DKCG
Chartered Accountants

CERTIFICATE

The Board of Directors,
ASK Investments Managers Limited,
Birla Aurora, Level 16, Office Floor 9,
Dr. Annie Besant Road,
Worli,
Mumbai – 400 030.

1. You have requested to us to provide a certificate on the Disclosure document for Portfolio Management Services ("the Disclosure Document") of ASK Investment Managers Limited ("the Company"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India on account of change in benchmark. ("The SEBI")

2. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the SEBI Regulation") is the responsibility of the management of the company. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purpose issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

3. In respect of the information given in the Disclosure document, we state that

   i. The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the company.

   ii. The Promoters and directors qualification, experience, ownership details are as confirmed by the directors and have been accepted without further verification.

   iii. We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the disclosure document.

DKCG AND ASSOCIATES
FRN NO. 154843W
CHARTERED ACCOUNTANTS

iv. We have relied on the representation made by the management regarding the non-material changes with respect to change in benchmark as on June 30, 2023.

4. Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document are true and fair in accordance with the disclosure requirement laid down in Regulation 22 read with schedule V to the SEBI Regulations. A management certified copy of the disclosure document is enclosed herewith and marked as **Annexure "A"**.

5. This certificate is intended solely for the use of the management of the company for the purpose as specified in paragraph 1 above.

For M/s D K C G and Associates
Chartered Accountants

DKCG AND ASSOCIATES * CHARTERED ACCOUNTANTS * FRN NO. 154843W

Deepak B Kharwad
Partner
Membership No. : 124599
Firm Registration No. : 154843W

Place: Mumbai
Date: 04th August, 2023

Cert. No.: DKCG/2023-24/005
UDIN: 23124599BGWVWS6252

ASK INVESTMENT MANAGERS LIMITED

DISCLOSURE DOCUMENT

FOR

PORTFOLIO MANAGEMENT SERVICES

ASK INVESTMENT MANAGERS LIMITED

Birla Aurora, 16 Level, Office Floor 9, Dr. Annie Besant Road, Worli, Mumbai – 400 030.

FORM C
[As required under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020]

It is confirmed that:

i) the Disclosure Document forwarded to SEBI is in accordance with Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time.

ii) the purpose of the document is to provide essential information about the portfolio services and the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision for engaging a Portfolio Manager.

iii) the contents of disclosure document have been duly certified by an Independent Chartered Accountant, M/s DKCG and Associates, (FRN 154843W) having its office at B-702, Neelkanth Business Park, Next to Vidyavihar Bus Depot, Vidyavihar West, Mumbai - 400 086 MH.

iv)

Principal Officer:	Mr. Sumit Jain
Address:	ASK Investment Managers Ltd. Birla Aurora, Level 16, 714, Dr. Annie Besant Road, Worli, Mumbai – 400 030.
Telephone Number:	022-66520120
E-mail:	sumit.jain@askinvestmentmanagers.com

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

For ASK Investment Managers Limited

Mr. Sumit Jain
Principal Officer

Date: 04.08.2023
Place: Mumbai

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1. DISCLAIMER CLAUSE: -

The particulars as given in this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI along with the certificate in the prescribed format in terms of Regulation 22 therein. This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the document.

The investor is advised to retain the copy of this Disclosure document for future reference.

2. DEFINITIONS: -

The terms used in this Document will be understood in the normal sense unless otherwise specified in this section. Any term used in this Disclosure Document shall have the same meaning as provided in the Regulations.

3. DESCRIPTION: -

i) History, Present Business and Background of the Portfolio Manager – ASK Investment Managers Limited (ASK IM)

ASKIM is a premier and professionally managed Portfolio Management Services firm that provides equity focused portfolio management and investment advisory services. ASKIM got its portfolio management registration in year 1993-1994. From promoter driven company the firm has come a long way to be managed and partly owned by experienced professionals. The majority shareholding of the firm, currently, has been acquired by BCP Topco XII Pte Ltd, which is a private limited company incorporated under the laws of Singapore and registered with the Singapore Accounting and Corporate Regulatory Authority. It is controlled by funds advised and/or operated by affiliates of Blackstone Inc. ("**Blackstone**").

Blackstone was founded in 1985 and has been publicly listed on the New York Stock Exchange since 2007 under the ticker symbol "BX". It is headquartered in the United States of America and has offices in London, Mumbai, Tokyo, Shanghai, Hong Kong, Singapore, Sydney, Paris, Düsseldorf and Frankfurt, among many other locations. Blackstone has been active in India since 2006.

Blackstone is a global alternative asset manager, and its alternative asset management businesses include the management of private equity funds, real estate funds, real estate investment trusts, closed ended mutual funds, funds of hedge funds, hedge funds, credit-focused funds, and collateralized loan obligation vehicles. Further information regarding Blackstone is available at www.blackstone.com. Also, Blackstone's latest financial statements are available at: https://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx.

The Blackstone Group has extensive experience in the financial services sector globally and in India, including through its investments, such as in: (a) Aadhar Housing Finance, the largest independent affordable housing finance company in India; (b) First Eagle, a privately held asset management firm in the US with over USD 100 billion of assets under management; (c) Luminor Bank, the third largest financial services provider in the Baltic banking market; (d) La Trobe Financial, a leading Australian portfolio, asset and wealth manager; and (e) NIBC, a leading Dutch specialist bank, etc. and many in-house experts and global advisors with deep expertise in this sector.

Blackstone has been active as a long-term investor in India since 2006 across investments in Private Equity and Real Estate, and now has a market value of USD ~60 billion of assets, making it a Top 10 business group in India. India is the #1 performing geography globally for Blackstone Private Equity. Blackstone in India is currently also: (a) a promoter of Aadhar Housing Finance Limited, a housing finance company registered with the National Housing Bank; (b) a sponsor of Embassy Office Parks REIT, India's first and Asia's largest (by area) real estate investment trust; (c) a promoter of International Asset Reconstruction Company, an asset reconstruction company, registered with the Reserve Bank of India; (d) a promoter of various listed companies in India, such as Mphasis, Sona Comstar and EPL; (e) the largest foreign investor in FINO, which holds India's first listed payments bank; and (f) invested in various regulated entities, including in BTO AIF (an alternative investment fund), a foreign venture capital investor and a foreign portfolio investor.

ASKIM offerings are designed around high net worth individuals (resident Indians and NRIs), body corporate and Foreign Portfolio investors (FPIs) who are looking for a customized investment program that focuses on long term wealth creation through investments in equities. Over these years, ASKIM has painstakingly developed a successful portfolio management franchise, which revolves around the key tenets of business such as:

- Strong business values and ethics
- Well etched out investment philosophy
- Well-designed concept-oriented investment concepts
- Strong investment management capability
- Sound technology for client interface and operations
- Exacting standards of client servicing

ASKIM being registered as Portfolio Manager is exempted to be registered under SEBI (Investment Advisor) Regulations, 2013 for providing investment advice to its clients and is also exempted for registration under SEBI (Research Analyst) Regulations, 2014. ASKIM also act as the Sponsor and Investment Manager to ASK Select Focus Fund, ASK India 2025 Equity Fund, ASK Emerging Opportunities Fund, ASK Golden Decade Fund, ASK Emerging Opportunities Fund Series II, ASK Golden Decade Fund Series II, ASK Growth India Fund – Closed Ended Funds, and ASK Multi Cap Fund – Open Ended Fund, which are Schemes ASK Equity AIF, registered with SEBI as a Category III – Alternative Investment Fund vide registration number IN/AIF3/17-18/0378 dated October 12, 2017. ASKIM also acts as an Authorized Person (AP) of NSE /BSE registered Trading member.

ASKIM is the first PMS house to establish its branch at GIFT City – Gujarat and receive approvals from GIFT-Multi Services-Special Economic Zone vide F. No. KASEZ/DCO/GIFT-SEZ/II/007/2020-21/155 dated December 2, 2020 and from International Financial Services Centre Authority (IFSCA) for registration as a Portfolio Manager vide Registration No. PM/2021-22/0001 dated May 4, 2021.

ii) <u>Directors, Principal Officer and their Background: -</u>

- Mr. Sameer Koticha is the Chairman & Founder of ASK Group. He has been instrumental in incubating and mentoring all the business verticals of ASK Group. He works closely with all the CEOs on strategic direction and mentors ASK Group in areas of Risk, Corporate Governance and Best Practices. He chairs the Investment Committees for all the businesses and provides guidance to strengthen and steer key client relationships. He is actively involved with ASK Group CSR initiatives.

- Mr. Sunil Rohokale has been associated with the Group since 2008 and has been on the Board of ASK Investment Managers Limited ('Holding Company') since 2012. He has over 29 years of vast experience in the Banking and Finance industry. He was previously associated with ICICI Bank. He holds a bachelor's degree in engineering and a master's degree in business administration from the University of Poona.

- Mr. Bharat Shah is an Executive Director of our Company. He holds a bachelor's degree in commerce from the University of Bombay and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He is also a member of the Institute of Chartered Accountants of India and a member of the Institute of Cost and Works Accountants of India. He has been on the Board since 2008. He has over 33 years of experience in the field of investment management and has previously worked at Birla Capital International AMC Limited and Asian Paints (India) Limited.

- Mr. Girish Paranjpe, age 64 years, served as the Co-CEO of Wipro's IT Business from 2008-2011 and was a member of the Board of Directors Wipro Ltd.

  Mr. Paranjpe is a Commerce graduate and a member of the Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India.

  He served Wipro Limited, India's third biggest software company, for over two decades, contributing to rise of India's IT industry from its infancy to its current globally dominant position. He lead Wipro's IT business worth USD 5.8 billion and employee strength of over one lakh, spread over 54 countries. More recently, he was the Managing Director for Bloom Energy International, a Silicon Valley based alternative energy company. He, along with his IT industry colleagues, has promoted a venture fund, Exfinity Venture Partners, which invests in tech start-ups. He is also a General Partner at Exfinity.

  Mr. Girish Paranjpe is an Operating Partner with Advent International, a private equity firm headquartered at Boston. Mr. Girish Paranjpe is also on Advent's advisory board and serves on the board of Advent invested company Modenik Lifestyle Private Limited. Mr. Girish S Paranjpe is an independent director on two publicly listed companies CRISIL Ltd. (subsidiary of S&P Global) and Axis Bank, among top three private banks in India. He is also Independent Director of Max Life Insurance and IBS software Ltd.

- Mr. Amit Dixit is Head of Asia for Blackstone Private Equity. Since joining Blackstone in 2007, Mr. Dixit has been based in Mumbai and led various investments in South Asia and global technology-enabled services. Previously, Mr. Dixit was a Principal at Warburg Pincus and started his career at Trilogy Software. Mr. Dixit received an MBA from Harvard Business School, an MS in Engineering from Stanford University, and a B.Tech. from Indian Institute of Technology Mumbai where he was awarded the Director's Silver Medal for graduating at the top of his program. Mr. Dixit has established the first Chair, the "Shobha Dixit Chair" named after his mother, exclusively for women faculty pursuing research in science and technology at IIT Mumbai.

  He currently serves as a Director of Mphasis, TaskUs, Aadhar Housing Finance, Essel Propack, Sona Comstar, IBS Software, Piramal Glass, ASK Investment Managers and Blackstone India. Mr. Dixit was previously a Director of Intelenet Global Services, Trans Maldivian Airways, Jagran Media, Igarashi Motors India, S.H. Kelkar Fragrances, Aakash Education and Emcure Pharmaceuticals.

- Mr. Ganesh Mani is a Managing Director in Blackstone's Private Equity Group. Since joining Blackstone in 2011, Mr. Mani has been involved in Blackstone's investments in Sona Comstar, Aadhar Housing Finance, Trans Maldivian Airways, IBS Software, International Tractors Limited, CMS Info Systems, Multi Commodity Exchange of India Ltd. and Jagran Prakashan. Mr. Mani is involved in the evaluation of investment opportunities in the pharma and healthcare, financial services, automotive and specialty chemicals sectors in South Asia. Mr. Mani currently serves on the Board of Directors of Sona Comstar. Before joining Blackstone, Mr. Mani was an Associate at the Boston Consulting Group.

  Mr. Mani received a B.Tech. in Mechanical Engineering from the Indian Institute of Technology Bombay.

- Mr. Milind Barve has been appointed as Additional Independent Director on 16 February 2022. Mr. Barve holds a bachelor's degree in commerce from University of Pune and is Chartered Accountant. He was responsible for setting up HDFC Asset Management Company (HDFC AMC) and was appointed as its first Managing Director with effect from July 4, 2000 and had been its founder CEO till February 15, 2021.
  HDFC Mutual Fund (managed by HDFC AMC) is one of the largest Mutual Fund Managers in the country and was one of the most profitable asset management companies in the country. Under Mr. Barve's leadership, HDFC Mutual Fund pioneered India's only socially oriented Mutual Fund Scheme which finances, through the Indian Cancer Society, free treatment for Cancer patients in 14 hospitals in India. Mr. Barve also served as a member on the Governing Advisory Council of Indian Cancer Society. Prior to July 2000, Mr. Barve headed the Treasury function at HDFC Limited for over 14 years and was responsible for functions such as,

Investments and Fund raising from Institutional and Retail sources. Mr. Barve had been awarded the "Maxell Award for Excellence in Business Leadership 2015".

- Ms. Ayshwarya Vikram is a Principal with the Blackstone Private Equity Portfolio Operations team based in Mumbai. She has 10+ years of experience working with leading companies across industries on a variety of topics spanning new product development to ESG. Prior to Blackstone, she worked at KKR for 5 years in their India Private Equity team in a role spanning both investing and value creation. She started her career with the Boston Consulting Group post her M.B.A. from the Indian Institute of Management, Ahmedabad. She also holds a B.E. (Honors) in Electrical & Electronics Engineering from the Birla Institute of Technology & Science, Pilani.

- Mr. Nitin Rakesh, a distinguished leader in the Technology and Financial services industries, is the CEO and Managing Director of Mphasis. His career spans over two decades leading large transnational operations and delivering transformative digital solutions to Fortune 500 companies. A computer science engineer at heart, Nitin's lifelong passion for Innovation and Technology is evident throughout his career. Coupled with his deep domain expertise in Banking, Financial Services and Insurance verticals, strong customer orientation and an entrepreneurial mindset, he has been able to bring cutting-edge offerings consistently to accelerate value creation for customers, shareholders, and employees. Notably, it has led to the introduction of Mphasis' C=X2C2=1TM formula for success, (hyper-personalization; drive n=1 powered by Cloud & Cognitive); driving multi-dimensions of business value with an integrated consumer centric Front2BackTM Digital Transformation driven by IP assets which resulted in the remarkable turnaround of Mphasis into a leading global software services firm. Under Nitin's leadership, Mphasis has set a record of highest deal wins in its history and witnessed a growth on market cap from $1.7 billion in 2017 to over $8 billion, as of December 2021, thus re-defining benchmarks and growing above industry rate. Mphasis' stock price observed an increase of 7x, in less than five years.

  Earlier, as the Founding CEO and Managing Director of Motilal Oswal Asset Management Company, he led the launch of many award-winning innovative investment products, including India's first US equities-based Exchange Traded Fund that tracks the NASDAQ-100 index. His work with companies on advising them on their transformation roadmap with an 'Applied Technology' mindset earned him the Gold Stevie for 'Executive of the Year - Computer Services', under the Management award category. He also won the '2019 American Business Awards & International Business Awards - Gold Stevie under the 'Tech Innovator of the Year Services' category.

  Mr. Nitin's maiden book has been recognized as 'Best Business Book' in the 'Publication Award Category' of American Business Awards and has won the International Business Book title at 2021 Business Book Awards. He is one of the first 250 CEOs globally across 26 countries who has committed to build an inclusive work environment, end disability inequality through business performance and create social and economic value of people living with disabilities across the world. Nitin is an active member of US India Strategic Partnership Forum (USISPF) and member of the NASSCOM executive council.

  Mr. Nitin is a founding member of Plaksha University in India, a new model of engineering education and research through collective philanthropy to transform higher education in India. He also serves as a founding Trustee of Ashoka University in India.

- Mr. Prateek Roongta is an MBA from Indian Institute of Management, Ahmedabad, as well as a qualified Chartered Accountant, qualified Company Secretary and a graduate in Commerce from the University of Delhi. He is Managing Director at Blackstone Advisors India Private Limited and responsible for providing strategic direction and leadership to Blackstone portfolio companies in India. Mr. Roongta has more than 20 years' experience in advising Banks and NBFCs on topics of strategy, operations and digital transformation. Previously, he has worked with Boston Consulting Group, True North Managers LLP and Kearney. He is an Additional Non-Executive (Nominee) Director on the Board of Aadhar Housing Finance

Limited since 20th January, 2023. He is also a Director on the Board of Fino Paytech Limited and Fino Payments Bank Limited

iii) Group companies / firms of the Portfolio Manager on turnover basis
As on March 31, 2023 (the last audited balance sheet): (Amount in crores)

Sr. No.	Name of the Group company of the Portfolio manager	Turnover (based on the Audited Balance sheet as of 31.03.23)
1	ASK Wealth Advisors Private Limited	202.42
2	ASK Property Investment Advisors Private Limited	28.33
3	ASK Family Office and Investment Advisors Private Limited	NIL
4	ASK Property Advisory Services Private Limited	NIL
5	ASK Trusteeship Services Private Limited	0.05
6	ASK Capital Management PTE Limited (Singapore)	15.18
7	ASK Pravi Capital Advisors Private Limited	0.29
8	ASK Financial Holdings Private Limited (earlier known as “ASK Infrastructure Private Limited”)	45.99

iv) Details of Services being Offered.

a. Discretionary & Non-Discretionary Portfolio Management Services (PMS)

Under these services, all an investor must do, is to give ASKIM his portfolio in any form i.e., in stocks or cash or a combination of both. The minimum size of the portfolio under the Discretionary and/ or Non - Discretionary Funds Management Service should be Rs. 50 lakhs as per the current SEBI Regulations. However, ASKIM reserves the right to prescribe a higher threshold product-wise or in any other manner at its sole discretion. ASKIM's Portfolio Manager will ascertain the investor’s investment objectives to achieve optimal returns based on his risk profile.

- Under the Discretionary Portfolio Management service, investment decisions are at the sole discretion of the Portfolio Manager if they are in sync with the investor’s investment objectives.
- Under the Non-Discretionary Portfolio Management service, investment decisions taken at the discretion of the Investor.

b. Investment Advisory Services

Under these services, the Client is advised on buy/sell decision within the overall profile without any back-office responsibility for trade execution, custody of securities or accounting functions. The Portfolio Manager shall be solely acting as an Advisor to the Client and shall not be responsible for the investment/divestment of securities and/or administrative activities on the client’s portfolio. The Portfolio Manager shall act in a fiduciary capacity towards its Client and shall maintain arm’s length relationship with its other activities. The Portfolio Manager shall provide advisory services in accordance with guidelines and/or directives issued by the regulatory authorities and/or the Client from time to time in this regard. Investment Advisory is active and core activity for ASKIM and we target institutional investors, corporate investors, FPIs, UHNWIs for the advisory mandates. There are experienced Investment team professionals who are involved in managing advisory mandates.

4. DIRECT ONBOARDING OF CLIENTS: -

We are hereby happy to launch direct onboarding facility through our website https://www.askfinancials.com/ask-investment-managers/. This facility shall ease Clients to have direct connection with ASKIM personnel rather that routing through any Distributor/Referral or Channel Partners.

