; or

ii) Net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets: or

iii) Annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.

b) In the case of body corporate, has net worth of at least fifty crore rupees.

c) In the case of trust other than family trust, has net worth of at least fifty crore rupees.

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d) In case of a partnership firm set up under the Indian Partnership Act, 1932 each partner independently meets the eligibility criteria for accreditation:

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

xxxiii. **"Large Value Accredited Investor"** means any accredited investor who has entered into an agreement with the Portfolio Manager for the minimum investment amount of ten crore rupees.

Words and Expressions used in the Disclosure Document which are not expressly defined shall be interpreted according to their general meaning, usage and shall also carry meanings assigned to them in regulations governing the Portfolio Management Services.

3. History, Present Business and Background of the Portfolio Manager

Emkay Investment Managers Limited herein after referred as "EIML" is a wholly owned subsidiary and an Asset Management arm of Emkay Global Financial Services Limited ("EGFSL"). Since 2003, EGFSL has been providing Portfolio Management Services (PMS) to its Clients. However, to cater the needs of existing/potential PMS Clients in a more effective and focused manner it transferred the Portfolio Management Services Division from EGFSL to its Wholly-Owned Subsidiary Company viz. EIML which was incorporated on 8th June, 2010. Accordingly, EGFSL transferred the said business to EIML w.e.f. 1.1.2011 with necessary approvals in place from the respective authorities. Through this exercise, EGFSL, the holding company was able to create a separate identity and differentiate Portfolio Management Services from its other activities to have a focused approach in its Portfolio Management Services and in turn create value for its Clients. EIML, a SEBI registered Portfolio Manager with SEBI on March 16, 2012 vide Registration No: **INP000004458** under SEBI (Portfolio Managers) Regulations, 1993 managing & advising investments for long term (3-5 years+) investors consisting of Family Offices, HNIs, Corporate and NRIs, in Indian Equities managing an asset of over INR 449.08 Crores as on September 30, 2023.

At present EIML's Authorized Share Capital is Rs.10 Crores divided into 1,00,00,000 equity shares of Rs.10 each. The Paid-up Capital of the Company is Rs. 9 Crores divided into 90,00,000 Equity Shares of Rs. 10 each.

The Board of Directors of the Company includes Mr. G. C. Vasudeo (B.com, LLB, FCA, FCS, and Associate Member of ICWA), Mr. Rajesh Sharma (CA), Mr. Saket Agrawal (CA) and Dr. Bharat Kumar Singh (MBA, PhD) all of them having rich and wide experience in various fields of the industry.

4. Background of the Promoters, Directors and Chief Investment Officer of the Portfolio Manager in brief

Promoters

Emkay Global Financial Services Ltd is the promoter of Emkay Investment Managers Ltd holding 100% of its equity shares either directly or through its nominees.

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Particulars of Directors

Mr. G. C. Vasudeo (Director)
Mr. G. C. Vasudeo is a fellow member of the Institute of Chartered Accountants of India, The Institute of Company Secretaries of India, an Associate member of The Institute of Cost and Works Accountants of India and a Law Graduate from the University of Mumbai. He has a wide and rich industrial experience of over 43 years.

Mr. Rajesh Sharma (Director)
Mr. Rajesh Sharma, a qualified Chartered Accountant is the Director of the Company. Mr. Sharma has rich experience of 30 years in the capital market. He is currently also on the Board of Emkay Commotrade Ltd and Emkay Global Financial Services IFSC Private Limited.

Mr. Saket Agrawal (Director)
Mr. Saket Agrawal, a qualified Chartered Accountant is the Director of the Company. Mr. Agrawal has rich experience of 30 years in Accounting, Finance, Audit and capital market.

Dr. Bharat Kumar Singh (Additional Director)
Dr. Bharat Kumar Singh is B.E (Mech), MBA (IIM-C), Ph.D (Mumbai Univ. (JBIMS). Dr. Bharat Kumar Singh comes with a well-rounded experience of 46 years out of which 14 years were spent in two large MNCs (ITC & Sandoz Group) and 32 years in Indian Houses (RPG & Aditya Birla Group) in senior capacity.

Particulars of Chief Investment Officer

Mr. Manish Sonthalia (CIO)
Mr. Manish Sonthalia is a qualified Chartered Accountant, Company Secretary, Cost & Works Accountant and MBA from IISWBM, Kolkata. He has over 30 years of experience in the industry and has worked with Motilal Oswal Asset Management as Executive Director CIO PMS, Alternates, Offshore and with Motilal Oswal Securities Limited, Wealth Management Advisory Services Pvt Ltd, SKP Securities Ltd and United Credit Securities Ltd.

5. Group Companies / Firms

The following are the Group Companies of the company reckoned on the basis of their turnover as per the Latest Unaudited Financial Statements as on 30.09.2023. (Name of the entity, main business area, turnover in Rs Lakhs)

Emkay Global Financial Services Ltd(Holding Company)	Stock Broking/ Merchant & Investment Banking/ Depository Participant Services/ Mutual Fund Distribution	(2023-24) 11811.75
Emkay Fincap Ltd. (Fellow Subsidiary)	Non-Banking Financial Company	(2023-24) 331.83
Emkay Corporate Services Pvt Ltd	Non-Banking Financial Company	(2022-23) 68.71
Emkay Commotrade Ltd. (Fellow Subsidiary)	Commodity Broking and Trading & Investment in Securities	(2023-24) 397.74
Emkay Wealth Advisory Limited (Fellow Subsidiary)	Wealth Management/ Investment Advisory Services	(2023-24) 49.77

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Emkay Global Financial Services IFSC Private Limited (Fellow Subsidiary)	Stock Broking	(2023-24) 5.26
Emkay Global Financial Services Pte. Ltd. (Fellow Subsidiary)	Financial Advisory Services	(2023-24) 206.20

6. Details of Services offered by the Portfolio Manager.

6.1 The Portfolio Manager broadly offers services under the following categories.

- **Discretionary Services**

In these services, the Client expressly and with full knowledge of the implications confers absolute and unfettered discretion on the Portfolio Manager in relation to all decisions concerning the Discretionary Portfolio Management Services and confirms that the Portfolio Manager's decisions (taken in good faith) shall include decisions taken by the designated person appointed by the Portfolio Manager for deployment of the client's account which shall be absolute and final and cannot be questioned or opened for review except on the ground of mollified, fraud, conflict or interest or gross negligence. Under these services, the Clients may authorize the Portfolio Manager to invest their funds in specific financial instruments or a mix of specific financial instruments or restrict the Portfolio Manager from investing in specific financial instruments or securities. Quarterly Statements in respect of Client's Portfolio are being sent to the respective Clients.

- **Non-Discretionary Services**

Under these services, the Client decides their own investments, with the Portfolio Manager only facilitating transaction execution. The Portfolio Manager's role is limited to providing research, investment advice, guidance and facilitate trade execution at the Client's request through a Stock Broker. The Portfolio Manager shall execute orders as per the mandate received from the Clients. Quarterly statements in respect Client's Portfolio is sent to the respective Clients.

- **Advisory Services**

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

EIML does not make investments in its associates/group companies. In case any investment is made in its associate or group companies necessary disclosure shall be made from time to time.

7 Investment Objectives and Investment Approaches being offered.

Currently, under the Discretionary Services following products are offered to investors:

Investment Approach/Strategies:

Investment objectives and strategies may vary from client to client. The investment objectives of the client are understood and captured from the application form and the client agreement. The

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application form/client agreement captures the client's expectation of returns and risk tolerance and other terms. Further, depending on the individual client requirements and specifications, the portfolio can be tailor made. The Portfolio Manager offers the following types of Investment Approaches/Strategies.

7.1 Emkay Capital Builder Portfolio

Fund Manager: Sachin Shah

Investment Objective: The objective is capital preservation and appreciation over-time through an absolute "returns approach". This product is for long term investors, with an investment horizon of two years and more. Though medium term ideas are also considered, the emphasis are more towards capital growth over a longer period of time. This long-term outlook of investors gives the flexibility to discover futuristic winners at an early stage. The investment is made across all capitalizations and shall not have any bias for the size of the company

Description of types of Securities: Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.

Basis of selection of such types of securities as part of the Investment Approach: We follow a bottom up stock picking process which are backed by extensive fundamental analysis comprising of in depth study of historical annual report & quarterly results, management quality & integrity, company outlook, channel checks & industry & stock research reports is done. Publically available information is the primary source. However, it also takes inputs in terms of key developments/exchange of information with third party research providers. We have tie up with key sell side firms who provide us with research services.

The portfolio manager intends to invest at a time when prices of identified stocks offer reasonable value (considering the earnings growth prospects) and potential capital appreciation for long term investors.

Strategy: Equity

Benchmark to compare performance: S&P BSE 500 TRI.

Investment Horizon: Investors in this Portfolio have an investment horizon of longer period of ti me (Two to Five years +).

Risk associated with investment approach: The strategy will be investing in Equity and equity related instruments of Large Cap Mid Cap & Small Cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The performance of various other strategies of EIML does not guarantee or guide the future performance of this strategy.