For more details about the same, the Client is requested to contact marketing@askgroup.in.

5. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY: -

All cases of penalties imposed by SEBI or the directions issued by SEBI under the Act or Rules or Regulations made thereunder. The nature of the penalty/direction.	None
Penalties imposed for any economic offence and/ or for violation of any securities laws.	None
Any pending material litigation/legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any.	Refer Annexure I
Any deficiency in the systems and operations of the portfolio manager observed by SEBI or any regulatory agency.	None
Any enquiry/ adjudication proceedings initiated by SEBI against the portfolio manager or its directors, Principal Officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made thereunder.	None

6. SERVICES OFFERED: -

i. **The present investment objectives and policies, including the types of securities in which investments are generally made**

Investment Philosophy

ASKIM investment philosophy revolves around two key aspects: Endeavour to preserve capital and generate long term returns. ASKIM endeavors at all times to preserve and then, grow the portfolio. The goal is not necessarily to outperform a rapidly rising market, but as far as possible, aim to avoid the troughs in a falling market such that over a long-term time horizon, the portfolios outperform the benchmarks.

Investment Approach

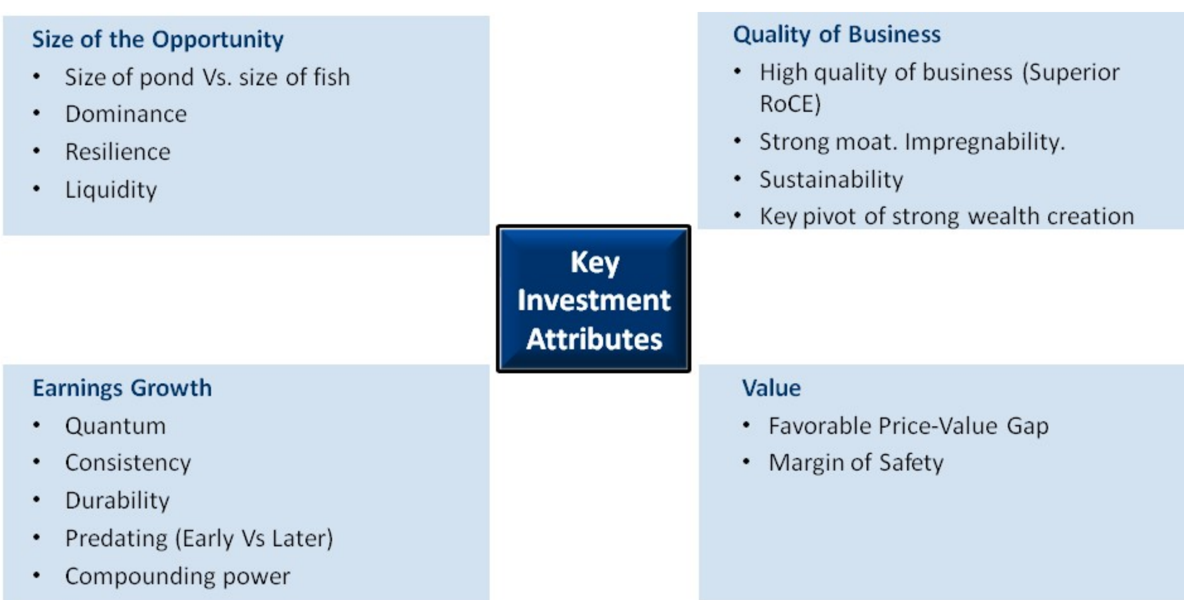
ASKIM follows a **bottom-up approach** to investing with an intensive research process for screening potential investments. ASKIM believes in investing in quality businesses that are easy to understand, quality management with a clear vision and focus on business in which it has strengths and at reasonable valuations that can be best described as **'growth at reasonable price'**.

ASKIM believes that Wealth is nothing without Wisdom.

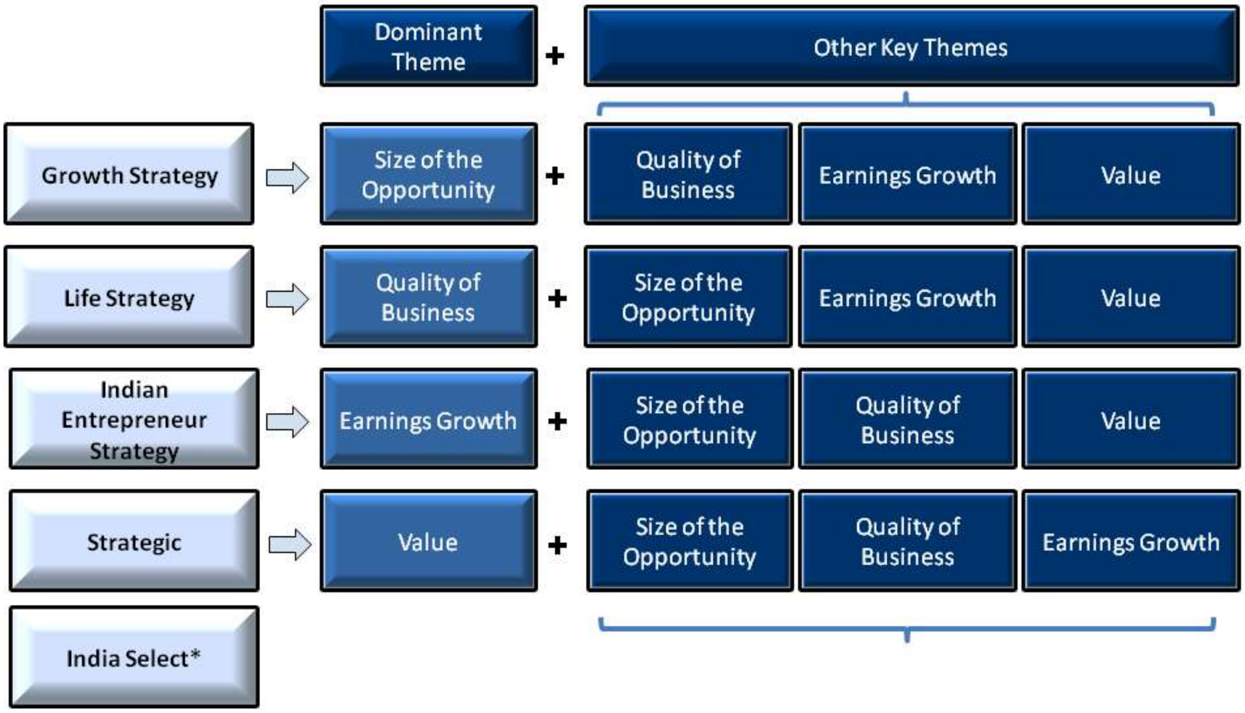
7. LIST OF INVESTMENT APPROACHES: -

I. ASK Growth Portfolio
II. ASK Strategic Portfolio
III. ASK Life Portfolio
IV. ASK Indian Entrepreneur Portfolio
V. ASK India Select Portfolio
VI. ASK PMS Real Estate Special Opportunities Portfolio – I (Separate Disclosure Document filed – Refer Annexure II)
VII. ASK Liquid Portfolio
VIII. ASK Conviction Portfolio
IX. ASK High Conviction Portfolio
X. ASK Financial Opportunities Portfolio
XI. ASK Domestic Resurgence Portfolio
XII. ASK Emerging Opportunities Portfolio
XIII. ASK Specialized Portfolio
XIV. ASK India Vision Portfolio
XV. ASK Indian Entrepreneur Portfolio STP
XVI. ASK India Select Portfolio STP
XVII. ASK Growth Portfolio STP
XVIII. ASK Emerging Opportunities Portfolio STP
XIX. ASK Domestic Resurgence Portfolio STP
XX. ASK Financial Opportunities Portfolio STP
XXI. ASK India Vision Portfolio STP
XXII. ASK EDGE Portfolio

The Portfolios use the following 'key' investment attributes to carve out investment approaches targeting a defined objective and attaining a specific characteristic.



In addition to the above, good management quality is a given constant



***** > Five best ideas from each of the four concepts, making total of 20-25 stocks in portfolio

> Portfolio to represent an eclectic mix of size, growth, quality and value; to achieve optimal balance

The core strategy is to embrace:-

- All attributes have to be present in each stock across any investment approach
- Any stock selection across any investment approach has to pass a minimum threshold for all the four attributes.
- None of the attributes in any investment approach will score an 'average' level.
- At least one attribute for each investment approach will be at a heightened level.
- 'High' positioning (not necessarily 'highest') for the other three attributes.

INVESTMENT APPROACHES

I. **ASK GROWTH PORTFOLIO: -**

Investment Objective: To provide medium to long-term returns, by seeking to buy growth at value prices from a diversified portfolio of Indian equities with favorable long-term prospects. It is ideal for investors who would like to participate in India's growth opportunity.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Invests predominantly into businesses with a large "Size of Opportunity"
- High quality businesses with superior management pedigree
- Businesses with high ROCE with above average growth
- Businesses with superior and sustainable business models with enough cash flows to nurture business growth
- Focus on growth characteristics and capital efficiency of the businesses. This implies an inclination to "quality businesses at reasonable valuation" rather than "mediocre businesses at cheap price"

- Targeted Minimum Profit Before Tax of INR 100 cr and target price-value gap of around 15%

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

Product variants:

- Value Growth Product:
  - Minimum Ticket size - Rs. 50 lac or as may be determined by the Portfolio Manager.

II. ASK STRATEGIC PORTFOLIO: -

Investment Objective: ASK Strategic Portfolio follows a very rigorous, disciplined, value-creating, filters-based approach and aims to invest in firms of high quality of business and management superior earnings growth and price-value gap.

Type of Securities: Listed Indian Equities

Portfolio Construct:
Strategic portfolio follows Value Investing with a focus on "Margin of Safety" or "Price Value Gap"

Price-Value Gap Approach

- Focus on businesses with a reasonable price value gap (targeted minimum price value gap of 40%), a measure of difference between price of a stock and its intrinsic value. Large PVG gives higher Margin of Safety with potential for superior long-term returns.
- This approach gives a cushion in case actuals turn out to be different from expectations.
- Over a period of time we believe that the price will converge to its intrinsic value leading to returns in form of capital appreciation.

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Key Risks:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.

- Exposure to mid and small caps may be higher as typically more value opportunities exist in this segment compared with large caps. This may impact liquidity and transparency.
  The portfolio is suitable for investors with long term investment horizon.

III. ASK LIFE PORTFOLIO: -

Investment Objective: ASK Life Portfolio follows a very rigorous, disciplined, value-creating, filters-based approach. It invests in firms of high quality of business and management, superior earnings growth at favorable valuations.

Type of Securities: Listed Indian Equities

Portfolio Construct:
Life Portfolio aims to deliver steady long-term compounding returns from a portfolio of exceptionally high-quality companies that have low capital intensity, demonstrated superior capital efficiency, are run by high quality managements and have proven business models.
Benchmark: Nifty 50 TRI

Basis for Benchmark: Given the large cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

IV. ASK INDIAN ENTREPRENEUR PORTFOLIO: -

Investment Objective: ASK Indian Entrepreneur Portfolio (IEP) invests in entrepreneurially driven and/or family-owned businesses; listed on the Indian stock markets, for compounding gains over the medium to long term.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Invests into Indian entrepreneurial businesses of size, superior quality and high growth at fair valuations.
- ASK IEP follows a very rigorous, disciplined, strong filters-based investment approach, while embracing key five value-creating traits of Size of Opportunity, Management Quality, Earnings Growth, Quality of Business and Value (Margin of Safety).
- Invests into quality entrepreneurs with
  - Vision and dynamism
  - High standards of governance
  - Wisdom
  - Demonstrated capital allocation and capital distribution skills
- Superior quality achieves the preservation of value and high growth (targeted minimum 20 to 25% earnings growth over the next 3 to 5 years without capital dilution) is sought to achieve expansion of value
- Promoter with adequate skin in the game ensures alignment of management and shareholder interests

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risks Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

Since the portfolio aims to invest in entrepreneurially driven and family-owned businesses, beside the risks related to investments in Equity shares, risk and challenges in family-owned Enterprises as mentioned here under shall impact the performance of the portfolio. (The list of risk as mentioned here under is not exhaustive).

- Succession planning
- Transparency and corporate governance concerns
- Centralized decision making
- Nepotism
- Truly independent directors
- Control retention concerns can affect capital structures.
- Capital allocation issues

Note: Under this Portfolio, the Portfolio Manager may launch different series of portfolios from time to time. Indian Entrepreneur Portfolio is the first such offering.

V. ASK INDIA SELECT PORTFOLIO: -

Investment Objective: ASK India Select Portfolio aims to invest in best ideas from each of the four business attributes: Size of Opportunity: Size of pond Vs. size of fish; Quality of Business: Superior Return on Capital Employed; Key pivot of strong wealth creation; Earnings Growth : Quantum, consistency and durability of earnings; Value: Price-value gap or margin of safety.

Type of Securities: Listed Indian Equities

Portfolio Construct:
ASK India Select Portfolio focuses on 4 key business attributes to ensure true diversification within equity as an asset class. The portfolio represents an eclectic mix of size of opportunity, earnings growth, quality of the business and value; to achieve optimal balance.

- The portfolio endeavors to invests into five best ideas from each of the four business attributes (Size of Opportunity, Quality of Business, Earnings Growth and Value), making total of around 20 stocks in portfolio.
- Emphasis of a particular business attribute does not imply the absence of the other 3 attributes.
- All of the attributes have to be present (At time of first purchase of the new stock), at least at a minimum defined level or higher, across all the stocks.
- When any particular attribute is emphasized, the filter standard for threshold clearance for that attribute, is kept at the highest level, while for the other three attributes, the filter is at a high level.
- Across all the stocks, for no attribute, the threshold will be at average or below average level.

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

VI. ASK PMS Real Estate Special Opportunities Portfolio – I (Separate Disclosure Document – Refer Annexure II): -

VII. ASK LIQUID PORTFOLIO: -

Investment Objective: The portfolio is intended to aid investors who primarily are desirous of investing into equities but are unsure of market movements in the near term and do not want to invest all the funds in equity at one go. Such investors can invest into ASK Liquid Portfolio and can subsequently transfer funds to equity PMS over a period of time.

Type of Securities: Growth option of Liquid / Money Market Mutual Funds

Investment Horizon: Short Term with an objective of interim parking of money.

Benchmark: Crisil Composite Bond Fund Index

Basis for Benchmark: Given the objective of the portfolio is to park money temporarily, the benchmark is chosen appropriately.

Risk Factors: Given that the portfolio invests into liquid / money market mutual funds, all risks applicable to such funds will be applicable. Few of them are as follows:

- Liquid / money market funds invests into fixed income securities and hence will be subject to interest rate risk, credit risk, liquidity risk, reinvestment risk, etc.
- Though the portfolio of such funds comprises of short –term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short term interest rates change, sometimes on a daily basis, thereby making the fund susceptible. However such interest rate changes though have a low impact on the fund.

Systematic Transfer Plan (STP):

- A new investor can opt for STP by investing in the equity portfolio and simultaneously opting for STP. Alternatively, an existing investor may also choose to do a top-up through the STP route.
- STP Amount will be invested in ASK Liquid Portfolio
- Every month on the STP Date the amount will be transferred from the Liquid Portfolio to the Equity Portfolio

VIII. ASK CONVICTION PORTFOLIO: -

Investment Objective: A concentrated portfolio of carefully identified businesses that pass our stringent stock selection filters, (which in turn are derived from the value creating traits as described below). Each of the names that is bought in the portfolio is targeted to have a superior core Return on Capital Employed (ROCE) and long-term compounding growth prospect, while being available at reasonable valuations. It is a portfolio of carefully blended stocks with outstanding long-term compounding prospects.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Highly focused portfolio of high-quality and high-growth businesses that are positioned for outstanding compounding in the long-term
- Buying businesses with a large competitive advantage in industries with a large size of opportunity that offer superior growth over long period of time.
- Despite heavy concentration (and hence, obvious attendant risks), a very conscious risk control process has been put to work to achieve:
- Judicious sectoral diversification
- Size diversification with a healthy balance between large and not-so-large businesses (but, both enjoying high-growth prospects)
- Geographic dispersion, through balance between domestic and international / export oriented businesses
- Balance between Capital Efficiency (ROCE) and Growth (of earnings)
- Balance between Growth and Value (Price-value gap or Margin of Safety)
- Balance between Capital Efficiency and Value
- Therefore, we believe, despite significant concentration, risk has been consciously managed, and hence minimized, if not materially obliterated.

Benchmark: Nifty 50TRI

Basis for Benchmark: Given the portfolio construct, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

<u>IX. ASK HIGH CONVICTION PORTFOLIO: -</u>

Investment Objective: To build a concentrated portfolio of ideas representing quality and superior compounding potential.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Highly focused portfolio of high-quality and high-growth businesses that are positioned for outstanding compounding in the long-term
- Buy and hold approach with minimal churn
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the mid cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
- Exposure to mid-caps may be higher as typically more value opportunities exist in this segment compared with large caps. This may impact liquidity and transparency.
  The portfolio is suitable for investors with long term investment horizon.

X. ASK FINANCIAL OPPORTUNITIES PORTFOLIO: -

Investment Objective: To build a portfolio of businesses representing quality and superior long-term compounding potential, largely representing from the Banking and Financial Services industry.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated approach of carefully identified businesses across range of market capitalization representing the Banking and Financial Services industry.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time

Benchmark: Nifty50-TRI

Basis for Benchmark: Given the sectoral bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than diversified equity funds.
  The portfolio is suitable for investors with long term investment horizon.

XI. ASK DOMESTIC RESURGENCE PORTFOLIO: -

Investment Objective: To identify long-term sustainable domestic growth business opportunities which are likely to benefit from acceleration in domestic economy.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated approach of carefully identified businesses across range of market capitalization which are likely to benefit from acceleration in domestic economy
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than diversified equity funds.

The portfolio is suitable for investors with long term investment horizon.

XII. ASK EMERGING OPPORTUNITIES PORTFOLIO: -

Investment Objective: To build a concentrated portfolio of businesses across range of market capitalization (large, mid and small cap), representing quality and superior long-term compounding potential.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated approach of carefully identified businesses across range of market capitalization
- Highly focused portfolio of high-quality and high-growth businesses that are positioned for outstanding compounding in the long-term
- Buy and hold approach with minimal churn
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
- Exposure to mid and small caps may be higher as typically more value opportunities exist in this segment compared with large caps. This may impact liquidity and transparency.

The portfolio is suitable for investors with long term investment horizon.

XIII. ASK SPECIALISED PORTFOLIO: -

Investment Objective: To provide medium to long term returns, by seeking to buy growth at value prices from a diversified portfolio of Indian equities with favorable long-term prospects.

Type of Securities: Listed Indian Equities
Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term.
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time.

Benchmark: Nifty50TRI

Basis for Benchmark: Given the construct of the Portfolio, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than diversified equity funds.
  The portfolio is suitable for investors with long term investment horizon.

XIV. ASK INDIA VISION PORTFOLIO: -

Investment Objective: To generate returns for the investors through price appreciation of the stocks held over a period of time.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term.
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time.

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than diversified equity funds.
  The portfolio is suitable for investors with long term investment horizon.