7.2 Emkay Pearls Portfolio

Fund Manager: Sachin Shah

Investment Objective: The objective is capital preservation and appreciation over-time through an absolute "returns approach". It is aimed at investing in Mid-Cap & Small-Cap fundamentally strong companies with high growth potential. Portfolio manager intends to have a well-diversified portfolio with an allocation of fifteen to twenty-five stocks in each of the portfolios, with a maximum limit of thirty-five stocks per portfolio. Investors in this portfolio should have an investment horizon of two-three years

Description of types of Securities: Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.

Basis of selection of such types of securities as part of the Investment Approach: We follow a bottom up stock picking process which are backed by extensive fundamental analysis comprising of in depth study of historical annual report & quarterly results, management quality & integrity, company outlook, channel checks & industry & stock research reports is done. Publically available

information is the primary source. However, it also takes inputs in terms of key developments/exchange of information with third party research providers. We have tie up with key sell side firms who provide us with research services.
The portfolio manager intends to invest at a time when prices of identified stocks offer reasonable value (considering the earnings growth prospects) and potential capital appreciation for long term investors.
Strategy: Equity
Benchmark to compare performance: S&P BSE 500 TRI.
Investment Horizon: Investors in this portfolio should have an investment horizon of two-three years.
Risk associated with investment approach: The strategy will be investing in Equity and equity related instruments of Mid Cap & Small Cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The performance of various other strategies of EIML does not guarantee or guide the future performance of this strategy.

7.3 Emkay Multicap Capital Builder

Fund Manager: Sachin Shah
Investment Objective: The objective is capital preservation and appreciation over-time through an absolute "returns approach". This product is for long term investors, with an investment horizon of two years and more. Though medium term ideas are also considered, the emphasis are more towards capital growth over a longer period of time. This long-term outlook of investors gives the flexibility to discover futuristic winners at an early stage. The investment is made across all capitalizations and shall not have any bias for the size of the company. Portfolio manager intends to have a well-diversified portfolio with an allocation of twenty to twenty-five stocks in each of the portfolios, with a maximum limit of thirty stocks per portfolio.
Description of types of Securities Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.
Basis of selection of such types of securities as part of the Investment Approach: We follow a bottom up stock picking process which are backed by extensive fundamental analysis comprising of in depth study of historical annual report & quarterly results, management quality & integrity, company outlook, channel checks & industry & stock research reports is done. Publically available information is the primary source. However, it also takes inputs in terms of key developments/exchange of information with third party research providers. We have tie up with key sell side firms who provide us with research services.
The portfolio manager intends to invest at a time when prices of identified stocks offer reasonable value (considering the earnings growth prospects) and potential capital appreciation for long term investors.
Strategy: Equity
Benchmark to compare performance: S&P BSE 500 TRI
Investment Horizon: Investors in this portfolio have an investment horizon of a longer period of time (Two to Five years +).
Risk associated with investment approach: The strategy will be investing in Equity and equity related instruments of Large Cap Mid Cap & Small Cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The performance of various other strategies of EIML does not guarantee or guide the future performance of this strategy.

7.4 Emkay LEAD Portfolio

Fund Manager: Kashyap Javeri

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Investment Objective: The product seeks to achieve long term capital appreciation by predominantly investing in large and mid-cap high-growth companies with a leadership trait in the sector along with strong moat, quality management and reasonable valuations. A buy & hold large cap strategy of around 15 equi-weighted high quality companies. The portfolio is re-balanced once a year to avoid concentration risk. This product is essentially for medium to long term investors, who want to build capital over a longer period of time (Three to Five years or more). Though medium term ideas are also considered, the emphasis would be to grow capital over a longer period of time

Description of types of Securities: Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.

Basis of selection of such types of securities as part of the Investment Approach: We use fundamental & other quantitative screeners to identify high quality stocks which are expected to have a long runway for growth. A pure bottom up, buy & hold large and midcap strategy of around 15 high quality companies and investment in industries/companies benefitting from value migration ahead of the curve along with structural growth plays driven by domestic consumption.

Strategy: Equity

Benchmark to compare performance: Nifty 50 TRI.

Investment Horizon: Investors in this portfolio should have an investment in long period of time (Three to Five Years or more).

Risk associated with investment approach:: Emkay L.E.A.D will be investing in Equity and equity related instruments of Large Cap and Mid Cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The scheme has less than three years of track record. The performance of various other schemes of EIML does not guarantee the future performance of this scheme.

7.5 **Emkay's 12 Portfolio:**

Fund Manager: Kashyap Javeri

Investment Objective: The product seeks to achieve long term capital appreciation by predominantly investing in large-cap, high-growth companies with a leadership trait in the sector along with strong moat, quality management and reasonable valuations. A buy & hold large cap strategy of around 12 equi-weighted high quality companies. The portfolio is re-balanced once a year to avoid concentration risk. This product is essentially for medium-long term investors, who want to build capital over a longer period of time (Three to Five years or more). Though medium term ideas are also considered, the emphasis would be to grow capital over a longer period of time

Description of types of Securities: Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.

Basis of selection of such types of securities as part of the Investment Approach: We use fundamental & other quantitative screeners to identify high quality stocks which are expected to have a long runway for growth. A pure bottom up, buy & hold large and midcap strategy of around 15 high quality companies and investment in industries/companies benefitting from value migration ahead of the curve along with structural growth plays driven by domestic consumption & infrastructure.

Strategy: Equity

Benchmark to compare performance: Nifty 50 TRI.

Investment Horizon: Investors in this portfolio should have an investment in long period of time (Three to Five Years or more).

Risk associated with investment approach: Emkay's 12 will be investing in Equity and equity related instruments of Large Cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The scheme has less than three years of track record. The performance of various other schemes of EIML does not guarantee the future performance of this scheme.

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7.6 Emkay GEMS

Fund Manager: Sachin Shah and Kashyap Javeri

Investment Objective: The product seeks to achieve long term capital appreciation by predominantly investing in midcap companies with a leadership trait in the sector along with strong moat, quality management and reasonable valuations. A buy & hold mid cap strategy of around 20 equi-weighted high quality companies. The portfolio is re-balanced once a year to avoid concentration risk. This product is essentially for medium-long term investors, who want to build capital over a longer period of time (Three to Five years or more). Though medium term ideas are also considered, the emphasis would be to grow capital over a longer period of time. The surplus un-deployed cash in the portfolio can be deployed by the fund manager in any fixed income / Liquid / Arbitrage fund

Description of types of Securities: Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.

Basis of selection of such types of securities as part of the Investment Approach: We use fundamental & other quantitative screeners to identify high quality stocks which are expected to have a long runway for growth. A pure bottom up, buy & hold midcap strategy of around 20 high quality companies and investment in industries/companies benefitting from value migration ahead of the curve along with structural growth plays driven by domestic consumption & efficiency outliers.

Strategy: Equity

Benchmark to compare performance: S&P BSE 500 TRI.

Investment Horizon: Investors in this portfolio should have an investment in long period of time (Three to Five years more).

Risk associated with investment approach: Emkay GEMS will be investing in Equity and equity related instruments of Mid Cap and small cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The scheme has less than three years of track record. The performance of various other schemes of EIML does not guarantee the future performance of this scheme.

7.7 Emkay's Alpha Mavens

Fund Manager: Sachin Shah and Kashyap Javeri

Investment Objective: Emkay's Alpha Mavens" product which will offer Separately Manage Accounts /customized portfolios to the investors, It will be a flexi cap oriented strategy with a concentrated portfolio of around 20-25 stocks. . The product is suitable for medium to long term investors with an investment horizon of a minimum 3-5 years. Though medium term ideas are also considered, the emphasis are more towards capital growth over a longer period of time. This long-term outlook of investors gives the flexibility to discover futuristic winners at an early stage.

Description of types of Securities: Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.

Basis of selection of such types of securities as part of the Investment Approach: We follow a bottom up stock picking process which are backed by extensive fundamental analysis comprising of in depth study of historical annual report & quarterly results, management quality & integrity, company outlook, channel checks & industry & stock research reports is done. Publically available information is the primary source. However, it also takes inputs in terms of key developments/exchange of information with third party research providers. We have tie up with key sell side firms who provide us with research services.

The portfolio manager intends to invest at a time when prices of identified stocks offer reasonable value (considering the earnings growth prospects) and potential capital appreciation for long term investors.

Strategy: Equity

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Benchmark to compare performance: S&P BSE 500 TRI.
Investment Horizon: Investors in this portfolio should have an investment horizon of a minimum 3-5 years.
Risk associated with investment approach: The strategy will be investing in Equity and equity related instruments of Large Cap, Mid Cap companies & Small Companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The performance of various other strategies of EIML does not guarantee or guide the future performance of this strategy.