XV. ASK INDIAN ENTREPRENEUR PORTFOLIO STP: -

Investment Objective: To invest in entrepreneurially driven and/or family-owned businesses; listed on the Indian stock markets, for compounding gains over medium to long term.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization which are likely to benefit from acceleration in domestic economy.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term.
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time.
- Investments will be made in a staggered manner as per instructions provided by the client.

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

XVI. ASK INDIA SELECT PORTFOLIO STP: -

Investment Objective: To invest in best ideas from each of the four business attributes: Size of opportunity, quality of business, earnings growth and value.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization which are likely to benefit from acceleration in domestic economy.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term.
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time.
- Investments will be made in a staggered manner as per instructions provided by the client.

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

XVII. ASK GROWTH PORTFOLIO STP: -

Investment Objective: To provide medium to long term returns, through a portfolio with favourable long-term prospects. It is ideal for investors who would like to participate in India's growth opportunity.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization which are likely to benefit from acceleration in domestic economy.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term.
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time.
- Investments will be made in a staggered manner as per instructions provided by the client.

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
  The portfolio is suitable for investors with long term investment horizon.

XVIII. ASK EMERGING OPPORTUNITIES PORTFOLIO STP: -

Investment Objective: To build a concentrated portfolio of businesses across range of market capitalization (large, mid and small cap), representing quality and superior long-term compounding potential.

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization which are likely to benefit from acceleration in domestic economy.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term.
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time.
- Investments will be made in a staggered manner as per instructions provided by the client.

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
- Exposure to mid and small caps may be higher as typically more value opportunities exist in this segment compared with large caps. This may impact liquidity and transparency.
  The portfolio is suitable for investors with long term investment horizon.

XIX. ASK DOMESTIC RESURGENCE PORTFOLIO STP: -

Investment Objective: To identify long-term sustainable domestic growth business opportunities which are likely to benefit from acceleration in domestic economy.

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization which are likely to benefit from acceleration in domestic economy
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time
- Investments will be made in a staggered manner as per instructions provided by the client

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than diversified equity funds.
  The portfolio is suitable for investors with long term investment horizon.

XX. ASK FINANCIAL OPPORTUNITIES PORTFOLIO STP: -

Investment Objective: To build a portfolio of businesses representing quality and superior long-term compounding potential, largely representing from the Banking and Financial Services industry.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization representing the Banking and Financial Services industry.
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time
- Investments will be made in a staggered manner as per instructions provided by the client

Benchmark: Nifty50-TRI

Basis for Benchmark: Given the sectoral bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than diversified equity funds.
  The portfolio is suitable for investors with long term investment horizon.

XXI. ASK INDIA VISION PORTFOLIO STP: -

Investment Objective: To generate returns for the investors through price appreciation of the stocks held over a period of time.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Concentrated strategy of carefully identified businesses across range of market capitalization
- Focused portfolio of high-quality and high-growth businesses that are positioned for compounding in the long-term
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time
- Investments will be made in a staggered manner as per instructions provided by the client

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than diversified equity funds.
  The portfolio is suitable for investors with long term investment horizon.

XXII. ASK EDGE PORTFOLIO: -

Investment Objective: To build a portfolio of businesses across range of market capitalization (large, mid and small cap), representing quality and superior long-term compounding potential.

Type of Securities: Listed Indian Equities

Portfolio Construct:

- Strategy of carefully identified businesses across range of market capitalization
- Focused portfolio of high-quality and high-growth businesses that are positioned for outstanding compounding in the long-term
- Buying businesses with a large competitive advantage in industries with a large size of opportunity, that offer superior growth over long period of time

Benchmark: BSE 500-TRI

Basis for Benchmark: Given the multi cap bias, the benchmark is chosen appropriately.

Investment Horizon: Long Term

Risk Factors:

Besides the risks that are generally applicable to equities, the specific risks applicable to the portfolio are as follows:

- It is possible that securities may not overcome the adverse business developments or other factors responsible for the security being perceived underpriced.
- Concentration risk may be higher than plan diversified equity funds as value opportunities may be available only in a few sectors.
- Exposure to mid and small caps may be higher as typically more value opportunities exist in this segment compared with large caps. This may impact liquidity and transparency.
- The portfolio is suitable for investors with long term investment horizon.

Disclaimer common to all the Portfolio Concepts mentioned above:

The portfolio objective, characteristics, investment approach and other details mentioned in the foregoing paragraphs are generic in nature and are intended at providing a broad overview to the investors with respect to the respective offerings. There can be no assurance or guarantee that the respective objectives would always be met. The past performance of the Portfolio Manager is not necessarily indicative of the future performance of the Portfolio Manager.
ASKIM reserves the right to make appropriate changes and take all such decisions to amend or modify any of the above details, anytime at its sole discretion in the best interest of the portfolio having due consideration to the market conditions at that point in time.

Option to Invest in Derivatives:

The introduction of derivative products in the Indian market has paved the way for more efficient ways of managing and controlling risks and at the same time optimizing gains from a specific position. The portfolio manager shall, wherever deemed appropriate and expedient, deploy client money in derivative products in the client portfolios, as permissible under the SEBI Regulations. However, such positions shall not be leveraged.

Option to Invest in Debt for Interim Period:

The portfolio manager will have the liberty to invest client's funds, pending investment in equities, in short term debt opportunities, such as, income/liquid mutual funds, bank deposits, government securities, etc. There will not be any cap on such investments. However, it will be the endeavor of the portfolio manager to remain invested in equities in accordance with the client profile.

Option to Invest in Mutual Fund Schemes:

The portfolio manager may, in accordance with the client risk profile and asset allocation that he may draw up for a client, invest a part of the client funds in Equity/Debt/Liquid schemes of mutual funds floated by various fund houses.

iii) **Disclosure regarding policies for investments in associates/ group companies of the portfolio manager and the maximum percentage of such investments thereof subject to the applicable guidelines/regulations.**

The Portfolio funds are not invested in Associates or Group Companies.

8. RISK FACTORS: -

General:

i. The securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the portfolio concepts/products will be achieved. Investors are not being offered any guaranteed or assured return on the portfolio.

ii. Risk arising due to policy changes: -

A. The performance may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets. While securities that are listed on the Stock Exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the Stock Exchange.

B. The past performance does not in any manner indicate the future performance of the portfolio concepts.

iii. Risk arising from the investment objective, investment approach and asset allocation.
The PMS is run with an objective to achieve reasonable returns consistently. Given this background the investor investing in the PMS faces the following risks:

(i) Political, economic and / or related risks
The Asset Value of the portfolio and the liquidity of the shares may be affected by changes in government policy, taxation, interest rates, social and religious instability and political, economic or other developments in or affecting India.

(ii) Industry risk
The value of shares of companies in a particular industry may be affected due to factors affecting the industry like changes in government policy on duties, FDI or a foreign country, which is a big market for the industry, may impose restrictions on import etc.

(iii) The Indian Securities Market
The Indian stock markets in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in future. Actual market trend may be in variance with anticipated trends hence, the decisions of the Portfolio Manager may not be always profitable.

(iv) Liquidity Risk
Some stocks that the investor might be invested in might not be highly liquid. Though it will be the PMS service providers endeavor to restrict investments in less liquid stocks to a lower limit, there is an exposure of liquidity risk to the investor.

iv. Risk arising out of non-diversification: -
The portfolios may be concentrated in a limited number of scrips owing to the investment objectives of respective portfolio concepts or the market conditions prevalent at various points in time. This may pose the 'non diversification risk' to the portfolio performance.

v. Risks associated with investments in Derivatives
Derivative products are specialized instruments, which require investment techniques and risk analysis different from those associated with direct investments in equities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price correctly. Other risks include the risk of mispricing and the ability to optimally correlate the derivatives position with underlying assets.

vii. Transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio. **Nil**

viii. If the portfolio manager has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any.-

ASKIM may, from time to time:

a. Acquire, have and/ or maintain a position in any security similar to the Securities held, purchased or sold for the Client forming part of the Assets of Account;
b. Purchase or sell on behalf of the Client any security which forms part of the portfolio of the Portfolio Manager or its other clients or which is otherwise purchased, sold or traded in by the Portfolio Manager on its own account or on account of its other client(s); The Client is aware of such interest of the Portfolio Manager under the scheme vis-à-vis in the proprietary account of ASK IM;
c. Purchase or sell on its own account or on behalf of any other client, any security which forms part of the Assets of Account;
d. Have a commercial or other relationship or agreement with stock brokers, banks and companies with whom or through whom transactions are carried out for purchase and sale of any of the Securities or with any issuer of Securities whose Securities are purchased and/ or sold for or on behalf of the Client;
e. Deal on the Client's behalf with any Associate Company of the Portfolio Manager as long as the terms are as favorable to the Client as would be ordinarily obtained from a concern which is not an Associate Company;
f. ASKIM acts as an Authorized Person (AP) of NSE /BSE registered Trading member through which the Client's trades may be executed and would receive commission from Trading member for such

services rendered.

g. Purchase or sell Securities from or to anyone with whom the Portfolio Manager or any of its Associate Company has a commercial or other relationship or agreement, including selling or purchasing the Securities to or from the account of the Portfolio Manager or another client of the Portfolio Manager;

h. Act as principal, agent, or broker in any transaction; and in such event, the Portfolio Manager shall be separately compensated for its actions in that capacity;

i. Employ, retain or appoint any Associate Company of the Portfolio Manager as broker, custodian, investment adviser, research providers, consultants or in any other capacity for carrying out any of the functions or work relating to the Services provided to the Client.

However, ASKIM shall avoid any conflict of interest in relation to its decision with regard to investments with respect to the Client's funds and where such conflict of interest does arise, ASKIM shall ensure fair treatment as in an arm's length transaction to all its Clients and shall also specifically ensure that the interest of the Client is not prejudiced.

9. CLIENT REPRESENTATION: -

(i) Category of Clients

The details as given below are as on June 30, 2023: -

Category of clients	**No. of clients**	**Funds Managed (Discretionary) (Rs. in Crores)**
Associates / Group companies:		
June 30, 2023	NIL	NIL
March 31, 2023	NIL	NIL
March 31, 2022	1	2
March 31, 2021	NIL	NIL
Others (only Discretionary clients):		
June 30, 2023	19,129	27,073
March 31, 2023	19,973	24,032
March 31, 2022	20,479	28,824
March 31, 2021	20,076	23,406

(ii) Related Party Disclosure

i. Names of Related Parties and nature of relationship……Refer Annexure III

ii. Transactions during the period with related parties are as under: -

a. The portfolios of some related parties are managed by ASK Investment Managers Ltd. These portfolios are under different accounts. The following are details of funds of related parties managed during April 1, 2022 – June 30, 2023.

RELATED PARTY	Funds as on 01 April, 2023 (Rs.)	Received during April 2023 to June 2023 (Rs.)	Returned during April 2023 to June 2023 (Rs.)	Funds as on 31 June 2023 (Rs.)
Jatin Kishore Koticha	19,989,098.15	0.00	2,530.00	22,583,040.66
Pramoda Koticha	179,287,433.95	0.00	5,23,508.00	202,284,010.93
Sameer Kishore Koticha	16,467,484.75	0.00	0.00	16,467,484.75
Sunil Rohokale	7,44,55,378.82	0.00	4,17,04,471.64	4,34,08,662.39
Varsha Ghelani	17,425,248.75		2,203.00	19,703,577.54
Girish Paranjpe	47,161,403.47	0.00	0.00	56,374,469.85
Aditi Girish Paranjpe	4,082,207.93	0.00	0.00	4,875,415.24

b. Fees are charged to related parties for management of their portfolios. Following are details of the fees received by ASKIM from these parties during April 2023 to June 2023 and the fees receivable from them as on June 2023.

RELATED PARTY	Fees earned during April 2023 to June 2023 (Rs.)	Fees receivable as on June, 2023 (Rs.)
Mr. Girish Paranjpe	6,98,805.86	2,37,785.39
Mr. Jatin Koticha	95,685.09	33,221.16
Mrs. Aditi Girish Paranjpe	60,434.15	20,572.19

iii. Transactions with Subsidiaries /Joint Ventures / Entity controlled by the Company: (as per last audited Balance sheet of 31st March 2023……**Refer Annexure III**

10. ASSOCIATES AND RELATED PARTY DISCLOSURES: -

Regulations 22 (4) (da) & (db) of PMS Regulations provides that the Portfolio Manager shall disclose in the Disclosure Document the details of its diversification policy and the details of investment of clients' funds by the Portfolio Manager in the securities of its related parties or associates. Accordingly, the Portfolio Manager have disclosed the details in the following format:

i. Disclosure of the details of investment of clients' funds in the securities of associate/related parties:-

Investments in the securities of associates/related parties of Portfolio Manager:

Sr. No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter

			quarter (INR in crores)		
1	ASK EDGE Portfolio	Sona Blw Precision Forgings Ltd	0.78	0.61	2.11
2	ASK Emerging Opportunities Portfolio	Sona Blw Precision Forgings Ltd	21.89	15.94	2.21
3	ASK Financial Opportunities Portfolio	AXIS BANK LIMITED	0.05	0.06	0.01
4	ASK High Conviction Portfolio	Sona Blw Precision Forgings Ltd	0.19	0.14	2.13
5	ASK India Select Portfolio	Sona Blw Precision Forgings Ltd	153.17	96.82	3.01
6	ASK India Select Portfolio STP	Sona Blw Precision Forgings Ltd	0.57	0.36	3.09
7	ASK India Vision Portfolio	Sona Blw Precision Forgings Ltd	15.81	10.17	2.87
8	ASK India Vision Portfolio STP	MPHASIS LIMITED	0.05	0.03	0.48
9	ASK India Vision Portfolio STP	Sona Blw Precision Forgings Ltd	0.31	0.19	2.86
10	ASK Indian Entrepreneur Portfolio	Sona Blw Precision Forgings Ltd	500.29	458.95	2.63
11	ASK Indian Entrepreneur Portfolio STP	Sona Blw Precision Forgings Ltd	4.05	4.00	2.66
12	ASK Life Portfolio	MPHASIS LIMITED	1.24	0.81	0.59
13	ASK Specialised Portfolio	Sona Blw Precision Forgings Ltd	0.10	0.06	0.68
14	ASK Strategic Portfolio	Sona Blw Precision Forgings Ltd	2.12	1.55	2.30

11. DIVERSIFICATION POLICY:

Portfolio Managers target to optimise risk associated with specific portfolios by virtue of Diversification. At ASK Investment Managers, we look to diversify through the following:

- Out of the universe of listed companies of NSE and BSE, ASK IM narrows down the investment universe by applying various internal qualitative and quantitative filters, ensuring quality of business and management. The team ensures adequate diversification amongst such quality businesses.
- We generally invest in 20-25 businesses in each investment approach, which ensure adequate portfolio diversity and also score high on internal qualitative and quantitative parameters.
- Basis our investment philosophy, we evaluate businesses on different parameters and construct portfolios primarily on bottom-up basis. This ensures that when we evaluate a business, we are not biased about its market capitalisation however we are concerned more about the size of opportunity that business can offer. Hence our portfolios are generally market cap agnostic, ensuring adequate diversity.
- Barring few portfolios which may be sectoral focused, our focus is to design portfolios which are not biased towards only few sectors. This is reflected in adequate sectoral diversification which the Portfolio Manager ensures in the portfolios, so that the performance is not skewed / dependent on only few sectors.

12. **FINANCIAL PERFORMANCE: -**

The Financial Performance of the Portfolio Manager (based on audited financial statements) **(in Rs. crore)**

Particulars	**F.Y. 2022-2023**	**F.Y. 2021-2022**	**F.Y. 2020-21**
Profit / (Loss) Before Depreciation & Taxation	333.92	323.21	250.06
Net Profit / (Loss) after Depreciation & Taxation	243.75	243.12	180.59
Shareholder's Funds			
Share Capital	16.74	16.42	14.50
Reserves & Surplus	1114.87	914.19	844.35

13. PERFORMANCE OF PORTFOLIO MANAGER: -

Portfolio Management Performance (active strategies) of the Portfolio Manager for the last three years.

Strategy	**FY 21**	**FY 22**	**FY 23**	**FY 24~**
ASK Indian Entrepreneur Portfolio	68.6%	20.9%	-12.6%	19.1%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK India Select Portfolio	52.3%	20.2%	-11.7%	15.5%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK Growth Portfolio	60.9%	15.9%	-9.3%	12.5%
BSE 500 TRI	78.6%	22.3%	-0.9%	13.2%
ASK Life Portfolio	65.4%	17.1%	-14.0%	18.1%
Nifty50 TRI	72.5%	20.3%	0.6%	11.1%
ASK Strategic Portfolio	73.6%	17.0%	-8.9%	15.8%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK High Conviction Portfolio	67.1%	16.1%	-10.4%	15.4%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK Emerging Opportunities Portfolio	70.1%	15.6%	-8.9%	15.4%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK Domestic Resurgence Portfolio	65.6%	13.7%	-1.2%	15.5%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK Financial Opportunities Portfolio	76.1%	10.3%	-10.9%	18.8%

Nifty50 TRI	72.5%	20.3%	0.6%	11.1%
ASK Growth Portfolio STP	57.3%	15.7%	-10.2%	12.6%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK Conviction Portfolio	80.0%	25.6%	-10.9%	20.3%
Nifty50 TRI	72.5%	20.3%	0.6%	11.1%
ASK Domestic Resurgence Portfolio STP	62.4%	13.2%	-2.1%	15.5%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK Indian Entrepreneur Portfolio STP	67.4%	20.4%	-13.7%	19.2%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK India Select Portfolio STP	49.1%	19.3%	-13.2%	15.5%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK India Vision Portfolio	58.6%	23.3%	-6.2%	15.7%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK India Vision Portfolio STP	59.1%	23.1%	-11.9%	15.6%
BSE 500-TRI	78.6%	22.3%	-0.9%	13.2%
ASK Financial Opportunities Portfolio STP	76.1%	10.3%	-11.1%	19.2%
Nifty50 TRI		20.3%	0.6%	11.1%
ASK Liquid Strategy	3.2%	3.0%	4.5%	2.4%
Crisil Composite Bond Index	4.1	3.7%	5.8%	13.7%
ASK Real Estate Special Opportunities Portfolio	-1.4%	5.2%	-34.0%	0.0%
No Benchmark				
ASK Specialised Portfolio		12.1%	2.0%	16.2%
Nifty50 TRI		20.3%	0.6%	11.1%
ASK EDGE Portfolio				16.8%
BSE 500-TRI				13.2%

Notes:

- Performance figures are net of all fees and expenses.
- Returns have been calculated using time weighted rate of return method as specified by SEBI.