7.8 Emkay Liquid Strategy Fund

Fund Manager: Sachin Shah
Investment Objective: "Emkay Liquid Strategy Fund" is the new product to be launched under the Portfolio Management Services offered by Emkay Investment Managers Ltd. The Investment objective is to predominantly make investments in direct plans of Liquid funds, overnight funds, money market mutual funds and other debts funds offered by Mutual Funds to facilitate investors to take asset allocation call between Cash and Equity
Description of types of Securities: Under this product investment are made debt funds offered by mutual funds.
Basis of selection of such types of securities as part of the Investment Approach: The broad Framework for the selection of the stocks will be based on the criteria of a strategy at the time of initial ideation and investment made as per the decided framework and discretion of the fund manager.
Strategy: Debt
Benchmark to compare performance: Crisil Composite Bond Fund Index.
Investment Horizon: Investors in this portfolio should have an investment horizon of a less than one year.
Risk associated with investment approach: The scheme will be investing in the direct plans of Liquid schemes of reputed mutual funds. These schemes provide reasonable returns commensurate with lower risk and high level of liquidity through a portfolio of money market and debt securities. Such investments are subject to market risk including but not exclusive of liquidity risk and re-investment risk. The performance of various other strategies of EIML does not guarantee or guide the future performance of this strategy.

7.9 EMKAY NEW VITALIZED INDIA

Fund Manager: Kashyap Javeri and Sachin Shah
Investment Objective: The objective of the product is long term capital appreciation by investing in companies benefitting from strong rebound in industrial sector, export opportunities, growth in services allied to industrial activities & Indigenization by reducing dependence on imports. It is be a flexi cap oriented strategy with a concentrated portfolio of around 20-25 stocks. Though medium term ideas are also considered, the emphasis are more towards capital growth over a longer period of time. This long-term outlook of investors gives the flexibility to discover futuristic winners at an early stage.
Description of types of Securities Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.
Basis of selection of such types of securities as part of the Investment Approach: We follow a bottom up stock picking process which are backed by extensive fundamental analysis comprising of in depth study of historical annual report & quarterly results, management quality & integrity, company outlook, channel checks & industry & stock research reports is done. Publically available information is the primary source. However, it also takes inputs in terms of key developments/exchange of information with third party research providers. We have tie up with key sell side firms who provide us with research services.

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The portfolio manager intends to invest at a time when prices of identified stocks offer reasonable value (considering the earnings growth prospects) and potential capital appreciation for long term investors.

Strategy: Equity

Benchmark to compare performance: S&P BSE 500 TRI.

Investment Horizon: The Portfolio is suitable for investors with a medium term horizon of between 3 to 5 years.

Risk associated with investment approach: Strategy will be investing in Equity and equity related instruments of Large, Mid Cap and small cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The scheme has less than three years of track record. The performance of various other schemes of EIML does not guarantee the future performance of this scheme.

7.10 EMKAY INDIA'S GOLDEN DECADES GROWTH STRATEGY

Fund Manager: Manish Sonthalia

Investment Objective: The product seeks to achieve long term capital appreciation by predominantly investing in companies benefitting from strong growth in India over the medium to long term. The investments would in large cap, midcap and small cap companies. These would be growth companies having minimum leverage. They would have competitive advantages, managements would be of high quality and valuations would be reasonable at the time of buying. It would be a buy and hold approach style of investment entailing minimum churn.

Description of types of Securities: Under this product investment are made in equities and equity related instruments. A balanced and well-diversified equity portfolio is created based on the fundamental research.

Basis of selection of such types of securities as part of the Investment Approach: We follow a bottom up stock picking process which are backed by extensive fundamental analysis comprising of in depth study of historical annual report & quarterly results, management quality & integrity, company outlook, channel checks & industry & stock research reports is done. Publicly available information is the primary source. However, it also takes inputs in terms of key developments/exchange of information with third party research providers. We have tie up with key sell side firms who provide us with research services.

Strategy: Equity

Benchmark to compare performance: S&P BSE 500 TRI.

Investment Horizon: This product is essentially for medium-long term investors, who want to build capital over a longer period of time (ideally over three to five years or more). This long-term outlook of investors gives the flexibility to discover futuristic winners at an early stage.

Risk associated with investment approach: Strategy will be investing in Equity and equity related instruments of Large, Mid Cap and small cap companies. Such investments are subject to market risks including but not exclusive of, equity specific risk, liquidity risk, re-investment risk. The scheme has less than three years of track record. The performance of various other schemes of EIML does not guarantee the future performance of this scheme.

7.11 EMKAY MAXIMUS (Non-Discretionary PMS)

Fund Manager: Yuvraj Anil Chaudhary

Investment Objective: The Investment objective is to achieve long term capital appreciation.

Description of types of Securities: The Underlying Investments will be in Mutual Funds (Direct Plan and ETFs), Direct Equities, REITs and INVTs, Fixed Income securities, gold and other

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alternative asset classes. Derivatives may be used to hedge the Portfolios and during Rebalancing of the portfolios. The Allocation between Asset Classes and security selection shall be done by the Fund Manager and the Investment Team and the consent of the client shall be obtained before buying the securities.

Basis of selection of such types of securities as part of the Investment Approach: The portfolio will be a combination of

1. Direct stocks which will be backed by sufficient research inputs from the research team and/or external research and publicly available information.
2. Fixed income securities yielding returns as per the portfolio expectations and wherever available credit rating in line with the overall risk profile.
3. Mutual funds with the intended investment portfolio and suitable for the client's overall portfolio
4. REITs and InVts listed on the stock exchanges fitting into the overall risk and return profile of the portfolio.

The portfolio manager intends to invest at a time when prices of identified stocks offer reasonable value (considering the earnings growth prospects) and potential capital appreciation for long-term investors.

Strategy: The strategy would be to invest in multiple assets predominantly equity with the objective of achieving long term capital appreciation.

Benchmark to compare performance: S&P BSE 500 TRI.

Investment Horizon: Investors in this Portfolio should have a minimum investment horizon of three years.

Risk associated with investment approach: The investments in a Non Discretionary PMS are made with the consent of the client and hence it is important for the client to understand the specific risks related to the investments. Most of these investments would be exposed to Macro Economic risks and Market related risks. The other risks would be specifically Equity and Equity related risks, Liquidity risk, Credit risk, interest rate risk, reinvestment risk, risks arising from investments in Mutual Funds, InvITs and REITs. The portfolio would also be exposed to risks related to investment in gold, silver and other commodity related securities, including ETFs and also derivatives. For more details, please refer the section on Risk Factors.

8. Penalties, Pending Litigation's or Proceedings etc.

Particulars	Remarks
All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under	None
The nature of penalty / direction	None
Penalties imposed for any economic offence and/or for violation of any securities law	None
Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	None
Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	None

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Particulars	Remarks
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.	None

9 Risk Factors

The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by the Portfolio Manager that are associated with the investments in Securities and cannot be pursued to be exhaustive in nature:

9.1 Investments in securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the products will be achieved. The investments may not be suited to all categories of investors.

9.2 The past performance of the Portfolio Manager in any product is not indicative of the future performance in the same product or in any other products either existing or that may be offered. There is no assurance that past performances indicated in earlier products will be repeated. Investors are not offered any guarantee or indicative returns through these products.

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

9.4 The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk and re-investment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.

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

9.6 The products may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the regulations and guidelines. The use of a derivative requires understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movement correctly.

9.7 Products using derivative / futures and options products are affected by risks different from those associated with stocks and bonds. Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to wrong pricing or the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices.

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

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

9.10 **Non-Diversification Risk:** This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.

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9.11 The Portfolio Manager is neither responsible nor liable for any losses resulting from the Portfolio Management Services.

9.12 **Macro-Economic Risks:** Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monitory or fiscal policies, 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.

9.13 **Liquidity Risk:** Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchanges generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold.

9.14 **Mutual Fund Risk:** This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

9.15 The Net Asset Value of the Portfolio may be affected by changes in settlement periods and transfer procedures.

9.16 The arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.

9.17 In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he/she may receive had he/she invested directly in the underlying mutual fund schemes in the same proportions.

9.18 After accepting the corpus for portfolio management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such situations the Clients may suffer opportunity loss.

9.19 Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client and as per the applicable regulatory norms). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Portfolio Management Service Agreement and in the Regulations.

9.20 In case of early termination of the Portfolio Management Service Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that were negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.

9.21 A pre-approval mechanism in line with the SEBI PMS Regulation and SEBI (Prohibition of Insider Trading) is followed for all investment transactions of purchase and sale of securities by Portfolio Manager and its employees who are directly involved in investment operations to ensure that there is no conflict of interest with the transactions in any of the client's portfolio.

9.22 Details of conflict of interest related to services offered by group companies or associates of the Portfolio Manager: While executing trades under the portfolio management service, EIML

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carries on Broking and Depository service through its Group entity, however these activities are at arm's length relationship and within the limit as mentioned in the Guidelines for Portfolio Managers to SEBI Portfolio Managers and the SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time.

9.23 Risk Factors Associated with Investments in REITs and InvITs:

- Interest-Rate Risk: REITs & InvITs carry interest-rate risk. Generally, when interest rates rise, prices of existing 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.
- Market Risk: REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The portfolio value is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures.
- Risk of lower than expected distributions: The distributions by the REIT or InvIT will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REIT/INVIT receives as dividends or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things:
    - -success and economic viability of tenants and off-takers
    - -economic cycles and risks inherent in the business which may negatively impact valuations, returns and profitability of portfolio assets
    - -debt service requirements and other liabilities of the portfolio assets and fluctuations in the working capital needs
    - -ability of portfolio assets to borrow funds and access capital markets
    - -amount and timing of capital expenditures on portfolio assets
- Liquidity Risk: This refers to the ease with which REIT/InvIT units can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.
- Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- Price-Risk: The valuation of the REIT/InvIT units may fluctuate based on economic conditions, fluctuations in markets (eg. real estate) in which the REIT/InvIT operates. As an indirect shareholder of portfolio assets, unit holders rights are subordinated to the rights of

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creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of any of the portfolio assets. The above are some of the common risks associated with investments in REITs & InvITs.

9.24 Gold, Silver and other commodity ETFs are exposed to the risks related to the underlying commodity. Each of the schemes have detailed risk factors which highlight the risks associated with these ETFs, in addition to the general ETF related risks.

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

9.26 Changes in Applicable Law may impact the performance of the Portfolio.

10 Clients Representation

Category of Clients	**No. of Clients (PAN Wise)**			**Funds Managed (Rs. Cr)**			**Discretionary/ Non-Discretionary (if available)**
	01/04/2023 to 30/09/2023	01/04/2022 to 31/03/2023	01/04/2021 to 31/03/2022	01/04/2023 to 30/09/2023	01/04/2022 to 31/03/2023	01/04/2021 to 31/03/2022	
Associates /*Group* Companies	0	0	0	0	0	0	Discretionary
Related Parties	4	4	6	11.60	9.71	8.08	Discretionary
Others	267	250	280	398.29	299.73	297.16	Discretionary
	4	4	4	39.19	32.99	31.20	Non-Discretionary
Total	**275**	**258**	**290**	**449.08**	**342.43**	**336.44**	

11. Disclosures in respect of transactions with related parties

Emkay Investment Managers Ltd. provides PMS services and its holding Company Emkay Global Financial Services Ltd. is the broker who provides broking and DP facilities to the Company in this respect.
The related parties are enlisted below.

A. List of Directors

Sr. No.	**Name of Related Party**	**Nature of Relationship**
(i)	a) G C Vasudeo b) Rajesh Sharma c) Saket Agrawal d) Bharatkumar Singh	Directors

B. List of related parties (Where transactions have taken place)

Sr. No.	Name of Related Party	Nature of Relationship
(i)	Individuals having control or significant influence a) Krishna Kumar Karwa b) Prakash Kacholia	Individual having significant influence
(ii)	Emkay Global Financial Services Limited	Holding Company
(iii)	Emkay Corporate Services Private Limited	Enterprises owned/controlled by Key Management Personnel/Individuals having control or significant influence or their relatives
(iv)	Key Management Personnel a) Kashyap Javeri	Principal Officer
(v)	Emkay Investment Managers Ltd. Employees Group Gratuity Assurance Fund	Others

C. Transaction with Related Party as on 30th September 2023

Related Party Transactions For The Year Ended 30.09.2023

Sr No	Particulars	Individual having control or significant influence		Holding Company		Fellow Subsidiary Company		Enterprises owned/controlled by Individuals having control or significant influence or their relatives		Key Management Personnel		Others	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
		H1 2023-24	2022-23	H1 2023-24	2022-23	H1 2023-24	2022-23	H1 2023-24	2022-23	H1 2023-24	2022-23	H1 2023-24	2022-23
I	Expenditure												
	Depository Charges												
	- Emkay Global Financial Services Ltd.	-	-	2,597	17,073	-	-	-	-	-	-	-	-
	Rent												
	- Emkay Global Financial Services Ltd.	-	-	10,31,136	20,62,272	-	-	-	-	-	-	-	-
	Commission on PMS Fees												
	- Emkay Global Financial Services Ltd.	-	-	54,47,303	96,25,720	-	-	-	-	-	-	-	-
	Salaries and Other Benefits												
	- Vikas Sachdeva	-	-	-	-	-	-	-		-	83,4	-	-

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											9,320		
	- Dipti Modi	-	-	-	-	-	-	-	-	7,61,740	12,84,411	-	-
	<u>Derecognition of Share Based Payments to Employees</u>												
	- Emkay Global Financial Services Ltd.	-	-	-	46,32,373	-	-	-	-	-	-	-	-
	<u>Gratuity Contribution</u>												
	- Emkay Investment Managers Ltd. Employees Group Gratuity Assurance Fund	-	-	-	-	-	-	-	-	-	-	4,50,046	5,71,478
II	**<u>Income</u>**												
	<u>Portfolio Management Fees</u>												
	- Prakash Kacholia	75,076	1,37,193	-	-	-	-	-	-	-	-	-	-
	- Preeti Kacholia	10,139	16,048	-	-	-	-	-	-	-	-	-	-
	- Emkay Corporeate Services Pvt. Ltd.	-	-	-	-	-	-	1,13,582	2,01,002	-	-	-	-
	<u>Interest Received on Unsecured Loan</u>												
	- Emkay Global Financial Services Ltd.	-	-	17,15,847	39,68,494	-	-	-	-	-	-	-	-
	- Emkay Fincap Ltd.	-	-	-	-	25,47,813	46,97,260	-	-	-	-	-	-
III	**<u>Others</u>**												
	<u>(a) Expenses Reimbursed</u>												
	Emkay Global Financial Services Ltd.	-	-	4,66,271	9,39,958	-	-	-	-	-	-	-	-
	<u>(b) Brokerage on Investments</u>												
	- Emkay Global Financial Services Ltd.	-	-	44,117	1,393	-	-	-	-	-	-	-	-
	<u>(c) Loan Given</u>												
	- Emkay Global Financial Services Ltd.	-	-	14,00,00,000	19,50,00,000	-	-	-	-	-	-	-	-
	- Emkay Fincap Ltd.	-	-	-	-	14,50,00,000	39,00,00,000	-	-	-	-	-	-

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	(d) Loan Received Back												
	- Emkay Global Financial Services Ltd.		-	6,00,00,000	19,50,00,000	-	-	-	-	-	-	-	-
	- Emkay Fincap Ltd.	-	-	-	-	20,50,00,000	33,00,00,000	-	-	-	-	-	-
IV	**Outstandings**												
	(a) Payable for Expenses												
	- Emkay Global Financial Services Ltd.	-	-	31,31,550	25,73,632	-	-	-	-	-	-	-	-
	(b) Provision for Employee Benefits - Gratuity												
	- Emkay Investment Managers Ltd. Employees Group Gratuity Assurance Fund	-	-	-	-	-	-	-	-	-	-	10,46,262	4,34,354
	(c) Loan Given												
	- Emkay Fincap Ltd.	-	-	-	-	-	6,00,00,000	-	-	-	-	-	-
	- Emkay Global Financial Services Ltd.	-	-	8,00,00,000	-	-	-	-	-	-	-	-	-
	(d) Trade receivables												
	- Prakash Kacholia	43,817	47,720	-	-	-	-	-	-	-	-	-	-
	- Preeti Kacholia	6,234	4,715	-	-	-	-	-	-	-	-	-	-
	- Emkay Corporeate Services Pvt. Ltd.	-	-	-	-	-	-	71,830	63,173	-	-	-	-
	(e) Equity Share Capital												
	- Emkay Global Financial Services Ltd.	-	-	9,00,00,000	9,00,00,000	-	-	-	-	-	-	-	-

12. Financial Performance of the Portfolio Manager

(Rs. In Lakhs)

NETWORTH	As at 30th September, 2023 (As Per Ind AS) (Unaudited)	As at 31st March, 2023 (As Per Ind AS) (Audited)	As at 31st March, 2022 (As Per Ind AS) (Audited)
CAPITAL AND OTHER EQUITY	2544.62	2351.32	2218.31

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LESS: Preliminary Expenses	0.00	0.00	0.00
NET WORTH	**2544.62**	**2351.32**	**2218.31**

Profit & Loss Account	**For the year ended (As Per Ind AS) (Unaudited)**	**For the year ended (As Per Ind AS) (Audited)**	**For the year ended (As Per Ind AS) (Audited)**
	30th September , 2023	**31st March, 2023**	**31st March, 2022**
Profit Before Tax	257.21	213.83	339.43
Provision for Tax	61.50	35.91	76.57
Deferred Tax Charge/(Credit)	(6.78)	(0.39)	4.11
Earlier Years Tax Short Provision	4.73	-	(1.36)
Profit After Tax	**197.76**	**178.31**	**260.11**
Other Comprehensive Income/(Loss)	**(4.46)**	**1.03**	**(1.70)**
Total Comprehensive Income	**193.30**	**179.34**	**258.41**

13. Transactions with Conflict of Interest

The Portfolio Manager and its employees directly involved in investment operations may trade in securities in their personal account, which may result in a conflict with transactions in any of the Client's portfolio. However, to mitigate the said conflict in relation to employees, the Portfolio Manager has implemented the Staff Trading Policy. The employees of the Portfolio Manager are required to abide by the said policy as may be applicable to them. The Portfolio Manager, as a part of treasury management function, may be dealing and investing in various securities including but not limited to equity securities, bonds, units of various categories of Mutual Funds, Money Market Instruments and alternative investment funds etc. Based on said Policy the Portfolio Manager shall be managing conflicts of interest in place to achieve and maintain discipline and transparency in all investment activities and to avoid any potential or actual conflict of interests

14. Group Companies Transactions with Conflict of Interest

Each group/associate companies have independent management and transaction, if any are entered into on arm's length basis and all the regulatory requirements pertaining to the same will be adhered. The portfolio manager shall comply with the provisions of the PMS regulations while managing or administering clients' portfolio with services offered by group companies of the Portfolio Manager. Emkay Global Financial Services Limited has been appointed as a one of the brokers for execution of trades.
Emkay Global Financial Services Limited has been appointed as one of the Depository Participant.