- With effect from 1st October 2020, the performance of all clients is being considered to arrive at overall investment approach level performance.
- The actual returns of the client may differ from the investment approach returns.
- Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments.
- As on 31st March 23, ASK EDGE scheme had not completed one year tenure, hence No performance is shown for FY 23.
- ~Performance for 2024 represents absolute returns for 3 months period- 1st Apr 23 to 30th Jun 23.
- Benchmark changed for investment approaches have been changed vide SEBI Circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated 16 December, 2022 w.e.f April 1, 2023 as tabulated in the below table:

PMS	Current Benchmark	Revised Benchmark (as prescribed by APMI)
ASK IEP	BSE 500	BSE 500 TRI
ASK India Select	BSE 500	BSE 500 TRI
ASK Growth	BSE 500	BSE 500 TRI
ASK Life Portfolio	BSE 100	Nifty50 TRI
ASK Strategic	BSE Midcap	BSE 500 TRI
ASK HCP	BSE Midcap	BSE 500 TRI
ASK EOP	BSE Midcap	BSE 500 TRI
ASK DRP	BSE 500	BSE 500 TRI
ASK India Vision Portfolio	BSE 500	BSE 500 TRI
ASK FOP	BSE Finance	Nifty50 TRI
ASK Specialised	Nifty50	Nifty50 TRI
ASK Conviction	Nifty50	Nifty50 TRI
ASK EDGE Portfolio	BSE 500	BSE 500 TRI
ASK Liquid Portfolio	Crisil Liquid Fund Index	Crisil Composite Bond Fund Index

14. STATUTORY AUDIT OBSERVATIONS: -

During the last 3 financial years, there have been no adverse remarks/observations found with respect to the company's operation and the Company is providing a fair and accurate representation of its financial position.

15. NATURE OF EXPENSES: -

i. Investment management and advisory fees

Present fee Structure offered*

I. **Valuegrowth Portfolio**
II. **Real Estate Special Opportunities Portfolio I (Refer Annexure II)**

*Applicable taxes, brokerage and other statutory dues would be in addition to the below fee structure.

Option 1: Fixed Fees	Upfront Fee: NIL, Management Fee: upto 2.50% p.a, on the daily average Net Asset Value of the Portfolio
Option 2: Variable Fees	Upfront Fee: NIL, Management Fee: upto 2.00% p.a. fee on the daily average Net Asset Value of the Portfolio Profit Sharing: up to 20% fees on any Positive Portfolio Performance of each period with higher watermark.
Exit Load	Up to 3.00%

Special Situation Portfolio

Option 1: Fixed Fees	Upfront Fee: NIL, Management Fee: upto 2.50% p.a, on the daily average Net Asset Value of the Portfolio.
Option 2: Performance Fees with catch-up	Upfront Fee: NIL, Management Fee: upto 2.00% p.a. fee on the daily average Net Asset Value of the Portfolio Performance Fee share of 20% with a hurdle of 10% per annum charged at the end of 3 years or on early retirement.
Exit Load	Up to 3.00%

<u>For the below Investment Approaches: -</u>

- ASK Indian Entrepreneur Portfolio
- ASK India Select Portfolio
- ASK Growth Portfolio
- ASK Life Portfolio
- ASK Strategic Portfolio
- ASK Conviction Portfolio
- ASK High Conviction Portfolio
- ASK Financial Opportunities Portfolio
- ASK Domestic Resurgence Portfolio
- ASK Emerging Opportunities Portfolio
- ASK India Vision Portfolio
- ASK EDGE Portfolio
- ASK Indian Entrepreneur Portfolio STP
- ASK India Select Portfolio STP
- ASK Growth Portfolio STP
- ASK Emerging Opportunities Portfolio STP
- ASK Domestic Resurgence Portfolio STP
- ASK Financial Opportunities Portfolio STP

- ASK India Vision Portfolio STP
- ASK Liquid Portfolio

Option 1: Fixed Fee	Upfront fee: NIL Management Fee: upto 2.50% p.a, on the daily average Net Asset Value of the Portfolio.
Option 2: Variable Fees	Upfront Fee: NIL Management Fee: upto 1.50% p.a. fee on the daily average Net Asset Value of the Portfolio Profit Sharing: 20% of performance over 8% compounded hurdle on corpus of the Investor. (8% compounded hurdle shall be computed on the corpus of the investor. In case of additional inflows, hurdle rate will be calculated proportionately over the 3 year portfolio life)
Exit Load	Exit charges are applicable on redemption amount** as per slabs described below on exit before 3 years in addition to the portfolio management fees as above. Between 0 and 12 months: upto 3% Greater than 12 months and upto 24 months: upto 2 % Greater than 24 months and upto 36 months: upto 1% Greater than 36 months: No exit load

Notes:

1) *The Portfolio manager shall charge the First Performance Linked Fee on completion of 3 years from the date of receipt of first inflow OR the same shall be charged on early exit by investor due to partial or full redemption whichever is earlier.

** In case of an additional inflow, performance fee will be charged on the additional inflow with a proportionate hurdle of 8% per annum for the period from the date of additional inflow till the date of charging the performance fee.

2) In case of partial or full withdrawal any time before the calculation of performance fee, the returns will be annualized using XIRR method for the purpose of arriving at the proportionate hurdle to compute performance linked fees. The hurdle / performance fee will be computed on the amount withdrawn. For the next calculation of performance fees, residual corpus will be considered for hurdle / performance fee calculation.

3) ** Redemption period is calculated from the date of each tranche of inflow (initial or additional). Redemption amount is arrived at after calculation / charging of all Fees and Expenses (including Performance Linked Fee).

4) The Net Asset Value will be calculated by aggregating the following :
(I) The total market value of all investments at the end of each day,
(ii) All income (dividend, interest, etc.) accrued on the investments
(iii) Cash or cash equivalent /Bank balance as at the end of the day; and reducing from such aggregate the charges, fees, expenses and other costs.

5) Post charging the first performance fees, following annual fees shall be applicable to the investor:

Fixed Management fees	1.50% p.a. (Charged on the daily average Net Asset Value of the Portfolio)
Performance Fees	20% of performance over 8% hurdle calculated and charged on following the completion of 4 years from the date of initial investment and annually thereafter **** (on higher watermark NAV) or partial / full redemption, whichever is earlier.

	(8% hurdle shall be computed on the corpus of the investor. In case of multiple inflows, hurdle will be applicable on proportionate basis**)

**** For instance, if the date of completion of 4 years from the date of initial investment is 15th May 2015, then the next performance fee will be charged on 30th June 2015 (i.e., following the completion of 4 years, for the period 15th May 2014 to 30th June 2015) and subsequent performance fees will be charged on 30th June every year.

Advisory mandates

As per the rates agreed with the respective Fund / Company / Individual etc, on a case to case basis.

For Portfolios with Systematic Investment Plan Option

Upfront Fee: NIL Management Fee: upto 2.50% p.a. fee on the daily average Net Asset Value of the Portfolio SIP Discontinuance Fee: In case if the investor does not honor two consecutive SIP installments, the SIP will be discontinued Exit Fees: Upto 3%

16. TAXATION

1. General

This summary on Indian tax matters contained herein is based on existing law as on the date of this memorandum. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect. In view of the nature of tax consequences, each client is advised to consult their respective tax advisor with respect to the specific tax consequences to the client arising from participation in the investment approaches. Clients are best advised to take independent opinion from their tax advisors/ experts for any income earned from such investments.

The following is a summary of certain relevant provisions of the Income-tax Act, 1961 ('ITA') as amended by the Finance Act, 2023 ('Finance Act') read along with Income-tax Rules, 1962, ('Rules') and various circulars and notifications issued thereunder from time to time.

The summary is based on laws, regulations, rulings and judicial decisions now in effect, and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

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 in the portfolio management schemes of the Portfolio Manager. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. Clients 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 nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the client is advised to best consult their own tax consultant, with respect to specific tax implications arising out of their portfolio managed by the Portfolio Manager. 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 shall endure indefinitely.

The Portfolio Manager accepts no responsibility for any loss suffered by any client as a result of current taxation law and practice or any changes thereto. It is the responsibility of all prospective clients 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.

2. Tax Rates

The tax rates stated in this tax chapter are exclusive of surcharge and health and education cess (unless stated otherwise).

The tax rates are applicable for the financial year 2023-24. The rate of surcharge and health and education cess are as under:

2.1 Surcharge rates are provided below:

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)				
	If income is less than INR 50 lakhs	If income is more than INR 50 lakhs but less than or equal to INR 1 Crore	If income exceeds INR 1 Crore but less than or equal to INR 2 Crores	If income exceeds INR 2 Crores but less than or equal to INR 5 Crores	If income exceeds INR 5 crores
Individual, Hindu Undivided Family ('HUF'), association of person ('AOP')/ body of individuals ('BOI') (Resident and non-resident)	Nil	10%	15%	25%	37%

Note 1: In the case where the total income includes dividend income (only residents) or income referred to in section 111A or section 112 or section 112A of the ITA, surcharge on such income shall not exceed 15%.

Note 2: In the case where the total income of foreign portfolio investor ('FPI') includes dividend income or any income in the nature of short-term capital gains or long-term capital gains, surcharge on such income shall not exceed 15%.

Note 3: Per the Finance Act, the Alternative Tax Regime under section 115BAC of the ITA is now a Default Tax Regime. The highest surcharge leviable under the Default Tax Regime shall not exceed 25%.

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)		
	If income does not exceed INR 1Crore	If income exceeds INR 1 crore but less than or equal to INR 10 Crores	If income exceeds INR 10 Crores
Partnership firm (Domestic and foreign)	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company, including FPI incorporated as a company	Nil	2%	5%

Note 1: In the case of domestic companies and co-operative societies having income chargeable under section 115BAA and 115BAB (for companies) and 115BAD (for co-operative societies) of the ITA, surcharge of 10% is applicable irrespective of taxable income.

2.2 In this tax chapter, we have used the term 'applicable slab rates' at many places. The slab rates which are applicable for individuals / HUF / AOP / BOI (only if they opt out of the Default Tax Regime) are as follows:

2.3

Total Income (Refer notes below)	Tax rates (refer to notes below)
Up to INR 2,50,000	Nil
From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 10,00,000	20%
INR 10,00,001 and above	30%

Under the Default Tax Regime, Individual and HUF may have an option to pay tax on its total income at the reduced tax rates. The income, however, has to be computed without claiming prescribed deductions or exemptions. Further, the Finance Act amended the provisions of section 115BAC of the Act. Per the amended provisions, section 115BAC is also applicable to AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA.

If the individual/HUF/AOP/BOI do not opt out the Default Tax Regime, the following slab rates should be considered as 'applicable slab rates':

Total Income (Refer notes below)	Tax rates (refer to notes below)
Up to INR 3,00,000	Nil
From INR 3,00,001 to INR 6,00,000	5%
From INR 6,00,001 to INR 9,00,000	10%
From INR 9,00,001 to INR 12,00,000	15%

From INR 12,00,001 to INR 15,00,000	20%
INR 15,00,001 and above	30%

Note 1: The Central Government *vide* the Finance (No. 2) Act, 2019, has provided for a rebate on tax on total income of upto INR 5,00,000 for resident individual assessee. The Finance Act provided for a rebate on tax on total income of upto INR 7,00,000 for resident individual assessee if such individual is opting for the Default Tax Regime.

Note 2: In the case of a resident individual of the age of 60 years or more but less than 80 years at any time during the year, the basic exemption limit is INR 3,00,000.

Note 3: In the case of a resident individual of the age of 80 years or more at any time during the year, the basic exemption limit is INR 5,00,000.

Health and education cess

In addition to the above, health and education cess at the rate of 4% is leviable on aggregate of tax and surcharge.

3. It is envisaged that a portfolio investor, including an FPI, could earn the following streams of income from investments made in the portfolio investments:

- Dividend income;
- Interest income;
- Gains on sale of securities;
- Premium on redemption; and
- Gains on buy-back of shares.

The tax implications of each stream of income are provided below:

1.1 <u>Dividend income on shares</u>
The dividend income is taxable in the hands of the shareholders under section 56 of the ITA under the head 'Income from Other Sources' at the applicable rates. Further, the taxpayer can claim deduction of interest expenditure under section 57 of the ITA against such dividend income. However, the taxpayer can claim deduction of interest paid to a maximum of 20% of the dividend income.

Per the provisions of section 194 of the ITA an Indian company declaring dividend is required to deduct tax at the rate of 10% provided amount of dividend exceed INR 5,000 (in case of payment to resident investors) and at specified rates/ rates in force (in case of payment to non-resident investors). In case, the dividend income is paid to an FPI, the rate of tax deduction as per section 196D of the ITA is 20% subject to availability of benefits under the double taxation avoidance agreement ('Tax Treaty'), if any.

Per the amended provisions, the dividend income (net of deductions, if any) is taxable at the following rates:

<u>Resident investors</u>

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer to Note 1 and 2)	30%
Resident Firms / LLPs	30%
Resident Individuals/ HUFs/ AOP/ BOI (Refer to Note 3)	30%

Note 1: The Finance Act has reduced the tax rates to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2021-22 (Assessment Year 2022-23).

Note 2: Per the provisions as contained under section 115BAA and section 115BAB, domestic companies have the option to pay tax on total income at the rate of 15% or 22% subject to fulfilment of certain conditions.

Note 3: Per section 115BAC in the ITA, Individuals and HUF may 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. Per the Finance Act, the Alternative Tax Regime under section 115BAC of the ITA is now a Default Tax Regime. Further, the Finance Act has inserted that the provisions of section 115BAC of the Act shall also be applicable to AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA. At present, the highest slab rate has been captured.

Non-resident investors

Per the provisions of section 115A of the ITA, dividend income (net of deductions, if any) is taxable in the hands of the non-resident investors at the rate of 20% (on gross basis) under the ITA. However, this rate is subject to the tax rate specified in the Tax Treaties of the respective jurisdictions of the investors and subject to applicable conditions.

1.2 Interest income on debt securities

Resident investors

Interest income earned by	Tax rate for domestic investors
Resident companies (Refer to Note 1 and 2)	30%
Resident Firms / LLPs	30%
Resident Individuals/ HUFs/ AOP/ BOI (Refer to Note 3)	30%

Note 1: The Finance Act has reduced the tax rate to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2021-22 (Assessment Year 2022-23).

Note 2: Per the provisions as contained under section 115BAA and section 115BAB, domestic companies have the option to pay tax on total income at the rate of 15% or 22% subject to fulfilment of certain conditions.

Note 3: Per section 115BAC in the ITA, Individuals and HUF have an option to pay tax on their total income at the reduced tax rates (as mentioned above). The income would, however, have to be computed without claiming prescribed deductions or exemptions. Per the Finance Act, the Alternative Tax Regime under section 115BAC of the ITA is now a Default Tax Regime. Further, the Finance Act has inserted that the provisions of section 115BAC of the Act shall also be applicable to AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA. At present, the highest slab rate has been captured.

Non-resident investors

Per the provisions of the ITA, in case of taxability of non-resident (who is a tax resident of a country with which India has a Tax Treaty for granting relief of tax), the provisions of the ITA apply to the extent they are more beneficial.

The interest income earned by the non-resident investors (being corporate entity / non-corporate entity) is generally (unless certain conditions are satisfied) taxable at the rate of 30%/40% under the provisions of the ITA.

The Indian company paying interest is required to deduct tax at the rates in force in case of payment to resident/ non-resident investors. In case, the interest income is paid to an FPI, the rate of tax deduction as per section 196D of the ITA is 20% subject to availability of benefits under the Tax Treaty, if any.

1.3 Gains on sale of securities

Gains arising from the transfer of securities held in the investee company or portfolio company may be treated either as 'Capital Gains' or as 'Business Income' for tax purposes, depending upon whether such securities were held as a capital asset or a trading asset (i.e., stock-in-trade). Traditionally, the issue of characterisation of gains (whether taxable as Business Income or Capital Gains) has been a subject matter of litigation with the tax authorities. There have been judicial pronouncements on whether gains on transfer of securities should be taxed as 'Business Income' or as 'Capital Gains'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the Central Board of Direct Taxes ('CBDT') has provided guidance, vide its Instruction: No. 1827, dated 31 August 1989 and Circular No. 4/2007, dated 15 June 2007, in respect of characterisation of gains as either Capital Gains or Business Income.

Following are the key illustrative factors indicative of Capital Gains characterisation (not Business Income): -

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

Further, the CBDT had issued a circular no. 6/2016 dated 29 February 2016 ('CBDT Circular 2016'), clarifying the issue of taxability of gains arising on sale of listed shares and securities. The CBDT Circular 2016, laid down guiding principles to characterise the gains from sale of listed shares and securities, either as Business Income or Capital Gains. It had clarified that the income-tax officer would not dispute any income arising from transfer of listed shares and securities held for more than 12 (twelve) months, if the same was treated as, and offered to tax under, the head `’Capital Gains’, subject to genuineness of the transaction being established. However, as regards the securities sold within 12 months there is a risk that the tax officer could characterise the said income as ‘Profits and gains from business or profession’.

To avoid disputes/ litigation and to have a consistent view in assessments, the CBDT had issued an instruction on 2 May 2016, to the tax department, on determining the tax treatment of income arising from transfer of unlisted shares, providing that the income from transfer of unlisted shares (for which no formal market exists for trading) would be treated as ‘Capital Gain’ irrespective of period of holding. However, the CBDT has carved out the following 3 (three) exceptions for the tax department to take an appropriate view, if:

a) The genuineness of transactions in unlisted shares itself is questionable;

b) The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or

c) The transfer of unlisted shares is made along with the control and management of underlying business.

Gains characterised as capital gains

The ITA provides for a specific mechanism for computation of capital gains. Capital gains are computed by deducting from the sale consideration, the cost of acquisition and certain other expenses. The tax payable on capital gains depends on whether the capital gains are long-term or short-term in nature.

Depending on the period for which the securities are held, capital gains earned by the Investors are treated as short-term or long-term capital gains. The taxability of capital gains is discussed below:

Type of instrument	**Period of holding**	**Characterisation**
Listed Securities (other than a unit, Market Linked Debentures and unit of a Specified Mutual Fund), units of equity-oriented mutual funds, units of Unit Trust of India and Zero- Coupon bonds	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Shares of a company (other than shares listed on a recognised stock exchange in India)	More than twenty-four (24) months	Long-term Capital Asset
	Twenty-four (24) or less	Short-term Capital Asset
Other securities not covered above (Market Linked Debentures and unit of a Specified Mutual Fund)	More than thirty-six (36) months	Long-term Capital Asset
	Thirty-six (36) months or less	Short-term Capital Asset
Market Linked Debenture (Note 1)	Irrespective of period of holding	Short-term Capital Asset
Units of Specified Mutual Fund (Note 2)	Irrespective of period of holding	Short-term Capital Asset

Note 1: The Finance Act inserted a new section 50AA in the ITA. Per the said section, the capital gains on transfer/redemption/maturity of Market Linked Debenture shall be deemed to be short-term capital gains (irrespective of the period of holding). Further, "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

Note 2: The Finance Act inserted a new section 50AA in the ITA. Per the said section, the capital gains on transfer/redemption/maturity of Specified Mutual Funds acquired on or after 1 April 2023 shall be deemed to be short-term capital gains (irrespective of the period of holding). "Specified Mutual Fund" means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies."