15. Size of the Portfolio

a. The Portfolio Manager shall not provide Portfolio Management Services for Portfolio value of less than Rs.50,00,000/- (Rupees Fifty Lakhs only) for its prospective Clients with effect from 21st January, 2020, as prescribed by SEBI vide SEBI press release dated 20 January 2020 and Notification no. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated 13th February 2020. However, different Strategies may have different Portfolio value under management.
b. Subject to the minimum Portfolio value, mentioned in the clause hereinabove, the Portfolio Manager shall be entitled to revise the minimum Portfolio value in respect of which it shall provide

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Portfolio Management Services to the Clients, and in such a case, the Client shall be required to suitably enhance the portfolio value within such days, as may be mutually agreed between the parties hereto.

16. Performance of Products of the Portfolio Manager

Performance of various products under Portfolio Management Services offered by us is as under:

Scheme	Period	Return %	Benchmark Return %
Emkay Capital Builder Portfolio	1 April 21 to 31 Mar 22	19.93	S&P BSE 500 TRI: 20.63
	1 April 22 to 31 Mar 23	8.23	S&P BSE 500 TRI : -2.19
	1 April 23 to 30 Sep 23	21.62	S&P BSE 500 TRI : 19.39
Emkay Pearls Portfolio	1 April 21 to 31 Mar 22	29.84	S&P BSE 500 TRI : 20.63
	1 April 22 to 31 Mar 23	3.23	S&P BSE 500 TRI : -2.19
	1 April 23 to 30 Sep 23	28.75	S&P BSE 500 TRI : 19.39
Emkay Portfolio Advisory	1 April 21 to 31 Mar 22	18.71	S&P BSE500 TRI: 20.63
	1 April 22 to 31 Mar 23	7.98	S&P BSE 500 TRI: -2.19
	1 April 23 to 30 Sep 23	20.55	S&P BSE 500 TRI: 19.39
Emkay Multicap Capital Builder	1 April 21 to 31 Mar 22	20.55	S&P BSE 500 TRI: 20.63
	1 April 22 to 31 Mar 23	6.25	S&P BSE 500 TRI: -2.19
	1 April 23 to 30 Sep 23	21.35	S&P BSE 500 TRI: 19.39
EIML A/C Emkay's 12 Portfolio	1 April 21 to 31 Mar 22	12.74	NIFTY 50 TRI: 18.83
	1 April 22 to 31 Mar 23	-0.24	NIFTY 50 TRI: -0.58
	1 April 23 to 30 Sep 23	13.67	NIFTY 50 TRI: 14.02
Emkay Lead Portfolio	1 April 21 to 31 Mar 22	13.12	NIFTY 50 TRI: 18.83
	1 April 22to 31 Mar 23	-11.85	NIFTY 50 TRI: -0.58
	1 April 23 to 30 Sep 23	16.27	NIFTY 50 TRI: 14.02
Emkay Investment Managers Ltd (GEMS).	1 April 21 to 31 Mar 22	18.49	S&P BSE 500 TRI: 20.63
	1 April 22 to 31 Mar 23	0.45	S&P BSE 500 TRI: -2.19
	1 April 23 to 30 Sep 23	28.67	S&P BSE 500 TRI: 19.39
Emkay's Alpha Mavens	1 April 21 to 31 Mar 22	9.05	S&P BSE500 TRI: 20.63
	1 April 22 to 31 Mar 23	-4.00	S&P BSE 500 TRI: -2.19
	1 April 23 to 30 Sep 23	21.65	S&P BSE 500 TRI: 19.39
Emkay New Vitalized India	13 Jun 22 to 31 Mar 23	14.29	S&P BSE 500 TRI : 9.42
	1 April 23 to 30 Sep 23	33.88	S&P BSE 500 TRI : 19.39
Emkay Liquid	1 April 21 to 31 Mar 22	4.35	CRISIL COMPOSITE BOND INDEX: 4.46
	1 April 22 to 31 Mar 23	5.45	CRISIL COMPOSITE BOND INDEX: 3.78
	1 April 23 to 30 Sep 23	3.33	CRISIL COMPOSITE BOND INDEX: 3.71

Note: Returns of the clients are on Time weighted rate of return TWRR method. These performances records are not verified by SEBI or any regulatory authority. The above data is only for the discretionary portfolio management services.

17. Audit Observations.

As per the Statutory Audit Report for the last three Financial Years issued by our Statutory Auditor M/s. B. L. Sarda & Associates, there are no adverse observations made in the Audit Report for the preceding three Financial Years.

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18. Nature of Expenses for Clients.

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

a. **Management Fees**
Management Fees relates to the Portfolio Management Services offered to the clients. The fee may be a fixed charge or a percentage of the quantum of funds managed and may be Performance based or a combination of any of these.
High Water Mark Principle: High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high water mark shall be taken to be the value on the date when performance based fees is charged. For the purpose of charging performance based fee, the frequency shall not be less than quarterly. The portfolio manager shall charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark.
(Cir. /IMD/DF/13/2010 dated October 5, 2010)

b. **Entry Load & Exit Load**
Entry Load: Charges in connection with the corpus introduced on boarding as well as top up on existing corpus by clients.
Exit Load: Charges in connection with early withdrawals of funds (agreed by each client in writing).

c. **Custodian / Depository Fees**
The charge relating to opening and operation of depository accounts, Custody and transfer charges for shares, bonds and units, dematerialization, re-materialization and other charges in connection with the operation and management of the depository accounts.

d. **Registrar's and Transfer Agent's Fees**
Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges cost of affidavits, notary charges, postage stamp and courier charges.

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

f. **Securities Lending and Borrowing Charges**
The charges pertaining to the lender of securities, costs of borrowing including interest, and costs associated with transfers of securities connected with the lending and borrowing transfer operations.

g. **Certification and Professional Charges**
Charges payable for out sourced professional services like accounting, taxation and legal services, notarizations, certifications, attestations required by bankers or regulatory authorities.

h. **Incidental Charges**
Charges in connection with the courier, stamp duty, service tax, GST w.e.f. July 2017 postal, telegraphic, and bank account operations etc.

i. **Other Charges**
As mutually discussed and agreed by the Portfolio Manager and the Client

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J **Direct On-boarding**

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

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

19. Tax Implications for Clients

The information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client vis-à-vis the investments made through the portfolio management services route. This information gives the direct tax implications on the footing that the securities are/will be held for the purpose of investments. In case the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case-to-case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment under portfolio management services route shall endure indefinitely.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest under portfolio management services route. Implications of any judicial decisions/ Double Tax Avoidance Treaties, etc. are not explained herein. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of individual nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the Client is advised to best consult it's or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by the Portfolio Manager.

It is the responsibility of all prospective client to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the securities.

The following summary is based on the law and practice of the Income-tax Act, 1961 (the "IT Act"), the Income-tax Rules, 1962 (the "IT Rules") and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects the amendments enacted in the Finance Act, 2023

The tax rates mentioned below relate to Financial Year 2023-24 (Assessment Year 2024-25) and are inclusive of surcharge and education cess, unless specified otherwise.

The Finance Act, 2020, has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Assessment Year 2021-22 and onwards:

Tax Rates applicable for FY 2023-24 (Assessment Year 2024-25) for Individuals and HUF:

Type	*Old Regime*	*New Regime as per section 115BAC*

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Age Bracket	< 60 Yrs	60 - 80 Yrs	>80 Yrs	All Age Groups of Individuals	
Total Income (INR)	**Rate***	**Rate**	**Rate**	**Total Income (INR)**	**Rate***
Up to 250000	NIL	NIL	NIL	Up to 3,00,000	NIL
From 250,001 to 300000	0.05	NIL	NIL	From 3,00,001 to 6,00,000	0.05
From 300,001 to 500000	0.05	0.05	NIL	From 6,00,001 to 9,00,000	0.1
From 500,001 to 10,00,000	0.2	0.2	0.2	From 9,00,001 to 12,00,000	0.15
Above 10,00,001	0.3	0.3	0.3	From 12,00,001 to 15,00,000	0.2
				Above 15,00,000	0.3

*These are also applicable rates for persons other than individuals (HUF, AOP, BOI, and Artificial Juridical Person)

Note for New Tax Regime u/s 115BAC: -

1.With effect from 1st April 2023, the applicable rates under section 115BAC shall apply to individuals, HUF, AOP, BOI and Artificial Juridical Person.
2.In case Taxpayer is earning Incomes other than Income from Business or Profession, Option to follow alternative tax regime u/s 115BAC can be exercised every year in Income Tax Return itself.