Taxability of capital gains under the ITA are as follows:

<u>Resident investors</u>

Type of instrument	**Long-term capital gains**	**Short-term capital gains**
i. Equity shares listed on a recognized stock exchange; ii. To be listed equity shares to be sold through offer for sale; or iii. Units of equity-oriented mutual funds on which STT has been paid at the time of transfer of the above-mentioned instruments and also at the time of acquisition of equity shares. (Note 1 and Note 2)	10% (without indexation) Gains up to INR 1 lakh is exempt from tax	15%
Listed bonds or listed debentures (Other than Market Linked Debentures and units of Specified Mutual Fund)	10% (without indexation) (Note 3)	30% (Note 4)
Listed securities (other than units of mutual funds, listed bonds and debentures, Market Linked Debentures and units of Specified Mutual Fund) and STT has not been paid	10% (without indexation) or 20% (with indexation) whichever is lower	30% (Note 4)
Unlisted securities (other than unlisted bonds and unlisted debentures, units of mutual fund, Market Linked Debentures and units of Specified Mutual Fund)	20% (with indexation)	30% (Note 4)

Units of mutual fund (other than equity-oriented fund on which STT is paid and units of Specified Mutual Fund)	20% (with indexation)	30% (Note 4)
Unlisted bonds or unlisted debentures (Other than Market Linked Debentures)	20% (without indexation)	30% (Note 4)
Market Linked Debenture	NA	30% (Note 4 and 5)
Units of Specified Mutual Fund	NA	30% (Note 4 and 6)

The above-mentioned tax rates are exclusive of surcharge and health and education cess.

Note 1: The cost of acquisition of equity shares or units of an equity oriented mutual funds acquired before 1 February 2018, is higher of:

- the actual cost of acquisition; and

- Lower of

- Fair market value ('FMV') as on 31 January 2018, determined in the prescribed manner; and
- Value of consideration received or accruing upon transfer.

The CBDT issued a notification dated 1 October 2018, wherein the list of transactions has been specified in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the ITA is not apply.

Note 2: Without considering indexation and foreign exchange fluctuation benefit.

Note 3: The risk of the revenue authorities considering the tax rate of 20% (plus applicable surcharge and health and education cess) cannot be ruled out.

Note 4: Per the Finance Act, a reduced tax rate of 25% is applicable to domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2021-22 (Assessment Year 2022- 23).

The tax rates for resident companies exercising the option under section 115BAA and Section 115BAB of the ITA shall be 22% and 15% respectively, subject to fulfilment of conditions prescribed in the said sections.

Per section 115BAC in the ITA, Individuals and HUF may 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. At present, the highest slab rate has been captured. Per the Finance Act, the Alternative Tax Regime under section 115BAC of the ITA is now a Default Tax Regime. Further, the Finance Act has inserted that the provisions of section 115BAC of the Act shall also be applicable to AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA.

Note 5: The Finance Act inserted a new section 50AA in the ITA. Per the said section, the capital gains on transfer/redemption/maturity of Market Linked Debenture shall be deemed to be short-term capital gains (irrespective of the period of holding) and such short-term capital gains shall be chargeable to tax at the applicable slab rates maximum being 30% (plus applicable surcharge and cess). Further, "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

Note 6: Per the Finance Act, the capital gains on transfer/redemption/maturity of Specified Mutual Funds acquired on or after 1 April 2023 shall be deemed to be short term capital gains (irrespective of the period of holding) and such short-term capital gains shall be chargeable to tax at the applicable slab rates maximum being 30% (plus applicable surcharge and cess). “Specified Mutual Fund” means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.”

Non-resident investors

Type of instrument	Long-term capital gains	Short-term capital gains
i. Equity shares listed on a recognized stock exchange; ii. To be listed equity shares to be sold through offer for sale; or Units of equity-oriented fund, on which STT has been paid at the time of transfer of the above-mentioned instruments and at the time of acquisition of equity shares. (Note 1 and Note 2)	10% (without indexation) Gains up to INR 1 lakh is exempt from tax	15%
Listed bonds or listed debentures (Other than Market Linked Debentures and units of Specified Mutual Fund)	10% (without indexation) (Note 3)	30% (for other than foreign company) / 40% (in case of foreign company)
Listed securities (other than units of mutual funds, listed bonds and debentures, Market Linked Debentures and units of Specified Mutual Fund)	10% (without indexation) (Note 3)	30% (for other than foreign company) / 40% (in case of foreign company)
Unlisted securities (other than unlisted bonds and unlisted debentures, units of mutual fund, Market Linked Debentures and units of Specified Mutual Fund)	10% (Note 3)	30% (for other than foreign company) / 40% (in case of foreign company)

Units of mutual fund (other than equity-oriented fund on which STT is paid and units of Specified Mutual Fund)	10%	30% (for other than foreign company) / 40% (in case of foreign company)
Unlisted bonds or unlisted debentures (Other than Market Linked Debentures)	10% on gains computed in INR (without indexation and foreign exchange fluctuation) (Note 3)	Slab rates for non-resident individuals, 30% (for other than foreign company) / 40% (in case of foreign company)
Market Linked Debenture	NA	Slab rates for non-resident individuals, 30% (in case of foreign non-corporates) / 40% (in case of foreign company) (Note 4)
Units of Specified Mutual Fund	NA	Slab rates for non-resident individuals, 30% (in case of foreign non-corporates) / 40% (in case of foreign company) (Note 5)

The above-mentioned tax rates are exclusive of surcharge and health and education cess.

The above-mentioned tax rates would be subject to availability of Tax Treaty benefits which may have to be separately evaluated by the tax consultants of the investors on a case-to-case basis.

In case, the investments are made by non-resident Indians, then such unitholders are entitled to be governed by the special tax provisions under Chapter XII-A of the ITA and if such investors opt to be governed by these provisions, the same needs to be evaluated separately on a case-to-case basis.

Note 1: The cost of acquisition of equity shares or units of an equity oriented mutual funds acquired before 1 February 2018, is higher of:

- the actual cost of acquisition; and

- Lower of

- Fair market value (‘FMV’) as on 31 January 2018, determined in the prescribed manner; and
- Value of consideration received or accruing upon transfer.

The CBDT issued a notification dated 1 October 2018, wherein the list of transactions has been specified in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the ITA is not apply.

Note 2: Without considering indexation and foreign exchange fluctuation benefit.

Note 3: Based on judicial precedents, non-residents may avail the concessional tax rate (as mentioned above). However, the possibility of Indian Revenue Authorities disregarding the said position and applying a tax rate of 20% (plus applicable surcharge and health and education cess) cannot be ruled out.

Note 4: The Finance Act inserted a new section 50AA in the ITA. Per the said section, the capital gains on transfer/redemption/maturity of Market Linked Debenture shall be deemed to be short-term capital gains (irrespective of the period of holding) and such short-term capital gains shall be chargeable to tax at the applicable slab rates maximum being 30% (plus applicable surcharge and cess). Further, "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

Note 5: Per the Finance Act, the capital gains on transfer/redemption/maturity of Specified Mutual Funds acquired on or after 1 April 2023 shall be deemed to be short term capital gains (irrespective of the period of holding) and such short-term capital gains shall be chargeable to tax at the applicable slab rates maximum being 30% (plus applicable surcharge and cess). “Specified Mutual Fund” means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.”

Sr. No	**Particulars**	**Resident investors**	**Non-resident investors [Note 1]**	**FPI**
		Tax rate (%) excluding applicable surcharge and health and education cess		

1.4 Gains are characterized as ‘business income’

If the gains are characterised as business income, then the same is taxable on net income basis at the rate of 30% for resident investors. The Finance Act has reduced the tax rate to 25% in case of domestic companies having a total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2020-21. Kindly note, we have assumed highest rate for resident individual investors. Also, per the provisions as contained under section 115BAA and section 115BAB, domestic companies have the option to pay tax on total income at the rate of 15% or 22% subject to fulfilment of certain conditions.

If the gains are characterised as business income, then the same are taxable on net income basis at 40% for foreign company if it has a business connection/ permanent establishment in India, and such income is attributable to the business connection/ permanent establishment of the non-resident in India. Further, for non-resident investors (other than a foreign company) tax at the rate of 30% is levied.

1.5 Premium on redemption:

There are no specific provisions contained in the ITA, with regard to the characterisation of the premium received on redemption of debentures. Redemption premium earned on account of redemption of Non-Convertible Debentures/ Optionally Convertible Debentures, may be classified as capital gains or interest. The characterisation of premium on redemption of debentures as interest or a capital receipt has to be decided based on factors surrounding the relevant case and within the framework of the following features:

- The term of the loan,
- The rate of interest expressly stipulated for (whether at arm's length, whether contains premium over risk free rate of return, etc.),
- The nature of the risk undertaken:
- Interest rate risk (e.g. Changes in prevailing market interest rates)
- Capital risk (e.g. Risk of loss of capital)
- Industry risk (real estate being quite volatile sector)
- Limited Exit Opportunities (e.g. Redemption option at the end of the 37th month and limitations with respect to purchaser in the open market)
- Country risk (e.g. economic risks - slowdown in economic growth or macro-economic imbalances, political instability and related risks, laws and tax related risks - retrospective amendments)
- Currency risk – adverse change in exchange rate

In order to characterise the redemption premium as capital gains, one need to demonstrate and substantiate (with requisite documentation) that any premium paid is on account of above referred risks. Preferable, one should be able to provide broad bifurcation of premium against each category of risk.

Where redemption premium is classified as capital gains, the same is taxable at the rate specified against capital gains. If redemption premium is classified as interest, it is taxable at the rate specified against interest.

1.6 <u>Proceeds on buy-back of shares by a domestic company</u>

Per section 10(34A) of the ITA, gains arising on buy back of shares are exempt in the hands of investors. However, per section 115QA of the ITA, a distribution tax at the rate of 20% is payable by an Indian company on distribution of income by way of buy-back of its shares where the buy-back is in accordance with the provisions of the Companies Act, 2013. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, CBDT *vide* its notification dated 17 October 2016 prescribed final buyback rules by inserting new Rule 40BB to the Rules for determination of the amount received by the Indian company in respect of issue of shares.

The above provision also applies in the case of buyback of shares listed on a recognised stock exchange.

4. Other tax considerations

1.1 <u>Advance tax instalment obligations</u>

It will be the responsibility of the investors to meet the advance tax obligation instalments payable on the due dates prescribed under the ITA.

1.2 Taxability of income arising on transfer of Market linked debenture and units of the Specified Mutual Fund

The Finance Act inserted a new section 50AA in the ITA. Per the said section, the capital gains on transfer/redemption/maturity of units of Specified Mutual Funds acquired on or after 1 April 2023 or a Market Linked Debenture shall be deemed to be short-term capital gains (irrespective of the period of holding).

"Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.

“Specified Mutual Fund” means a Mutual Fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.” The percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.

The definition of the term ‘Specified Mutual Fund” is not clear as it uses an expression ‘a Mutual Fund by whatever name called’. Based on the plain reading of the provision, all pooling vehicles including AIFs may be covered within the meaning of the term ‘Specified Mutual Fund’. Since these provisions are new and untested, the applicability of the provisions to AIFs needs to be evaluated.

1.3 Tax deduction at source

Section 206AA of the ITA

The income tax provisions (section 206AA of the ITA) provide that where a recipient of income (who is subject to withholding provisions) does not furnish its Permanent Account Number (‘PAN’), then tax is required to be deducted by the payer at the higher of the following i.e.,

- rates specified in the relevant provisions of the ITA;
- rates in force; or
- 20%.

In the case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents. The CBDT had issued a notification granting certain relaxations from deduction of tax at a higher rate in the case of non-resident investors or a foreign company. The provisions of section 206AA of the ITA does not apply in respect of payments to be made which are in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, provided the deductee furnishes certain details and specified documents to the deductor.

Section 206AB of the ITA

Section 206AB of the ITA applies where any sum or income or amount is paid, or payable or credited, by a person to a specified person and tax is required to be deducted at source as per provisions of the ITA (except under sections 192, 192A, 194B, 194BA, 194BB, 194LBC or 194N of the ITA). The Finance Act has excluded section 194-IA, 194-IB, or 194M from the scope of section 206AB of the ITA.

The term ‘specified person’ has been defined to mean a person who has not filed the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit of filing return of income under section 139(1) has expired; and the aggregate of tax deducted at source and tax collected at source in his case is INR 50,000 or more in the said previous years. Further, specified person shall not include a non-resident who does not have a permanent establishment in India. The Finance Act amended the definition of the term ‘specified person’ to exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and who is notified by the Central Government in the Official Gazette in this behalf.

In case the aforesaid section is applicable, tax shall be deducted at higher of the followings rates:

- twice the rate specified in the relevant provision of the ITA; or
- twice the rate or rates in force; or
- the rate of five per cent.

If provisions of section 206AA and section 206AB of the ITA are applicable to a specified person, then, tax shall be deducted at higher of the two rates provided under the respective sections of the IT Act.

Withholding tax on purchase of goods

Section 194Q of the ITA provides that any person (i.e. buyer) who is responsible for paying any sum to any resident (i.e. seller) for the purchase of any goods (likely to include shares and securities) of the value or aggregate of such value exceeding INR 50 lakhs in any previous year, shall deduct an amount equal to 0.1%. of such sum exceeding INR 50 lakhs. The buyer shall be required deduct such tax at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier.

Further, the term ‘buyer’ has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the Financial Year immediately preceding the Financial Year in which the purchase of goods is carried out.

The section further provides that if any sum is credited to any account, whether called “suspense account” or by any other name, in the books of the buyer liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee (i.e. seller) and the provisions of this section shall apply accordingly.

However, the provisions of section 194Q shall not apply to transactions on which:

(a) tax is deductible under any of the provision of the ITA; and

(b) tax is collectible under the provisions of section 206C of the ITA other than transaction to which section 206C(1H) of the ITA applies.

The CBDT, in order to clarify on the applicability of the provisions of section 194Q of the ITA on transactions carried through various stock exchanges, issued a circular dated 30 June 2021. Per the said circular, it was clarified that the provisions of section 194Q should not be applicable to transactions in securities traded through recognized stock exchange or cleared and settled by the recognized clearing corporation.

The said circular further clarified that the provisions of section 194Q of the ITA shall not apply to a non-resident whose purchase of goods from seller resident in India is not effectively connected with the permanent establishment of such non-resident in India. For this purpose, "permanent establishment" shall mean to include a fixed place of business through which the business of the enterprise is wholly or partly carries on.

The CBDT further issued guidelines to address various issues arising on applicability of the provisions of section 194Q of the ITA.

Collection of tax at source

Section 206C(1H) of the ITA mandates a seller to collect tax at source at the rate of 0.1% of the consideration value of the goods (likely to include shares and securities) sold exceeding value of INR 50 lakhs.

The seller has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the specific earlier year.

If the buyer does not provide PAN or Aadhaar number to the seller, then the tax rate shall be collected at rate higher of the following:

- at twice the rate specified in the relevant provision of this Act
- At the rate of 1%.

In a situation, where the buyer is liable to undertake withholding obligations and has undertaken the said obligation, the seller will not be liable to collect tax at source.

Having said the above, the CBDT *vide* its Circular No. 17 of 2020, dated 29 September 2020, stated that the provisions of 206C(1H) shall not apply to transactions in securities and commodities which are traded through recognized stock exchanges.

The CBDT further issued guidelines to address various issues arising on applicability of the provisions of section 206C(1H) of the ITA.

Section 206CCA of the ITA

Section 206CCA of the ITA deals with collection of tax at higher rates on payments made to non-filers of income-tax returns. The said section applies where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person from a specified person, the tax shall be collected at the higher of the following two rates:

- at twice the rate specified in the relevant provision of the ITA; or
- 5%.

In this context, the term 'specified person' means a person who has not filed the tax return for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be collected, for which the time limit of filing return of income under section 139(1) has expired; and the aggregate of tax deducted at source and tax collected at source in his case is INR 50,000 or more in the said previous years. Further, the specified person to not include a non-resident who does not have a permanent establishment in India. The Finance Act amended the definition of the term 'specified person' to exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and who is notified by the Central Government in the Official Gazette in this behalf.

If both the above-mentioned provisions are applicable (i.e. section 206CC and 206CCA), it has been proposed that the tax will be collected at the higher of the two rates derived in both the sections.

Applicability of these provisions in the case of cross-border or offshore transactions to be evaluated on a case to case basis.

The applicability of these provisions w.r.t. shares and securities are required to be tested.

1.4 Foreign Portfolio Investors

Per section 2(14) of the ITA, any investment in securities made by FPIs in accordance with the regulations made under the Securities and Exchange Board of India is treated as a capital asset. Consequently, any income arising from transfer of securities by FPIs are to be treated as capital gains.

Under section 115AD of the ITA, interest and dividend income earned by FPIs are taxable at 20%. However, interest referred to in section 194LD of the ITA is taxable at 5% subject to fulfilment of conditions. The benefit of lower rate of withholding is available on interest payable before 1 July 2023. The Finance Act has not extended the timeline. Section 196D is applicable to any interest payable after 1 July 2023.

Per section 196D of the ITA, no deduction of tax is made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD which is payable to FPI. However, tax shall be deducted under section 196D of the ITA with respect to interest income (other than referred to in section 194LD of the ITA) and dividend income at the rate of 20%.

These tax rates are subject to the rates specified in the applicable tax treaties and subject to fulfilment of conditions specified therein and under the ITA for availing such benefits.

1.5 Tax Treaty Benefits for Non-Resident investors

Per Section 90(2) of the ITA, the provisions of the ITA, are applicable to the extent they are more beneficial than the provisions of the Tax Treaty between India and the country of residence of the non-resident investor (subject to General Anti Avoidance Rules ('GAAR') provisions discussed below and to the extent of availability of Tax Treaty benefits to the non-resident investors).

Section 90(1) of the ITA provides that the Central Government may enter into Tax Treaty for granting relief in respect of income tax, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit of residents of any other country or territory).

Having said the above, it may be noted that no assurance can be provided that the Tax Treaty benefits will be available to the non-resident investors or the terms of the Tax Treaty will not be subject to amendment or reinterpretation in the future. This chapter does not discuss the tax implications applicable to the non-residents under a beneficial Tax Treaty, which would need to be analysed separately based on the specific facts.

The taxability of such income of the non-resident investors, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, is in accordance with the provisions of the ITA.

1.6 Tax Residency Certificate ('TRC')

In order to claim Tax Treaty benefits, the non-resident investors have to obtain the TRC as issued by the relevant authorities of its home jurisdiction. Further, the non-resident investors are required to furnish such other information or document as may be prescribed. In this connection, the CBDT *vide* its notification dated 1 August 2013 had prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC. Earlier Form 10F was required to be filed with the income-tax authorities in physical form. The CBDT vide its notification dated 16 July 2022, mandated that such form should be filled electronically.

The tax authorities may grant Tax Treaty benefit (after verifying the TRC) based on the facts of each case.

1.7 Non-resident investors (including FPI):

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

- it is regarded a tax resident of India; or
- being a non-resident in India, it 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 ITA.

Per Section 6 of the ITA, a foreign company is treated as a tax resident in India if its place of effective management ('POEM') is in India in that year. 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 are, in substance made. In case, the foreign company has a POEM in India, it qualifies as a resident of India for tax purposes and consequently, its worldwide income is taxable in India. In this connection, the CBDT issued a notification dated 22 June 2018, prescribing special provisions regarding taxation of foreign companies which are regarded as residents in India on account of its POEM being in India. Further, the foreign company might also not be entitled to claim the benefits of a Tax Treaty between India and the country of residence of the foreign company.

The CBDT had *vide* its Circular dated 24 January 2017, issued guiding principles for determination of POEM of a Company ('POEM Guidelines'). The POEM guidelines lay 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 POEM do not apply to companies having turnover or gross receipts less than or equal to INR 50 crores during the Financial Year.

Per section 90(2) of the ITA, the provisions of the ITA apply to the extent they are more beneficial than the provisions of the Tax Treaty between India and the country of residence of the non-resident investor (subject to GAAR provisions discussed below).

Section 90(1) of the ITA provides that the Central Government may enter into Tax Treaty for granting relief in respect of income tax, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit of residents of any other country or territory).

However, no assurance can be provided that the Tax Treaty benefits will be available to the non-resident investor or the terms of the Tax Treaty will not be subject to amendment or reinterpretation in the future. The taxability of such income of the non-resident investor, in the absence of Tax Treaty benefits or where the non-resident investor is from a country with which India has no Tax Treaty, would be as per the provisions of the ITA.

1.8 STT:

STT is applicable on various transactions as follows:

(a) 0.10% on the purchase of equity shares in a company and units of business trust on a recognised stock exchange in India where the contract for purchase is settled by the actual delivery or transfer of shares or units;

(b) 0.10% on the sale of equity shares in a company or sale of units of a business trust on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of shares or units;

(c) 0.001% on the sale of units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of units

(d) 0.025% on the sale of equity shares in a company or units of equity oriented funds or units of a business trust on a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of shares or unit;

(e) 0.01% on the sale of futures in securities;

(f) 0.05% on the sale of options in securities;

(g) 0.125% of the difference between the strike price and settlement price of the option, where the options are exercised;

(h) 0.001% on the sale of units of equity oriented fund to the Mutual Fund.

(i) 0.2% on sale of unlisted equity shares or unlisted units of a business trust under an offer for sale

(j) 0.001% on sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after 1 February, 2021

The Finance Act increased the STT rates for the following categories:

- 0.0625% on the sale of options; and
- 0.0125% on the sale of futures.

1.9 Receipt of any property at a value below fair market value

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 is 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 ITA.

For the above purposes, the FMV of shares is 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.

The Finance Act amended the provisions of section 56(2)(viib) of the ITA to include the consideration received from a non- resident also under the ambit of clause (viib) by removing the phrase 'being a resident' from the said clause. This will make the provision applicable for receipt of consideration for issue of shares from any person irrespective of his residency status.

1.10 Transfer of unquoted shares at less than fair market value

Per Section 50CA of ITA, 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 is deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has notified rules for computation of FMV for the purpose of section 50CA of the ITA.

The provision of section 50CA do not apply to any consideration received/ accruing on transfer by certain class of persons and subject to fulfilment of conditions, as prescribed under Rule 11UAD.

1.11 Deemed income on investment in securities

Section 56(2)(x) of the ITA provides that if any assessee receives any property (including securities) without consideration or for inadequate consideration in excess of INR 50,000 as compared to the fair market value, fair market value in excess of such consideration is taxable in the hands of the recipient as 'Income from Other Sources'. The tax rates are subject to availability of benefits under the Tax Treaty, if any in case of non-resident assessee.

The CBDT has notified rules with revised mechanism for computation of FMV for the purpose of section 56(2)(x) of the ITA.

The provision of section 56(2)(x) of the ITA do not apply to any sum of money or any property received by such class of persons and subject to fulfilment of conditions as may be prescribed.

Such deemed income is chargeable to tax (i) at the rate of 30% in case of resident investors (assuming highest slab rate for resident individual) (ii) at the rate of 40% in case of foreign companies and (iii) at the rate of 30% in case of non-resident (assuming highest slab rate for non-resident individual).

In the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2021-22, the tax rate is 25%. Furthermore, domestic companies have the option to pay tax on total income at the rate of 15% or 22% depending on fulfilment of certain conditions and their nature of business.

Per section 115BAC in the ITA, Individuals and HUF 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. Per the Finance Act, the Alternative Tax Regime under section 115BAC of the ITA is now a Default Tax Regime. Further, the Finance Act has inserted that the provisions of section 115BAC of the Act shall also be applicable to AOP [other than a cooperative society], or BOI, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA.

1.12 GAAR:

The GAAR regime as introduced in the ITA is effective from April 1, 2017. GAAR may be invoked by the 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 four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
- It results in directly / indirectly misuse or abuse of the ITA;
- It lacks commercial substance or is deemed to lack commercial substance as specified under section 97 of the ITA in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

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

- Disregarding or combining or recharacterizing any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Reallocating and re-characterizing equity into debt, capital into revenue, etc.
- Disregarding or treating any accommodating party and other party as one and the same person;
- 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 GAAR provisions 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 does not apply, have been enumerated in Rules 10U to 10UC of the Rules. The Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 2017, the CBDT issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause ('LOB') in a Tax Treaty, GAAR should not be invoked.

- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

1.13 FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act ('FATCA') provisions and the Common Reporting 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 reportable account:

a. the name, address, taxpayer identification number [('**TIN**') (assigned in the country of residence)] and date and place of birth ['**DOB**' and '**POB**' (in the case of an individual)];
b. where an entity has one or more controlling persons that are reportable persons:
   i. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
   ii. the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
c. account number (or functional equivalent in the absence of an account number);
d. 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
e. 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 reportable accounts (i.e. under CRS).

Furthermore, the Finance Act inserted a new sub-section (2) in the section 271FAA of the Act which shall provide that if there is any inaccuracy in the statement of financial transactions submitted by a prescribed reporting financial institution and such inaccuracy is due to false or inaccurate information submitted by the account holder, a penalty of INR 5000 shall be imposable on such institution, in addition to the penalty leviable on such financial institution in the said section, if any. This penalty shall be levied by the income tax authority prescribed under sub-section (1) of section 285BA of the Act. The reporting financial institution may recover the amount so paid on behalf of the account holder or retain out of any moneys that may be in its possession or may come to it from every such reportable account holder.

1.14 Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The final impact of the MLI on a Tax Treaty is dependent on both the contracting states to the Tax Treaty having deposited their respective instruments of ratification with their final MLI Positions with the OECD Depositary. The MLI includes both mandatory provisions (i.e. the minimum standards under the BEPS Project) as well as non-mandatory provisions.

India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs. The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty. On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Once MLI evolves and is implemented in future, one should need to analyse its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Revenue authorities and applied.

1.15 Minimum Alternate Tax

Per the ITA, if the income-tax payable on total income by any company is less than 15% (excluding applicable surcharge and health and education cess) of its book profits, the company is required to pay MAT at 15% of such book profits (excluding applicable surcharge and health and education cess). Further, MAT provisions are not applicable to a foreign company if such company is a resident of a country or a specified territory with which India has a Tax Treaty and the company does not have a permanent establishment in India. Also, MAT provisions are not applicable if the company is a resident of a country or a specified territory with which India does not have a Tax Treaty, but the company is not required to seek registration under any law in relation to companies.

Further, the MAT credit is allowed to be carried forward up to 15 assessment years. The Finance Act, 2017, has introduced the framework for computation of book profit for IndAS compliant companies in the year of adoption and thereafter.

In case where the domestic company opts to be taxed as per the rates and manner prescribed under section 115BAA and section 115BAB of the ITA, then MAT provisions does not apply to such domestic companies. Also, MAT credit (if any) is not allowed to be carried forward once the company exercises the option to avail reduced tax rates as mentioned above.

1.16 Alternate Minimum Tax

Per the ITA, 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 18.5% (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 ITA.

1.17 Bonus stripping

Where any person buys or acquires any units of a mutual fund or the Unit Trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional units (without any payment) on the basis of holding of the aforesaid units on the record date, and if such person sells or transfers all or any of the original units within a period of nine months after the record date while continuing to hold all or any of the additional units, then any loss arising to him on account of such purchase and sale of all or any of the units is ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored is deemed to be the cost of acquisition of such additional units as are held by him on the date of sale or transfer of original units.

The provisions are also applicable to shares and units of infrastructure Investment Trust or Real Estate Investment Trust or Alternative Investment Funds (AIFs) in the anti-avoidance provisions of the ITA related to bonus stripping.

1.18 Income Stripping

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

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

1.19 Carry-forward of losses and other provisions (applicable irrespective of the residential status)

In terms of section 70 read with section 74 of the ITA, 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, can 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, can be carried forward and set-off against long-term capital gains arising during the subsequent 8 assessment years.

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

Per the provisions of section 14A of the ITA read with Rule 8D of the Rules, if any income of the Contributor does not form part of the total income or is exempt under the provisions of the ITA, then any expenditure incurred by the Contributor, directly or indirectly, in relation to such income will not be allowed as deduction for the purpose of calculating the total taxable income of the Contributor. Further, it is also provided that this section shall always apply in a case where exempt income has not accrued or arisen or has not been received during the previous year relevant to an assessment year and the expenditure has been incurred during the said previous year in relation to such exempt income.

1.21 Proposed change in the India tax regime

The Government of India intends to replace the current Income-Tax Act, 1961 with a new direct tax code (‘DTC’) in consonance with the economic needs of the country. The task force is in the process of drafting a direct tax legislation keeping in mind, tax system prevalent in various countries, international best practices, economic needs of the country, among others. At this stage, it is not possible to comment on the final provisions that the new DTC will seek to enact into law and consequently, no views in that regard are being expressed. There can be no assurance as to the implications of the final new DTC for the Portfolio Manager and its investors.

1.22 Goods and Services 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 should be applicable on services provided by the Portfolio Manager. GST rate on such services is currently 18%.

17. **ACCOUNTING POLICIES: -**

ASKIM follows prudent accounting policies for the portfolio investments of client as under:

A. Contribution to portfolio

Contribution to portfolio by way of securities is recorded at the previous day closing price or same day closing price based on the timing of takeover of stocks in system on that day as may be defined in the stock takeover policy of the company which is reviewed on regular basis

B. Portfolio investments

Portfolio investments are stated at market/fair value prevailing as on year end and the difference as compared to book value is recognized as accrued gain/loss in the statement of affairs for the year.

Market value/fair value of portfolio investments is determined as follows:

i. Investments in listed equity shares are valued at the closing quoted price on Bombay Stock Exchange (BSE) and if the security is not listed on BSE then the security is valued at the closing price quoted as on National Stock Exchange (NSE)
ii. Investments in units of a mutual fund are valued at Net Asset Value of the relevant scheme
iii. Equity shares which are delisted on stock exchanges are valued at Last traded price available for that security on BSE / NSE

Purchase and sale of investments are accounted for on trade date basis. Cost of purchase and sale includes consideration for scrip and brokerage (including GST thereon) but excludes securities transaction tax paid on purchase/sale of securities.

Consideration received against fractional entitlements on account of corporate actions is entirely considered as revenue under other income.

a. Revenue

Realized gain/loss on sale of investments is accounted on trade date basis by comparing sale consideration with the cost of investment. The cost of investment is identified following First–in-First Out (FIFO) method.

Corporate dividend income is recognized on ex-dividend date.

b. Expenses

Portfolio management fees are accounted on accrual basis based on average of daily portfolio value at quarterly intervals.

Securities transaction tax paid on purchase/sale of securities is treated as expenditure shown under other expenses in the Statement of Affairs

Other expenses like depository charges, transaction charges, audit fees are recorded on cash basis.

18. INVESTORS SERVICES: -

ASKIM seeks to provide the portfolio clients a high standard of service. ASKIM is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. The Investor servicing essentially involves: -

- Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- Attending to and addressing any client query with least lead time;

i. Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints:

Mr. Kiran Valanger
Head – Operations and Customer Service
ASK Investment Managers Limited
Birla Aurora, Level 16, Dr Annie Besant Road
Worli, Mumbai 400 030
Phone: 022-66520000
Email: ce@askpms.in

ii. Grievance redressal and dispute settlement mechanism:

Grievance Redressal:

Mr. Kiran Valanger, Head – Operations and Customer Service, Mr. Jenil Doshi, Head – Customer Service and Mr. Amit Gupta, Group Compliance Officer, ASK Group shall attend and address any client query or concern as soon as practicably possible.

Dispute Settlement Mechanism:

All disputes, differences, claims and questions whatsoever which shall arise either during the subsistence of the agreement with a client or afterwards with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising there from or the interpretation of any provision therein shall be, in the first place settled by mutual discussions, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and be conducted in English language.

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

ASK Investment Managers Ltd (Investor Grievance) link wherein you can lodge your complaint: https://www.askfinancials.com/ask-investment-managers/investor-grievance.aspx

SEBI Scores Link wherein you can lodge your complaint against Intermediary: https://www.scores.gov.in/scores/Welcome.html

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For ASK INVESTMENT MANAGERS LIMITED

Sunil Rohokale
CEO & MD

Bharat Shah
Director

Date: 04.08.2023
Place: Mumbai

Details of court cases or litigations involving ASK Investment Managers Limited in last 3 years

Sr. No.	Applicant/Petitioner	Respondent	Case Number	Value of the claim	Brief description of the nature of the claim	Present Status
1.	ASK Investment Managers Limited	Ambojini Property Developers Private Limited Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	Commercial Arbitration Petition No.808 of 2016, 807 of 2016, 806 of 2016 and (L) 105 of 2016 before the Hon'ble Bombay High Court	Arbitration Petitions for ad-interim/interim relief u/s 9 of Arbitration Act ("**said Act**")	ASK Investment Managers Limited (ASK IM) in its capacity as the Portfolio Manager, had sought conversion of OCDs of Ambojini Property Developers P L, held by the REPMS Investors. Since the same was pending beyond reasonable time, ASK IM had served a notice invoking arbitration under the SSA with Ambojini. Subject petition was filed seeking interim relief pending the arbitration proceedings.	Ad-interim reliefs granted by the Hon'ble Bombay High Court vide order dated April 11, 2016. By order dated 26th August 2016 passed by the Hon'ble Bombay High Court all section 9 Petitions and disputes pursuant to the SSA referred to Arbitral Tribunal. All section 9 Petitions converted to section 17 applications under the said Act. The Ad interim Order dated 11th April 2016 continues till date.
2.	ASK Investment	Ambojini Property Developers P L	Arbitration before the Hon'ble Arbitral Tribunal	Award passed by Tribunal ("said	Pursuant to a SSA executed between the parties, ASK IM in its	By and under Award dated 31st January 2018, Hon'ble Arbitral Tribunal disposed of

	Managers Limited	Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	comprising Hon'ble Justice Mr. Shivraj Patil (Retd.), Hon'ble Justice Mr. D.K Deshmukh (Retd.) and Hon'ble Justice Mr. Govindrajan (Retd.)	Award") against the Respondents directing the Respondents to pay an amount of Rs. 155,32,56,626/-plus additional interest as set out in and in terms of the said Award, which is executable against Respondent Nos. 1 to 5, jointly and severally, in terms of the said Award to ASK IM.	capacity as the Portfolio Manager had sought Redemption/ Conversion of Debentures. Award passed by Tribunal ("said Award") against the Respondents directing the Respondents to pay an amount of Rs. 155,32,56,626/- plus additional interest as set out in and in terms of the said Award, which is executable against Respondent Nos. 1 to 5, jointly and severally, in terms of the Award to ASK IM.	the arbitration proceedings under reference.
3.	M/s Sai Peace and Prosperity Apartment Owner's Association	ASK Investment Managers Limited & Ors.	In the NCLT Bench-II, Chennai in IA/372/2020 in IA/371/IB/2020 in CP/938/IB/2018 and IA/371/2020 in CP 938/IB/2018	Rs. 182 Crore	The association of homebuyers filed an application against ASK Investment Managers seeking that since no development had taken place according to the terms of the said Award the remainder amount was Nil. Consequently, the claim amount of Rs. 182 crores payable pursuant to the said	Vide Order dated 2 July 2021 the Hon'ble NCLT Chennai, dismissing the homebuyers' application held in the favour of ASK Investment Managers stating that the claim of Rs. 182 crore is no way linked to the remainder amount. Thus, the amount of Rs. 182 crore is due and payable to ASK Investment Managers.

					Award ought to be Nil.	
4.	ASK Investment Managers Ltd	V.S Suresh, R Damodaran and V.S Saravanan (Collectively referred to as "Personal Guarantors")		Rs. 2,29,04,09,761/-	The Personal Guarantors of Amobijni had executed irrevocable Personal Guarantees dated 23rd March 2011 in the favour of ASK IM. Further, since the Corporate Debtor, Ambojini has failed to pay the aforesaid amount to ASK Investment Managers the personal guarantors are jointly and severally liable to pay the claim amount of Rs. 2,29,04,09,761/- as on 28th February 2022.	The Demand Notices have been invoked against the Personal Guarantors and yet they have failed to pay ASK IM the claim amount thus ASK IM has invoked three Section 95 petitions against the three Personal Guarantors before the NCLT Chennai. The same are yet to be admitted.
5.	ASK Investment Managers Ltd	Real Value Promoters Pvt Ltd		Rs. 2,29,04,09,761/-	Section 7 has been filed against Real Value Promoters Pvt Ltd before NCLT Chennai claiming a sum of Rs. 2,29,04,09,761/-	The matter was heard, and final arguments have concluded. The matter is now reserved for orders.
6.	Mr. V B Subramaniam Mrs. V S Navaneetham Mrs. D. Kavitha	Ambojini Property Developers P L ASK Investment Managers Mr. V S Suresh Mr. R Damodaran	Arbitration before the Hon'ble Arbitral Tribunal comprising Hon'ble Justice Mr. Shivraj Patil (Retd.), Hon'ble Justice Mr.		Pursuant to the order dated 11th April, 2016 passed by the Hon'ble Bombay High Court, the Petitioners filed Company Petition before Company	By and under an Award dated 31st January, 2018 passed by Hon'ble Arbitral Tribunal, all claims sought by the Petitioners were rejected and the arbitration petitions were

		Real Value Promoters P L	D.K Deshmukh (Retd.) and Hon'ble Justice Mr. Govindrajan (Retd.)		Law Board, Chennai and Civil Suit No. 175 of 2016 filed before Hon'ble Madras High Court. In view thereof ASK IM filed Arbitration Petition No. 806 of 2016 and Arbitration Petition No. 807 of 2016 to restrain the Petitioners from proceeding in the aforesaid matters filed in Chennai. Accordingly, by and under an order dated 26th August, 2016 passed by the Hon'ble Bombay High Court, all disputes arising between the parties in relation to the aforesaid Company Petition and the Civil Suit 176 of 2016 were referred to the Arbitral Tribunal.	accordingly disposed of.
7.	Mr. C. S. Arivanthan, M	Ambojini Property Developers Private Limited Real Value Promoters Private Limited ASK IM	Application Nos. 6630 to 6633 Application Nos. 6843 to 6848 of 2016	Arbitration Petitions for ad-interim/interim relief u/s 9 of the said Act	The Petitioners being the customers of Sai Peace and Prosperity filed Section 9 petition before the Hon'ble Madras High Court inter alia seeking ad-interim and interim reliefs against Ambojini	By and under order dated 27th April, 2018, the Hon'ble Madras High Court was pleased to refer the parties to mediation and in furtherance thereof have appointed Mrs. Uma Ramanathan as the mediator therein.

					Property Developers and Real Value Promoters Privat Limited. Pursuant thereto ASK IM PL filed Application Nos. 2683-3686 of 2017 in Application Nos. 6630 to 6633 and Application Nos.3691-3694 in Application Nos. 68 to 6848 of 2016 of 2016, wherein ASK IM PL sought to be impleaded as respondent in the aforesaid Arbitration Petition. By and under an Order dated 20th July, 2017 passed by the Hon'ble Madras High Court, ASK IM PL were impleaded as Respondent No. 3 in the aforesaid Application.	However, as the parties could not come to any conclusion, the mediation process has now been concluded and the parties have been referred back to continue the arbitration proceedings before the Hon'ble Madras High Court. The matter has been disposed of by the Madras High Court since the Corporate Debtors CIRP has commenced.
8.	ASK Investment Managers Limited	Ambojini Property Developers P L Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	Section 29 A Petition filed under the said Act before the Hon'ble Bombay High Court	Extension of time for passing Award by 3 (three) months	The parties by consent sought an extension of time for the passing of the Arbitral Award in the arbitration proceedings between ASK IM PL and Ambojini Property Developers and others.	By and under Order dated 6th December 2017 passed by the Hon'ble Bombay High Court, an extension of 3 (three) months was granted by the Hon'ble High Court for passing of the Arbitral Award.