As per Finance Act, 2023 the applicable rate of surcharge on business income for financial year 2023-24 are as follows:

Type/ Range of Income	Firm	Domestic Company	Foreign Company
INR 10 million to INR 100 million	12%	7%	2%
Exceeding INR 100 million	12%	12%	5%
Special Tax rate u/s 115BAA and 115BAB	NA	10%	NA

Surcharge is levied on the amount of income-tax at following rates if total income of any other resident or non-resident Assessee exceeds specified limits: -

Financial Year 2023-24				
Range of Income (Under Old Regime)				
INR 5 million to INR 10 million	*INR 10 million to INR 20 million*	*INR 20 million to INR 50 million*	*INR 50 million to INR 100 million*	*Exceeding INR 100 million*
10%	*15%*	*25%*	*37%*	*37%*

Financial Year 2023-24		
Range of Income (Under New Regime) as per Section 115BAC		
INR 5 million toINR 10 million	*INR 10 million toINR 20 million*	*Exceeding INR 20 million*
10%	*15%*	*25%*

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Note:

1. The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.

2.As per Finance Act,2023 Maximum rate of Surcharge @ 15% will be levied on **any Long-Term Capital Gains earned by Individuals and HUF's**; which is currently applicable only to capital Gains of Listed Shares u/s 111A and 112A and, Dividend Income whereas maximum Surcharge for balance income was 37%. Hence effective tax rate on long-term capital gains earned by Individual & HUF will be 23.92% for financial year 2023-24.

Further, for Financial Year 2023-24 (Assessment Year 2024-25) the health and education cess at 4% is leviable.

In this Disclosure document, we have assumed that the highest surcharge rate would be applicable to an investor.

I. Taxation in hands of Investors
Taxation of resident investors:

a) Dividend Income:

Prior to the amendments by the Finance Act,2020 dividends declared by an Indian company were exempt in the hands of all shareholders, irrespective of their residential status. However, the Indian company declaring, distributing or paying the dividends was required to pay a Dividend Distribution Tax ('DDT') of 15% (exclusive of surcharge and health and education cess). The DDT rate was to be on a grassed-up basis. DDT was the Indian company's liability and not the recipient shareholder's liability.

As per the amendments made by the Finance Act,2020 the Indian Company declaring dividend on or after 1st April 2020, would not be required to pay any DDT on dividend distributed/ paid/ declared to its shareholders. The dividend income shall be taxable in the hands of the shareholders under section 56 of the IT Act under the head 'Income from Other Sources' at the applicable rates (except where DDT and tax under section 115BBDA of the IT Act has been paid). Further, the taxpayer can claim a deduction of interest expenditure under section 57 of the IT Act against such dividend income up to 20% of the dividend income.

Section 80M is introduced by the Finance Act,2020. As per Section 80M, in case any Indian company receives dividend from another Indian company or foreign company or business trust and the dividend is distributed by the first mentioned Indian company before the specific due date (i.e., one month prior to the date of filing tax return under section 139 of the IT Act), then deduction can be claimed by such Indian company of so much of dividend received from such another Indian company or foreign company or business trust.

Moreover, As per Amendment made by Finance Act,2022, In order to provide parity in the tax treatment, In case of dividends received by the Indian companies from specified foreign companies (i.e. foreign companies in which Indian company holds 26% or more in nominal value of the equity share capital of the company), the provisions of section 115 BBD is removed from Assessment year 2023-24 onwards. i.e., Now Dividend received from such foreign companies will be taxed @ 34.944%.

The Indian Company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors) and at rates in force i.e., 20% (in case of payment to non-resident investors). In

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case, the dividend income is paid to FPI and FII, the rate of tax deduction as per section 196D is 20% (Plus applicable surcharge and Health and Education cess).
As per the amended provisions, the dividend income (net of deductions, if any) shall be taxable at the following rates:

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	34.944%
Firms / LLPs	34.944%
Others {Refer Note 3)	As per applicable slab rates and surcharge being restricted to 15%, maximum being 35.88%

Note 1: The Finance Act, 2020 has reduced tax rate to 25% in case of Domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2018-19 (Assessment Year 2019-20). Such reduced tax rate of 25%, as per the Finance Act, 2022 is also applicable in case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the financial year 2020-21 (assessment year 2021-22).
Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.
Note 3: A new section 115BAC in the IT Act. As per the said section, resident Individual, HUF, AOP, BOI and Artificial Juridical Person will have an option to pay tax on their total income at the reduced tax rates, The income would, however, have to be computed without claiming prescribed deductions or exemptions.
Note 4: The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.
Prior to Finance Act, 2020, distributions from a mutual fund were also exempt in the hands of all unitholders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01st April 2020, distributions from Mutual fund shall be taxable in the hands of the investor at applicable rates.

b) Interest Income:
Under the IT Act, interest income should be taxable in the hands of the resident clients as under:

Interest Income received by	Tax Rate of domestic clients
Resident companies (Refer Note 1 and 2)	34.944%
Firms/LLP	34.944%
Others (Refer Note 3)	As per applicable slab rates, maximum being 42.744%

Note 1: The Finance Act, 2020 has reduced tax rate to 25% in case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2018-19

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(Assessment Year 2019-20). Such reduced tax rate of 25%, as per the Finance Act, 2022 is also applicable in case of domestic Companies having total turnover or gross receipts not exceeding INR 400 crores in the financial year 2020-21 (assessment year 2021-22).
Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.
Note 3: A new section 115BAC in the IT Act. As per the said section, resident Individual, HUF, AOP, BOI and Artificial Juridical Person will have an option to pay tax on their total income at the reduced tax rates, The income would, however, have to be computed without claiming prescribed deductions or exemptions.

Taxation of non-resident investors:

A non-resident investor would be subject to taxation in India only if;

- Regarded a tax resident of India; or
- Being a non-resident in India, derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management ("POEM") is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.
The Finance Act, 2020 has certain changes to the provisions which deal with the determination of residential status of individuals. The same are mentioned as under:
Amendments to determine Residential Status for Individuals:
A new provision of Deemed Residency has been introduced by way of insertion of Explanation (1A) to Section 6(1).
The conditions are as under:

- Citizen of India
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs
- Such person is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature;

If all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.
Further, as per Section 6(1)(c), citizen of India, or a person of Indian origin who being outside India comes on a visit to India have been given a relaxation whereby they shall treated as Resident of India only if their stay in India is 182 days or more instead of 60 days in that year. In order to avoid misuse of such extended period of 182 days, the exception provided to persons visiting India has been reduced to 120 days (income above Rs. 15 lakhs) from existing 182 days.
The provisions of Not Ordinarily Resident have also been changed by way of inserting new clause (c) to Section 6(6) with the following conditions:

- Citizen of India or a person of Indian origin who being outside India comes on a visit to India
- Stay in India of such person during the Financial Year is 120 days or more but less than 182 days
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs

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If all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.
The CBDT had vide its Circular dated January 24, 2017 issued guiding principles for determination of POEM of a Company ('POEM Guidelines'). The POEM Guidelines lays down emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of Sec 6(3)(ii) relating to place of effective management (POEM) would not apply to companies having turnover or gross receipts less than Rs 500 million during the financial year.

Tax Treaty Benefit

As per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("Tax Treaty") between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore clients. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

Tax Residency Certificate

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.
The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee:
- Nationality {in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- Assessee's Tax Identification number in the country or specified territory of resident and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- Period for which the residential status, as mentioned in the TRC, is applicable, and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

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

Characterization of Income

Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gain'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.