9.	ASK Investment Managers Limited	Ambojini Property Developers P L Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	Section 9 Petition filed under the said Act before the Hon'ble Bombay High Court	To direct Respondent No. 2 to deposit a sum of Rs.20,37,00,000/-, being the amount specified in the Award	Order dated 11th April, 2016 which was passed by this Hon'ble Court in Arbitration Petition No. 808 of 2016 be continued in the present Arbitration Petition as an interim order pending the execution of the said Award Respondent No.1 to file necessary forms with the Registrar of Companies and the Sub-Registrar of Assurances for registration of the mortgage/charge created by the Award Appointment of Court Receiver, High Court	By and under an Order dated 23rd February, 2018, the Hon'ble Bombay High Court continued the order dated 3rd April, 2017 passed by the Hon'ble Arbitral Tribunal for a period of 2 (two) Weeks from the date thereof together with a direction that the order is being passed by the Hon'ble Court to enable the Petitioner to move a section 17 Application before the Hon'ble Arbitral Tribunal post passing of the Arbitral Award.
10.	ASK Investment Managers Limited	Ambojini Property Developers P L Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	Section 17 Application filed under the said Act before the Hon'ble Arbitral Tribunal	To direct Respondent No. 2 to deposit a sum of Rs.20,37,00,000/-, being the amount specified in the Award	In the Section 17 Application filed by the Applicant/ Petitioner, whereby it was inter alia prayed as follows:- (a) Order dated 11th April, 2016 passed by the Hon'ble Bombay High Court in Arbitration	By and under Order dated 23rd March, 2018, the Hon'ble Arbitral Tribunal was pleased to continue the effect and operation of Order dated 3rd April, 2017 passed by the Hon'ble Arbitral Tribunal in I.A No. 1, 2 and 3 till 14th August, 2018. Accordingly, the

					Petition No. 808 of 2016 be continued as an interim order pending the execution of the said Award. (b) Ambojini Property Developers to file necessary forms with the Registrar of Companies and the Sub-Registrar of Assurances for registration of the mortgage/charge created by the Award dated 31st January, 2018;	Application filed under Section 17 was disposed of in terms of the aforesaid Order dated 23rd March 2018.
11.	ASK Investment Managers Limited	Ambojini Property Developers P L Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	Section 33 Application		Hon'ble Arbitral Tribunal be pleased to modify Paragraph No. 9.63 and the operative part of the Award to hold that the Claimant is entitled to an annual IRR of 30% (thirty percent) to be calculated from the Total Investment till the date of return and to provide for the correct computation and accordingly suitably revise paragraphs 9.63, 9.66 and the operative	By and under Order dated 23rd March, 2018, the Hon'ble Arbitral Tribunal was pleased to amend the Award dated 31st January, 2018 in the manner as set out therein.

					part of the said Arbitral Award.	
12.	Ambojini Property Developers P L Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	ASK Investment Managers Limited	Section 34 Petition under the said Act filed before the Hon'ble Bombay High Court	Challenging the said Award be directed to pay an amount of Rs. 155,32,56,626/- plus additional interest as set out in and in terms of the said Award, which is executable against Respondent Nos. 1 to 5, jointly and severally	Challenging the said Award to the extent directed to pay an amount of Rs. 155,32,56,626/- plus additional interest as set out in and in terms of the said Award, which is executable against Respondent Nos. 1 to 5, jointly and severally	This Petition is pending before the Hon'ble Bombay High Court. There is not stay on the Award nor has the same been admitted.
13.	Mr. V. S Saravanan	ASK Investment Managers Limited	Section 34 Petition under the said Act filed before the Hon'ble Bombay High Court	Challenging the said Award to the extent that the no reliefs ought to have been granted by the Hon'ble Arbitral Tribunal against the Petitioner	Challenging the said Award to the extent that the no reliefs ought to have been granted by the Hon'ble Arbitral Tribunal against the Petitioner	Condonation of delay in filing the Section 34 Petition under the said Act allowed. This Petition is presently pending before the Hon'ble Bombay High Court.
14.	ASK Investment Managers Limited	Ambojini Property Developers P L Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	Application filed before the Hon'ble Arbitral Tribunal		In the Application filed by the Applicant/Petitioner, whereby it was inter alia prayed that the order dated 23rd March, 2018 read with Order dated 3rd April, 2017 be continued pending the enforcement of the Award.	By and under Order dated 1st September, 2018, the Hon'ble Arbitral Tribunal was pleased to continue the effect and operation of Order dated 23rd March, 2018 till the time orders is passed by the competent court in the proceedings under Section 34.
15.	ASK Investment Managers	Ambojini Property Developers P L	Section 36 Application filed	The Applicant is inter alia seeking the	The Applicant is inter alia seeking the execution of	An Application under Section 36 of the said Act, inter alia,

	Limited	Real Value Promoters P L Mr. V S Saravanan Mr. R Damodaran Mr. V S Suresh	under the said Act before the Hon'ble Madras High Court	execution of the said Award whereby the Respondents were directed to pay an amount of Rs. 155,32,56,626/- plus additional interest as set out in the said Award.	the said Award whereby the Respondents were directed to pay an amount of Rs. 155,32,56,626/- plus additional interest as set out in the said Award.	seeking execution of the Arbitral Award has been filed by the Applicant. The aforesaid Application is presently pending before the Hon'ble Madras High Court.
16.	Nucovo Vista Property Limited	Ambojini Property Developers	Company Petition, i.e., C.P. No. 938 of 2018 filed before the Hon'ble National Company Law Tribunal, Chennai.		Nucovo Vista Property Limited, an operational creditor filed a petition under Section 9 of the IBC,2016 before NCLT, Chennai against Ambojini for winding up of the Company.	An order dated 9th September, 2019 passed by Hon'ble National Company Law Tribunal, Chennai, the corporate insolvency resolution process ("CIRP") of Ambojini ("Corporate Debtor") commenced and Dr. L. Natarajan was appointed as the Interim Resolution Professional ("IRP") for the Corporate Debtor. Pursuant thereto, ASK filed its claim for an amount of Rs. 182,52,80,395/- (Rupees One Hundred Eighty-Two Crores Fifty-Two Lakh Eighty Thousand Three Hundred Ninety-Five only) ("said Claim") vide Form C to the IRP against the Corporate Debtor.

						However, the IRP failed to admit ASK as a financial creditor and consequently failed to induct ASK in the Committee of Creditors of the Corporate Debtor ("COC").
17.	ASK Investment Managers Limited	Interim Resolution Professional of Ambojini Property Developers	Miscellaneous Application Nos.1043 of 2019 filed before Hon'ble National Company Law Tribunal, Chennai,		Being aggrieved by the failure of the IRP to admit ASK in the COC, ASK filed a Miscellaneous Application before Hon'ble National Company Law Tribunal, Chennai, whereby ASK, inter-alia, sought a stay on the meeting of the COC to be held on 3rd October, 2019 until its admission as a financial creditor in the COC.	Pursuant to the filing of the Application, the IRP vide an email dated 1st October, 2019 admitted us as financial creditor and also admitted the said Claim. In light of the aforesaid, the Hon'ble National Company Law Tribunal, Chennai was pleased to pass an order recording that the issues between the parties have been satisfied and accordingly, disposed of the Miscellaneous Application. Pursuant thereto, meeting of the COC was held on 3rd October, 2019, at which time Mr. Anil Khicha has been appointed as the Resolution Professional("RP") of the Corporate Debtor. Further, despite the email and order of the Hon'ble National Company Law Tribunal, the IRP/RP

						failed to include ASK in the COC.
18.	ASK Investment Managers Limited	Interim Resolution Professional and Resolution Professional of Ambojini Property Developers	Miscellaneous Application Nos. 1263 of 2019 before Hon'ble National Company Law Tribunal, Chennai.		Being aggrieved by the failure of the IRP/RP to admit ASK in the COC, ASK filed an Application before Hon'ble National Company Law Tribunal, Chennai against the Interim Resolution Professional and the Resolution Professional of the Corporate Debtor inter-alia seeking (1) a declaration that the preliminary meeting of the Committee of Creditors be declared as null and void; (2) set aside the formation of the Committee of Creditors of the Corporate Debtor.	Pursuant thereto, the Resolution Professional vide its letter dated 24th October 2019 observed that ASK was a related party of the Corporate Debtor.
19.	ASK Investment Managers Limited	Resolution Professional of Ambojini Property Developers	Miscellaneous Application Nos. 1360 of 2019 before Hon'ble National Company Law Tribunal, Chennai.		Being aggrieved by the decision of the RP to treat ASK as a related party of the Corporate Debtor, an Application was filed by ASK against the RP inter-alia seeking	The Hon'ble National Company Law Tribunal, Chennai vide a Common Order dated 3rd January, 2020 directed the Resolution Professional to make ASK a member of the COC with voting

					(1) setting aside of the decision of the Resolution Professional holding ASK as a related party of the Corporate Debtor; and (2) declaration that ASK is a member of the COC.	rights proportionate to its claim against the Corporate Debtor and accordingly, the two applications filed by ASK were disposed of. At the 15th Meeting of the Committee of Creditors, the Resolution Plans submitted by Sobha Limited and Casagrand Regale Private Limited were put up for voting and the time period for the same was extended until 12 th December 2020. Accordingly, the Committee of Creditors of the Corporate Debtor on 12th December, 2020 approved the Resolution Plan submitted by Casagrand Regale Private Limited, by majority vote of 95%. As per the terms of Resolution Plan submitted by Casagrand Regale Private Limited, it has provided bank guarantee of Rs. 20 crores to the Resolution Professional. Thereafter, the Resolution Professional has filed an Application on 25th December, 2020 before the National Company Law Tribunal, Chennai for approval of the

						Resolution Plan submitted by Casagrand Regale Private Limited under Section 31(1) of the Insolvency and Bankruptcy Code, 2016. The same is pending as on date.
20.	Sai Peace and Prosperity Apartment Buyers Association	ASK Investment Managers Limited and others	Company Appeals (AT) (INS) No.252 of 2020 and Company Appeals (AT) (INS) No.315 of 2020]		Being aggrieved by the Order dated 3rd January 2020, Sai Peace and Prosperity Apartment Buyers Association had filed an appeal before Hon'ble National Company Appellate Tribunal, Delhi seeking setting aside of the aforesaid Order.	This appeal has been disposed of vide Order dated 20th September 2021 of the Hon'ble National Company Appellate Tribunal, Delhi. The aforesaid Order held ASK to be a related party to the Corporate Debtor therefore, it cannot be made a part of the COC with voting rights.
21.	Mr. V.S. Suresh	ASK Investment Managers Limited and Others	Company Appeals (AT) (INS) No.252 of 2020 and Company Appeals (AT) (INS) No.315 of 2020]		Being aggrieved by the Order dated 3rd January 2020, the suspended director of the Corporate Debtor had filed an appeal before Hon'ble National Company Appellate Tribunal, Delhi seeking setting aside of the aforesaid Order.	This appeal has been disposed of vide Order dated 20th September 2021 of the Hon'ble National Company Appellate Tribunal, Delhi. The aforesaid Order held ASK to be a related party to the Corporate Debtor therefore, it cannot be made a part of the COC with voting rights.
22.	ASK Investment Managers Ltd.	Sai Peace and Prosperity Apartment Buyers	Civil Appeal No. 5959-5960 of 2021 before the Hon'ble Supreme Court of		Being aggrieved by the Order dated 20th September 2021, ASK Investment Managers	The same is pending in the Hon'ble Supreme Court of India.

		Association & Ors. & etc.	India		Ltd. Filed an appeal before the Hon'ble Supreme Court of India.	
23.	Sanjeev Kumar Gupta	ASK Investment Managers Limited and Others	Section 7 of the Insolvency and Bankruptcy Code, 2016 seeking to initiate corporate insolvency resolution process against ASK IM	Rs. 16,18,736.88/- Rupees Sixteen Lakh Eighteen Thousand Seven Hundred Thirty-Six and Paise Eighty-Eight only)	The Applicant has alleged that ASK IM had assured returns on the investment of Rs. 50 Lakhs made by the Applicant and that the Applicant has not received the assured returns.	The Hon'ble NCLT, Mumbai passed an order dated 27th April 2022 holding that since there is no debtor-creditor relationship between the parties and the petitioner failed to establish a debt and default thus the claim could not be admitted and accordingly the petition was dismissed.
24.	ASK Investment Managers Limited	Anil Khicha	Insolvency and Bankruptcy Code, 2016 seeking to exclude claims of homebuyers who have not made payments to the Corporate Debtor	Rs. 10,05,86,608 (Rupees Ten Crores Five Lakhs Eighty-Six Thousand Six Hundred and Eight)	ASK has sought reliefs to direct the Respondent to exclude the claims of the Home Buyers to the extent of Rs. 10,05,86,608 (Rupees Ten Crores Five Lakhs Eighty-Six Thousand Six Hundred and Eight) admitted by the Respondent, and to consequently modify the constitution of and/or reconstitute the Committee of Creditors of the Corporate Debtor (Ambojini Property Developers Private Ltd.) after exclusion of the	The matter is now listed on 1st May 2023.

					aforesaid claims;	
25.	ASK Investment Managers Limited	Anil Khicha	Insolvency and Bankruptcy Code, 2016 seeking to exclude claims of homebuyers who have not made payments to the Corporate Debtor	5,93,81,412 (Rupees Five Crores Ninety-Three Lakh Eighty-One Thousand Four Hundred Twelve) to Real Value instead of the Corporate Debtor	ASK has sought reliefs to direct the Respondent to exclude the claims of the Home Buyers to the extent of Rs. 5,93,81,412 (Rupees Five Crores Ninety-Three Lakh Eighty-One Thousand Four Hundred Twelve) to Real Value instead of the Corporate Debtor admitted by the Respondent, and to consequently modify the constitution of and/or reconstitute the Committee of Creditors of the Corporate Debtor (Ambojini Property Developers Private Ltd.) after exclusion of the aforesaid claims. Upon further inspection the amount of Rs. 5,93,81,412 (Rupees Five Crores Ninety-Three Lakh Eighty-One Thousand Four Hundred Twelve)	The matter is now listed on 6th July 2023.

					now stands at 8,01,23,382/- (Rupees Eight Crore One Lakh Twenty-Three Thousand Three Hundred and Eight Two). A Rejoinder has been filed by ASK Investment Managers to bring the updated amounts on record.	
26.	Sai Peace and Prosperity Association	ASK Investment Managers Limited	Appeal filed before the TN RERA Appellate Authority	The Association has filed an Appeal before the Tamil Nadu RERA Appellate Authority against a decision of the Tamil Nadu RERA Authority, wherein ASK was not held to be a promoter of the Corporate Debtor.	The Association has filed an Appeal before the Tamil Nadu RERA Appellate Authority against a decision of the Tamil Nadu RERA Authority, wherein ASK was not held to be promoter of the Corporate Debtor.	Vide Order dated 17th December 2021 the TN RERA Appellate Tribunal decided on the limited point of maintainability and held that the complaint filed by the homebuyers is maintainable. Futther the complaint is returned to TNRERA for adjudication on merits. Aggrieved by the aforesaid order ASK IM has filed an appeal before the Hon'ble Madras High Court. The next date of the matter is 06th July 2023 .
27.	ASK Investment Managers Limited	Real Value	CP(IB)/215 (CHE)/2022 before the National Company Law Tribunal, Division	Rs. 2,51,52,39,478/- (Rupees Two Hundred and Fifty-One Crores Fifty-Two Lakhs Thirty-Nine Thousand	The Scheme has filled a Section 7 Application under the Insolvency and Bankruptcy Code, 2016, before the Hon'ble	Vide Order dated 10th May 2023, the CIRP of Real Value has commenced.

			Bench-II, Chennai	Four Hundred and Seventy-Eight Only.)	National Company Law Tribunal, Chennai, to initiate CIRP of Real Value.	
28.	M/s Texport Creations & Mr. Samir Goenka	(i) SEBI (ii) ASK Investment Managers Pvt. Ltd., (iii) ASK Property Investment Advisors Pvt. Ltd. (iv) ASK Trusteeship Services Private Ltd. (v) UOI	Writ Petition No. 18988 of 2021 before the High Court of Karnataka		The Petitioner in the said Writ Petition seeks to challenge the circular dated 18.12.2014 issued by SEBI for the purpose of redressing investor complaints. The Petitioner alleges that the said circular completely relies upon intermediaries' discretion, and thus the 3 SCORES complaints made by the Petitioner with SEBI against ASK Investment Managers Pvt. Ltd., ASK Property Investment Advisors Pvt. Ltd., & ASK Trusteeship Services Private Ltd., were improperly closed by SEBI.	The matter has not yet been admitted. There is no next date of hearing.

ASK INVESTMENT MANAGERS LIMITED

ANNEXURE II
TO
DISCLOSURE DOCUMENT

FOR

ASK INVESTMENT MANAGERS LIMITED

(ASK PMS REAL ESTATE SPECIAL OPPORTUNITIES PORTFOLIO – I)

PORTFOLIO MANAGEMENT SERVICES

Level 16, Birla Aurora Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 030.

FORM C

[As required under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020]

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

ii) The purpose of this Document is to provide essential information about the portfolio management services provided by ASK Investment Managers Ltd ("ASK IM /Portfolio Manager") in respect of **ASK PMS Real Estate Special Opportunities Portfolio – I** so as to assist and enable the investors in making an informed decision for engaging ASK IM as the Portfolio Manager.

iii) This Document contains the necessary information about ASK IM and ASK PMS Real Estate Special Opportunities Portfolio – I, required by an investor before investing. The investor is advised to retain this Document for future reference.

i) The contents of disclosure document have been duly certified by an Independent Chartered Accountant, M/s. Jitendra Chandulal Mehta & Company, Chartered Accountants, (FRN 104288W, M. No. 124599) having its head office at 92B, Visaria Sadan, 1st Floor, Belgrami Road, Near Bhabha Hospital, Kurla West, Mumbai 400070.

ii) Principal Officer : Mr. Sumit Jain

Address : ASK Investment Managers Ltd.
Birla Aurora, 16 Level, Office Floor 9, Dr. Annie Besant Road, Worli, Mumbai – 400 030

Telephone Number : 022-66520120

E-mail :sumit.jain@askinvestmentmanagers.com

For ASK Investment Managers Limited

Sumit

Mr. Sumit Jain
Principal Officer

1. Disclaimer Clause

This Disclosure Document ("Document") sets forth concisely the information about the Portfolio Management Services (PMS) offered by ASK IM in respect of **ASK PMS Real Estate Special Opportunities Portfolio – I** ("Real Estate Portfolio") that a prospective Client should know before investing. The particulars of the services offered have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended till date, and filed with the Securities and Exchange Board of India ("SEBI"). This Document has not been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of this Document.