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Regarding characterization of income from transactions in listed shares and securities, the Central Board of Direct Taxes ("CBDT") had issued a clarificatory Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as its stock-in-trade and consider thereof as its business income.
In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F. No. 225/12/2016/ ITA.II dated May 2, 2016 stating that income arising from transfer of unlisted shares would be considered under the head 'Capital Gains' irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

The tax implications in the hands of investors on different income streams are discussed below:

a) Dividend Income

Till FY 2019-20, dividends declared by Indian companies were exempt from tax in the hands of the Investors under section 10(34) of the IT Act. The Indian company would be liable to pay DDT at the effective rate 20.56% for F.Y.2019-20 of the dividends at the time of distributing dividends to the investors. But Finance Act 2020 has shifted the burden of taxation on recipients and will be taxed at the applicable income slab rate from FY 2020-21 onwards.
As per the amendments in The Finance Act 2020, the dividend income would be taxable directly in the hands of investors. Deduction of interest expense should be allowed under section 57 of IT Act against such dividend income, with overall capping of 20% of dividend income. Such net dividend income should be chargeable to tax at the rate of 20% as per the provisions of the IT Act. The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.
The Indian company declaring dividend is required to deduct tax at specified rates/ rates in force. In case, the dividend income is paid to an FPI and FII, the rate of tax deduction as per section 196D of the ITA is 20%(Plus applicable surcharge and Health and Education cess) subject to availability of benefits of treaty. However, if treaty benefits are available, gross amount of dividend should be chargeable to tax at the rates stated in treaty.
Prior to Finance Act, 2020, distributions from a mutual fund were also exempt in the hands of all unit holders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section II5R of the IT Act on the amount distributed, declared or paid. With effect from 01 April 2020, distributions from mutual fund shall be taxable in the hands of the investor at the applicable rates.

b) Interest Income

For F.Y.2023-24, any income in the nature of interest income would be subject to tax at the following rates:

Interest Income received by	Tax Rate of non-resident clients
Firm and LLP	34.944%

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Individual, HUF, AOP, BOI	42.744%
Foreign Corporate investors	43.68%

The rates mentioned here are subject to availability of Tax Treaty benefit. If any.
In case the investments made by the non-resident Indian ('NRI') Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act, the interest income from specified assets should be taxable at the rate of 28.496% on gross basis. 'Specified asset' means shares in an Indian Company, debentures issued by an Indian public Company, deposits with an Indian public Company and any security of the Central Government as defined in Public Debt Act.

As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to FPI would be subject to tax at the rate of 5.46% if following conditions are satisfied:

- Such interest is payable on or after 1 June 2013 and 1 July 2013
- Rate of interest does not exceed the rate notified by the Central Government

If the above confessional tax rate is not available, then the interest income would be subject to tax rate at the rate of 21.84% for FPI clients.

c) Capital Gains

Assuming the gains arising from sale of capital assets such as shares and securities of the companies is characterised as capital gains in hands of the resident Client, such Client be liable to pay taxes on capital gains income as under:

i. Period of holding

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

Type of instrument	Period of holding	Characterization
Listed securities (other than a unit) / Unit of equity-oriented Fund / Zero Coupon Bonds	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset
Unlisted shares	More than 24 months	Long Term Capital Asset
	24 months or less	Short Term Capital Asset
Other securities (including unit of a debt-oriented Fund)	More than 36 months	Long Term Capital Asset
	36 months or less	Short Term Capital Asset

ii. Taxation of capital gains

Capital gains should be taxed in the hands of the Investors as per the IT Act as under:

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Nature of Income	Tax Rate for Resident Investors			Tax rate for Non-Resident Investors		
	Corporates	Individuals/ HUF / AOP / BOI	Others (Firms, LLPs)	Corporates	Individuals/HUF / AOP / BOI	Others
Short-term capital gains on transfer of: (i) listed equityshares on arecognised stock exchange; (ii) to be listed equity shares sold through offer for sale; or (iii) units of equity oriented mutual fund on which STT hasbeen paid	17.472 for F.Y. 2023-24	17.94 for F.Y. 2023-24	17.472 for F.Y. 2023-24	16.38 for F.Y. 2023-24	17.94 for F.Y. 2023-24	17.472 for F.Y. 2023-24
Other short-termcapital gains	34.944 for F.Y. 2023-24	42.744for F.Y. 2023-24	34.944 for F.Y. 2023-24	43.68 for F.Y. 2023-24	42.744 for F.Y. 2023-24	34.944 for F.Y. 2023-24
Long-term capital gains on transfer of: (i) listed equityshares on arecognised stock exchange; (ii) to be listed equity sharessold through offer for sale; (iii) units of equity oriented mutual fund on which STT has been paid (Refer Note 1)	11.648 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24	10.92 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24
Long-term capital gains on transfer of listed bonds or listeddebentures	11.648 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24	10.92 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24
	(Without Indexation)					
Long-term capital gains on transfer of listed securities (otherthan units of mutual funds, listed bonds and listed debentures) and on which STT has not been paid	11.648 for F.Y. 2023-24 (Without Indexation) 23.296 for F.Y. 2023-24 (With Indexation)	11.96 for F.Y. 2023-24 (Without Indexation) 23.92 for F.Y. 2023-24 (With Indexation)	11.648 for F.Y. 2023-24 (Without Indexation) 23.296 for F.Y. 2023-24 (With Indexation)	10.92 for F.Y. 2023-24 (Without Indexation)	11.96 for F.Y. 2023-24 (Without Indexation)	11.648 for F.Y. 2023-24 (Without Indexation)
Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	23.296 for F.Y. 2023- 24 (With Indexation)	23.92 for F.Y. 2023- 24 (With Indexation)	23.296 for F.Y. 2023- 24 (With Indexation)	10.92 for F.Y. 2023- 24 (Without Indexation)	11.96 for F.Y. 2023-24 (Without Indexation)	11.648 for F.Y. 2023- 24 (Without Indexation)
Long-term capital gains on transfer of unlisted bonds or unlisted debentures	23.296 for F.Y. 2023- 24 (Without Indexation)	23.92 for F.Y. 2023- 24 (Without Indexation)	23.296 for F.Y. 2023- 24 (Without Indexation)	10.92 for F.Y. 2023- 24 (Without Indexation)	11.96 for F.Y. 2023-24 (Without Indexation)	11.648 for F.Y. 2023- 24 (Without Indexation)

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Note 1: *The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) for F.Y.2023-24 on LTCG arising on sale of listed bonds and debentures in case of resident non-individual investors.*

Note 2: *The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) for F.Y.2023-24 on LTCG arising on sale of listed bonds and debentures in case of resident individual investors.*

Note 3*: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) for F.Y.2023-24 on LTCG arising on sale of listed securities in case of resident non-individual investors.*

Note 4: *The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) for F.Y.2023-24 on LTCG arising on sale of listed securities in case of resident individual investors.*

Note 5: *The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) for F.Y.2023-24 on LTCG arising on sale of listed securities in case of non-resident non-individual investors.*

Note 6*: There was an ambiguity under the Income Tax Act on whether unlisted securities of private limited companies are covered by the definition of unlisted securities. Restricting the above lower tax rate only to transfer of unlisted securities of public companies (and excluding private companies) did not seem to be the intent behind the legislative changes. The ITA, vide Finance Act, 2016 provide for lower tax rate on transfer of long-term capital asset on shares of a company not being a company in which the public are substantially interested, which includes private companies.*

In case the investments made by the NRI investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, (i) any long-term capital gains should be taxable at the rate of 10% (plus applicable surcharge and cess) for F.Y.2023-24 and (ii) any investment income should be taxable at 20.00% (plus applicable surcharge and cess) for F.Y.2023-24

Note 7: *The Finance Act, 2018 has introduced a new regime for taxation of long term capital gain on sale / other transfers of (a) equity shares in a company (b) unit of an equity-oriented fund and (c) a unit of business trust (where such transaction is chargeable to securities transaction tax) where the exemption has been withdrawn under section 10(38) and are made taxable under section 112A.It is taxable with effect from Assessment Year 2019-20 i.e. it will apply to any shares sold after 31st March 2018.The gains covered under section 112A shall be taxable at the concessional rate of 10% (excluding surcharge and cess) with threshold limit of Rs. 1 lakh. Further, the Long Term Capital gains which will be realized after 31st March 2018, on existing holding (i.e., shares etc. acquired up to 31st January, 2018) to the extent of fair market value as on 31st January, 2018 shall also not be chargeable to tax. Thus, the gain over and above the fair market value as on 31st January 2018 only will be taxable @ 10 % (excluding surcharge and cess).*

Note 8: *As per Section 115F of the IT Act, long term capital gains arising to a non-resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in any specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. "Foreign exchange asset" means any specified asset which the assessed has acquired or purchased with, or subscribed to in, convertible foreign exchange.*

iii. **Deemed Sale Consideration on sale of unquoted shares**

As per Section 50CA of IT Act, introduced by Finance Act, 2017, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued final rules for computation of FMV for the purpose of section 50CA of the IT Act.

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a) Gains arising on buy-back of shares by company

As per the Section 10(34A) of the IT Act, gains arising on buy-back of shares (not being shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.296% is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act, 2013. Such distribution tax should be payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, recently on October 17, 2016, CBDT notified final buyback rules by inserting new Rule 40BB to IT Rules for determining the amount received by the Indian company in respect of issue of shares.

Gains arising on buy-back of shares listed on a recognised stock exchange should be taxed in the manner summarised in the above table on Page 32 (for listed shares).

b) Deemed income on investment in shares / securities of unlisted companies in India

As per section 56(2)(x) of the IT Act, as inserted by Finance Act 2017, where any person receives any property, including shares and securities from any person for a consideration which is lower than the FMV by more INR 0.05 million, then difference between the FMV and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("**Other Income**"). The rules for determining the FMV of shares and securities have been prescribed under the IT Rules.

Accordingly, such Other Income would be chargeable to tax as follow:

Particulars	For resident investors	For offshore investors
In case of companies	34.944% for F.Y. 2023-24	43.68% for F.Y. 2023-24
In case of individuals / HUFs / AOPs / BOIs	42.744% for F.Y. 2023-24 (as per higher slab rate)	42.744% for F.Y. 2023-24 (as per higher slab rate)
In case of other investors	34.944% for F.Y. 2023-24	34.944% for F.Y. 2023-24

c) Issue of shares at a premium by a private company

In case, a resident subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the face value of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as income from other sources. The same would be subject to tax in the hands of the investee companies under section 56(2) (viib) of the IT Act.

For the above purposes, the FMV of shares would be determined as per detailed rules prescribed or as may be substantiated by the Company to the satisfaction of the tax officer based on the value of assets and liabilities, whichever is higher.

d) Redemption Premium

There are no specific provisions under the IT Act, with regard to the characterization of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as 'interest' or as 'capital gains'. The characterization of premium on redemption of securities as interest or a capital gains has to be decided based on factors surrounding the relevant case. Taxability of 'interest' and 'capital gains' in the hands of the investors is provided in earlier paragraphs.

e) Minimum Alternate Tax

The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-

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tax payable in a financial year. This credit should be eligible to be carried forward for 15 years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year.

As per the Taxation Laws (Amendment) Ordinance, 2O19 No. 15 of 2019, MAT should not apply in case of domestic companies exercising option under section 115BAA and section I15BAB of the ITA.

If MAT is held to be applicable to the clients, then income receivable by such clients from their investment in the PMS shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

f) Alternate Minimum Tax

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

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

g) Capital Gains Tax implications on conversion of convertible debentures

Conversion of debentures of a company into shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the PMS on conversion of convertible debentures of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible debenture 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 subscription of debentures irrespective of date of conversion.

h) Capital Gains Tax implications on conversion of preference shares

Conversion of preference shares of a company into equity shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the PMS on conversion of convertible preference shares of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible preference share would be deemed to be the cost of acquisition of such equity shares. Further, the period of holding of the convertible preference shares will be considered for determining the period of holding of the resultant equity shares.

II. <u>Securities Transaction Tax</u>

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. STT is levied on the seller @ 0.025% on the sale of equity share in a company or unit of an equity oriented mutual fund for transaction executed in recognised stock exchange, settled otherwise than by actual delivery.

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III. Bonus Stripping

In case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus units) and sold/transferred/redeemed within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be deemed as cost of acquisition of such bonus units.

IV. Withholding at a Higher Rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ("PAN"), then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

1. Name, e-mail id, contact number;
2. Address in the country or specified territory outside India of which the deductee is a resident;
3. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
4. Tax identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

V. Carry-forward of losses and other provisions (applicable to both Equity products irrespective of the residential status):

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

VI. General Anti Avoidance Rule ("GAAR")

The Finance Act, 2013 introduced the amended GAAR provisions to be effective from FY 2015-16. However, the Finance Act, 2015 deferred the GAAR provisions by 2 years and it shall now be applicable to the income of FY 2017-18 and subsequent years. Further, investments made up to March 31, 2017 would be grandfathered and GAAR would apply prospectively only to investments made after April 1, 2017.

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

(a) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;

(b) It results in direct / indirect misuse or abuse of the IT Act;

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(c) It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or

(d) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

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

(a) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
(b) Ignoring the arrangement for the purpose of taxation law;
(c) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
(d) Looking through the arrangement by disregarding any corporate structure;
(e) Reallocating and re-characterizing equity into debt, capital into revenue, etc.
(f) Disregarding or treating any accommodating party and other party as one and the same person;
(g) Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The above terms should be read in the context of the definitions provided under the IT Act. Any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 30 million.

Further, recently on January 27, 2017, the CBDT has issued clarifications[1] on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations.

VII. FATCA Guidelines

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

- the name, address, taxpayer identification number ('PIN') (assigned in the country of residence) and date and place of birth 'DOB" and 'POB' (in the case of an individual):
- where an entity has one or more controlling persons that are repayable persons:
  of the name and address of the entity, TIN assigned to the entity by the country of its residence; and
  of the name, address, DDB, POB of each such controlling person add TIN assigned to such controlling person by the country of his residence;
- account number (or functional equivalent in the absence of an account number);

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- account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year: and
- the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

VIII. Goods and Service Tax

From July 1, 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST shall be applicable on services provided by the Investment Manager and Trustee to the PMS. GST rate on such services is currently 18%. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee and Trusteeship Fees payable by the PMS to the Investment Manager and Trustee, respectively.

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

20. Accounting policy

The following accounting policy will be applied for the Portfolio Investments of the Clients:

a. Investments in Equities, Mutual Funds and Debt Instruments will be valued at the closing market prices of the exchange (BSE or NSE as the case may be) or the Repurchase Net Asset Value declared for the relevant products on the date of the report or any cutoff date or the market value of the debt instrument at the cutoff date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned.
b. Realized gains/losses will be calculated by applying the first in / first out principle. For example, the earliest purchased quantity will be reckoned for the current / most recent sale at the respective prices at both points in time.
c. For Derivatives and Futures and Options, unrealized gains and losses will be calculated by marking to market the open positions.
d. Unrealized gains / losses are the differences between the current market values/NAV and the historical cost of the securities
e. Dividends on shares and income on units in mutual funds, Bank interest, stock lending fees earned etc. shall be accounted on receipt basis. The interest on debt instruments shall be accounted on accrual basis.
f. The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case specific basis. The investor may contact the Relationship Managers of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.
g. 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.
h. Transactions for purchase or sale of investments will be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are

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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 scheme obtains in enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

i. Bonus shares to which the scheme/option becomes entitled will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
j. Corpus-in/corpus-out in the form of securities would be accounted at the closing market rate of the securities on the day of entry/withdrawal.
k. Tax deducted at source (TDS) is considered as withdrawal of Portfolio and debited accordingly.
l. Securities Transaction Tax paid on purchase/sale of securities including derivatives, during the financial year is recognized as an expense in the books of accounts.

21. Investor Services.

21.1 Contact information

Name, address and telephone number of the Investor Relations Officer who shall attend to the investor's queries and complaints.

Name	:	Mr. Sachin Shah
Address	:	The Ruby, 7th Floor, Senapati Bapat Marg, Dadar West, Mumbai – 400028.
Telephone	:	022 66121207
Email	:	sachin.shah@emkayim.com

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

21.2 Grievance Redressal and Dispute Settlement Mechanism

The Compliance Officer will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time.

Name	:	Ms. Dimple Kesaria
Address	:	Paragon Centre, C-06, Ground Floor, Pandurang Budhkar Marg, Opp Century Mills, Worli, Mumbai – 400013.
Email	:	grievance@emkayglobal.com
Telephone	:	022 66299299

If the investor remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the investor and the Compliance Officer shall abide by the following mechanisms: -
All disputes, differences, claims and questions whatsoever arising between the Client/Investor 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 modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

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21.3 SEBI Complaints Redressal System (SCORES)

SEBI has launched an internet-based utility called SCORES to facilitate investors to lodge their complaints/grievances with SEBI.
Link to access the SCORES utility is given below.
https://scores.gov.in/scores/Welcome.html#

21.4 Online Dispute Resolution platform (ODR)

SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market.

Link to access the ODR portal is given below.
https://smartodr.in/login

22 Others

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

For **Emkay Investment Managers Limited**

EMKAY INVESTMENT MANAGERS LIMITED MUMBAI

Rajesh Sharma
Director

EMKAY INVESTMENT MANAGERS LIMITED MUMBAI

S Agrawal

Saket Agrawal
Director

Date: 26.12.2023
Place: Mumbai

LOVI MEHROTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
5, (2nd Floor) Tardeo A.C. Market, Tardeo, Mumbai - 400034 • Tel.: 23520788, 23510885

The Board of Directors,
Emkay Investment Managers Limited,

We have examined the Disclosure Document dated December 26, 2023 for Portfolio Management Services prepared by Emkay Investment Managers Limited (company), a Portfolio Manager registered with SEBI under the SEBI (Portfolio Managers) Regulations, 2020 having SEBI registration number INP000004458 dated October 3, 2018, having its registered office 7th Floor, The Ruby, Senapati Bapat Marg, Dadar West, Mumbai 400028.

The Disclosure Document is made based on the model disclosure document as stated in Schedule V of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020.

Our certification is based on the Unaudited Balance Sheet of the company as on September 30, 2023 and the examination of other records, data made available and information & explanations provided to us.

Based on our examination we certify that:

a) the disclosures made in the Disclosure Document are true, fair and correct
b) the information provided in the Disclosure Document is adequate to enable the investors to make a well-informed decision.

This certificate has been issued for submission to the Securities and Exchange Board of India for the sole purpose of certifying the contents of the Disclosure Document for Portfolio Management and should not be used or referred to for any other purpose without our prior written consent.

For Lovi Mehrotra & Associates
Chartered Accountants
Firm Reg. No. 504724N

Lovi Mehrotra & Associates * Chartered Accountants * FRN 504724N MUMBAI

Nilesh J. Shah
Partner
Membership No. 113739
ICAI UDIN No - 23113739BGTSKM7735

Mumbai,
December 26, 2023