The investor is advised to retain the copy of this Document for future reference.

2. Definitions

"AMC" or "Portfolio Manager" or "ASK IM"	ASK Investment Managers Limited incorporated under the Companies Act, 1956 and registered with the Securities and Exchange Board of India as a Portfolio Manager under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
Agreement/ Portfolio Management Agreement / Client Agreement	Discretionary Portfolio Management Service Agreement, as amended, modified, supplemented, or restated from time to time together with all annexures, schedules and exhibits, if any.
"Application Form"	Means the application form submitted by the Client for making investments through the Portfolio, containing such information as may be required by the Portfolio Manager and the terms and conditions of which shall be read in conjunction with the Agreement.
"Business Day"	Means any day other than Saturday or a Sunday, a day on which the banks in Mumbai and / Reserve Bank of India (RBI) are closed for business / clearing, a day which is a public holiday and / or bank holiday; a day on which stock exchanges are closed, a day declared as a public holiday under the Negotiable Instruments Act, 1881, a day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the Portfolio Manager may specify from time to time. The Portfolio Manager reserves the right to amend the definition of "Business Day".
"Business Hours"	Presently 9.30 a.m. to 5.30 p.m. on any Business Day or such other time as may decided by the Portfolio Manager from time to time.
"Capital Commitment"	The aggregate amount agreed by the Client to be contributed for investments through the Real Estate Portfolio. The minimum Capital Commitment of the Client is a sum of Indian Rupees Fifty Lakhs (INR 50,00,000) or such other amount as the Portfolio Manager may decide in it's discretion.

“Capital Contribution”	That portion of Capital Commitment paid by a Client with respect to the Real Estate Portfolio upon the execution of the Agreement and/or subsequently, pursuant to the issuance of a Drawdown Notice from time to time.
“Client”	A person who enters into Agreement with ASK IM for availing the portfolio management services being offered in respect of the Real Estate Portfolio.
“Commitment Period”	The period up to the expiration of two (2) years from the Portfolio Commencement Date, which may be extended by an additional period of six (6) months at the discretion of the Portfolio Manager, provided however that, the Client will be obligated to fund any remaining portion of their Capital Commitments through the Term of the Agreement (a) to cover expenses and fees of the Portfolio Manager, and (b) to make Follow-On Investments.
“Drawdown Notice”	Any notice issued to the Client calling upon the Client to make Capital Contribution out of the amount of its Unfunded Commitment/s.
“Follow-On Investments”	Portfolio Investments made after the termination of the Commitment Period in respect of which a binding commitment of the Portfolio Manager exists on the date on which the Commitment Period terminates, and investments after the Commitment Period in Securities of Portfolio Companies that in the good faith judgment of the Portfolio Manager are necessary to protect and/or enhance the value of the Real Estate Portfolio’s existing investments in such Portfolio Companies.
“Fair Market Value”	means the last 3-monthly valuation determined by a credible valuer of repute appointed by the Portfolio Manager.
the “Initial Capital Contribution” or “Application Amount”	Portion of the Capital Commitment payable by the Client simultaneously upon execution of this Agreement, as stipulated by the Portfolio Manager and equal to twenty percent (20%) of the total Capital Commitment.
“Portfolio” or “Client Portfolio”	The total holding of all investments, Securities and funds belonging to the Client in accordance with the Agreement.
“Portfolio Commencement Date”	The closing date for payment of the Initial Capital Contribution, as determined by the Portfolio Manager.
“Portfolio Company”	Companies, enterprises, entities, special purpose vehicles, directly or indirectly engaged in Real Estate and in the Securities of which the monies of the Portfolio are invested.
“**Principal Officer**”	means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

"Real Estate"	Includes immovable property of every description, transferable development and redevelopment rights, floor space, townships, industrial parks, IT/ITES Parks, business centers, serviced and other plots, special economic zones, hotels, multiplexes, shopping malls, residential units, commercial units and the like, infrastructure facilities including roads, bridges and tunnels as well as any interest(s) or right(s) therein and /or any services relating to the aforesaid.
"Real Estate Portfolio"	ASK PMS Real Estate Special Opportunities Portfolio – I in accordance with the terms of this Document and as set out in the Agreement.
"Securities"	Mean and include securities of asset level special purpose vehicles, all marketable securities including equity shares, quasi equity shares, preference shares, debentures, convertible securities, depository receipts, bonds, secured premium notes, government securities, pass-through certificates, treasury bills, units, derivatives, equity linked products, debt, hybrid debt products, mortgage-backed securities, commercial debt papers, notes, and all other debt instruments and any other instrument included within the definition of 'security' under section 2(h) of the Securities Contract (Regulation) Act, 1956 .
"SEBI"	Means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
"SEBI Regulations" or "Regulations"	Means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended and modified from time to time.
"Term"	The term of the Portfolio, which will terminate upon the expiry of the fifth anniversary of the Portfolio Commencement Date and may be extended at the discretion of the Portfolio Manager for two further periods of one (1) year each beyond such fifth anniversary.
"Unfunded Commitment"	Means the Capital Commitment as reduced by the Capital Contribution, which shall be increased to the extent of any payments such as overdue interest or penalties on account of delayed payments by the Client or other receivables as may be determined by the Portfolio Manager.
XIRR Method	Means the internal rate of return on the Capital Contribution contributed by the Client to the Portfolio accrued and realized and credited into the account of the Portfolio Manager, determined by using the xIRR function of Microsoft Excel. The xIRR shall at all times be inclusive of any coupon and/or dividend gross of taxes received on the invested Securities, as applicable.

Any term used in this Disclosure Document and not defined herein but defined in the SEBI Regulations shall have the same meaning as assigned to them in the SEBI Regulations.

The Portfolio Manager offers the following product under this Disclosure Document:

ASK PMS REAL ESTATE SPECIAL OPPORTUNITIES PORTFOLIO – I

The ASK PMS Real Estate Special Opportunities Portfolio – I ("Real Estate Portfolio") is an opportunity for eligible investors to take exposure in the growing Indian real estate sector and access opportunities that are inaccessible in general to investors. The investment objective of the Portfolio is to provide for the Client by investing in Securities offered by unlisted and listed Portfolio Companies involved in, investing in, developing, constructing, owning, asset managing, project/facility managing and operating Real Estate assets and related infrastructure opportunities. The Portfolio Manager would seek to generate capital appreciation as well as regular returns (annual dividends/interest) on Client's capital by such investments. The Portfolio Manager under the Real Estate Portfolio shall aim at capturing the real estate investment opportunity in India. The Real Estate Portfolio shall represent a unique combination of a highly experienced investment team, a disciplined investment process, an 'Investment Committee' structure, and a investment approach that is designed to capture this growth opportunity.

Investment Advisor

The Portfolio Manager had appointed ASK Property Investment Advisors Private Limited (ASKPIA) as the Investment Advisor for Portfolio to provide non-binding and non- discretionary advice and the said advisory relationship has now been terminated effective 23 February 2022. The advice was recommendatory in nature and the final investment decisions in respect of the Portfolio had been taken by the Portfolio Manager at its sole discretion and responsibility.

Investment Philosophy

The real estate Investment Philosophy of ASK IM is as follows:

- Investing mindset to run a marathon rather than a short sprint
- Research and risk evaluation will be the backbone
- Growth at reasonable prices
- Focus on compounding opportunities rather than one-time pops
- Location to be the key to investing
- Sustainable developments
- Exit options should be evaluated with the following in mind "Customers buy for their reasons, not yours"

Investment Approach

ASK IM follows a bottom-up approach to investing with an intensive research process for screening potential investments. ASK IM believes in investing in quality businesses that are easy to understand, quality management with a clear vision and focus on business in which it has strengths and at reasonable valuations that can be best described as 'growth at reasonable price'.

ASK IM believes that Wealth is nothing without Wisdom.

The Real Estate Portfolio intends to invest in securities of predominantly unlisted companies primarily involved in the business of real estate. The investment approach of the Real Estate Portfolio would be as under:

a) Investment in projects having greater liquidity, shorter gestation and lower volatility
b) Active participation in the development process to be a pre-requisite to making investment
c) Focus on fundamentals like real estate experience, execution capability and demand sustenance emerging from Infrastructure developments and income growth
d) Recapitalizations
e) Repositioning and Re-development
f) Investments in distressed projects/assets including sale & lease back transactions

Redevelopment

Redevelopment projects shall comprise of redevelopment of old structures – tenanted / non - tenanted. The Real Estate Portfolio shall source and evaluate such deals which provide excellent investment opportunities.

Repositioning

There may be opportunities to renovate and refurbish decrepit buildings located in central business districts which can then be repositioned to deliver superior returns to the investors.

Recapitalization

The current liquidity scenario may throw up opportunities to invest into ongoing development projects which have stalled due to lack of availability of debt or insolvency of one or more primary stakeholders. The Portfolio Manager believes that such "distressed" opportunities can deliver higher returns while mitigating any approval related development risk.

Exit Strategy

The type of exit strategy adopted will depend upon the type of asset segment. Following are some of the likely exit scenarios:

Type of Exit	Applicable to
Sale to the end user.	Primarily applicable for residential projects
Sale to third party like Real Estate Investment Trust's and Real Estate Mutual Fund at the SPV level.	Primarily to be used in case of commercial projects

The Portfolio Manager will seek a timely and appropriate exit strategy for all investments made by the Real Estate Portfolio. The exit strategy will be determined by various factors such as demand-supply analysis, hold- sell analysis etc. The Portfolio Manager anticipates a holding period of 2-5 years in each Portfolio Investment. All exits will be at the discretion of the Portfolio Manager.

Exposure limits

The key investment theme of the portfolio investments ("Portfolio Investments") will be as follows:

a) Investment in a single project not to exceed 20% of the Portfolio Investments.
b) Investment in a Group not to exceed 25% of the Portfolio Investments.
c) Investment in a city not to exceed 35% of the Portfolio Investments.

d) Investment in each segment (Commercial/ Retail) other than residential not to exceed 30% of the Portfolio Investments.
e) Subject to compliance with the transparent disclosure standards and adherence with the valuation norms, the Portfolio Manager may invest in any of the projects of ASK group companies strictly on an arm's length basis ensuring that the interest of the Client is not prejudiced in making such investments and any conflicts are managed by complying with the applicable laws and acting in good faith. Also, any such investments by the Portfolio Manager would only be done as a co-investment along with some other reputed real estate fund/investment vehicle not related to the ASK group.

Liquidity Facility

The Portfolio Manager at the end of 3 years from the Portfolio Commencement Date, shall provide a liquidity enabling facility (Liquidity Facility) under terms of the Agreement. The Client would have the discretion to opt for such a facility. Under such Liquidity Facility, the Client shall be able to realise 10% of his Capital Contribution made in accordance with the Agreement. Such portion of Capital Contribution so received by the Client would be at par value only and will neither include any appreciation, nor depreciation in the value of the Client Portfolio. Hence the Client opting for the Liquidity Facility would have to forego any appreciation in the value accrued towards the redeemed amount. The Liquidity Facility shall be available to the Client only for a limited duration of 3 months from the date of its commencement. However the Portfolio Manager may not provide such Liquidity Facility if there are factors beyond the reasonable control of the Portfolio Manager, including but not limited to war, flood, earth-quake, act of God, any act of Government or any other cause beyond the control of the Portfolio Manager which could not have been foreseen or avoided by the exercise of due diligence.

Co-investment

Opportunities may arise for other investors (whether they are investors or other funds to be contemplated and raised by ASK IM or managed by any other third party investors) to co-invest with the Real Estate Portfolio, on terms to be agreed. The co-investment will be determined by the diversification strategy that the Portfolio Manager has adopted. However the Real Estate Portfolio is not obliged to, offer co-investment rights to any third party investors. Further if any co-investment opportunity is offered to an existing investor, this will not reduce its commitment to the Real Estate Portfolio.

Conflicts of Interest

The Real Estate Portfolio may be subject to conflict of interest relating to ASK IM as Portfolio Manager various other affiliates, associated companies, or group companies directors, officers and employees of the Portfolio Manager (**"Relevant Parties"**), which are engaged in a broad spectrum of activities in the financial sector.

Some of the conflicts of interest and potential conflicts of interest are outlined below:

⇒ The Relevant Parties may have <u>pre-existing relationships with a significant number of companies</u> in which Real Estate Portfolio may invest. The Portfolio Manager may take into consideration these relationships with respect to the management of the Real Estate Portfolio. For instance, there may be certain investments that the Portfolio Manager <u>will not undertake</u> in view of such relationships.

⇒ The Relevant Parties may represent potential buyers of businesses through their mergers and acquisition activities, and may provide lending and other related financing services in connection with such transactions. When the Relevant Parties represent a buyer seeking to acquire a company, the Portfolio Manager may be limited or precluded during the term of such representation from investing in or selling Securities issued by such Portfolio Company. In that case, certain conflicts of interest would be inherent in the situation, including those involved in negotiating a purchase price.

⇒ There could be multiple portfolios under the management of real estate investment team ("Management Team") of ASK IM as a Portfolio Manager, thereby presenting possibility of conflict of interest in allocating investment opportunities amongst the various portfolios. The Portfolio Manager will endeavour to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each portfolio, the remaining Unfunded Commitment, the level of diversification of each portfolio, and the basis on which prior conflicts in allocating investment opportunities have been resolved. However there can be no assurance that the Real Estate Portfolio shall be allocated any particular investment opportunities that are identified by the Portfolio Manager. Furthermore, the Portfolio Manager shall have the right, at its discretion, to allocate any investment opportunities to other portfolio or to their own portfolio.

⇒ Subject to compliance with the transparent disclosure standards and adherence with the valuation norms, the Portfolio Manager may invest in any of the projects of ASK group companies strictly on an arm's length basis ensuring that the interest of the Client is not prejudiced in making such investments and any conflicts are managed by complying with the applicable laws and acting in good faith. Also, any such investments by the Portfolio Manager would only be done as a co-investment along with some other reputed real estate fund/investment vehicle not related to the ASK group.

Conflicts of interest would be inherent between the activities of the Portfolio Manager and the Relevant Parties. It is intended for such conflicts to be managed primarily by complying with the applicable law, acting in good faith to develop equitable resolutions of known conflicts and developing policies to reduce the possibilities of such conflict. The Portfolio Manager shall endeavour to ensure that these conflicts do not work to the detriment of the interests of the Client; however there can be no assurance that they will be able to do so in all instances. Also, any investments by the Portfolio Manager in the projects of ASK group companies would only be done as a co-investment along with some other reputed real estate fund/investment vehicle not related to the ASK group.

3. Risk factors

Indian Real Estate market

The market for Real Estate is, in general, less liquid than the market for Securities. In addition, Real Estate developments have often been mired in controversies on various grounds such as defective title to the land, alleged violation of zonal and legal regulations etc., resulting in long delays in the completion of such projects. If such problems were to occur in projects developed by the Portfolio Companies, it may adversely affect the value of the investments of the Real Estate Portfolio.

Changes in various laws such as laws relating to ceilings on land holdings, rent control, zonal regulations and duties and taxes on sale, transfer and the holding of properties may affect the supply of and demand for Real Estate, thus affecting the value of any investments made by the Real Estate Portfolio in Portfolio Companies.

Real Estate development is a highly competitive business that may involve significant risks for the Portfolio Companies and thus have an adverse effect on Real Estate Portfolio. These include:

⇒ The Indian Real Estate market is not very transparent. As a result, it may be difficult to determine market values for properties that are considered for purchase by a Portfolio Company. Consequently there can be no assurance that the Portfolio Manager would be able to readily set an appropriate value to investments proposed to be made by the Real Estate Portfolio.

⇒ There may be risks generally associated with changes in general or local market conditions, and the cyclical nature of the property markets. Any reduction in demand or increase in the supply of Real Estate or potential reduction in demand or increase in the supply of Real Estate (whether developed or undeveloped) may lead to periods of oversupply and result in lower sale prices. Newly developed Real Estate projects may be disproportionately affected by fluctuations in demand and supply.

⇒ The long lead times between project inception and completion may lead to well conceived projects becoming unviable due to changes in market conditions before project completion.

⇒ The acquisition of Real Estate is subject to a wide variety of risks, including without limitation, risks related to status of title, environmental approvals, zoning laws, building codes or other laws. Properties may be acquired by Portfolio Companies with no recourse, or with limited recourse, with respect to unknown liabilities or conditions. Consequently if a property is subject to any liability, or if any adverse condition exists with respect to any property, the Portfolio Company may be required to pay substantial sums to settle or cure it, and this could adversely affect the return on investments for Real Estate Portfolio.

⇒ Portfolio Companies may incur significant costs while bidding for projects which may be finally awarded to other bidders. Also projects may not materialize after significant costs have been sunk, thereby incurring costs on which no return is obtained.

⇒ The Portfolio Company may invest in listed or unlisted Securities of an entity, holding undeveloped land and certain development properties. Such properties are exposed to greater risks and costs in comparison to the properties on which the development has already been completed. The Portfolio shall be exposed to such risks if the investment is made in Securities of such Portfolio Companies which have invested in such undeveloped land directly or indirectly.

⇒ Cost and time overruns may occur during project development by Portfolio Companies. This may lead to increased costs, potential loss of purchasers and the possibility of defaults under financing arrangements between Portfolio Companies and their lenders, which may adversely affect the profitability of the Portfolio Company and consequently the ability of the Portfolio Company to distribute expected returns to Real Estate Portfolio.

⇒ Performance of the Portfolio Companies may be dependent on the performance of third party contractors and service providers. Accordingly the failure of any third-party contractor or service provider may negatively affect the performance of Portfolio Companies.

⇒ Regulatory approvals and consents of third parties, if any, required by Portfolio Companies developing such projects may cause significant delays in the project completion process, exacerbating the risk that changes in market conditions may render a project economically unattractive. There can be no assurance that any such approvals and consents will be obtained in a timely manner, if at all. In addition, regulatory enactments and pronouncements, including, but not limited to, various permitting or licensing requirements, or changes in their interpretation by the competent authorities, may limit the ability of Portfolio Companies to develop, manage or dispose of properties in a manner that would be most advantageous to Real Estate Portfolio.

⇒ Subsequent to the investment in the Portfolio Companies, these companies may admit new investors at a price, which may be at a discount to the prevailing asset value, and which may be below the value considered by the Portfolio Manager at the time of making the investment. The valuation of such investments is subjective in nature and the value arrived at by the Portfolio Manager or an independent auditor may not reflect the actual worth of the investments.

⇒ Focus will be on partnering with prominent “prudently managed” developers. The progress of developments underlying the Real Estate Portfolio’s investments would depend on among other factors, the developer’s / joint development partner’s ability to procure resources and execute the project in a timely and cost-efficient manner. As a consequence, Clients would be subject to development execution risk. The Clients shall further face such risk in case of insolvency of any of the joint development partner.

Other risks related to the Real Estate market in India and investment in Real Estate Portfolio could be highlighted under the following heads:

Title

The method of documentation of land records in India has not been fully computerized and is mostly done manually with physical records of all land related documents physically updated. This could result in the updation process getting substantially delayed or being inaccurate in certain aspects. As a result, thereof, the title of the real property in which the underlying assets might be invested in, or represent, may not be clear or may remain doubtful in absence of accurate or updated land records.

Land Acquisition

The property ownership rights in India are subject to the imposition of restrictions by the Government. The Government is vested with the right to acquire any land or part thereof if the same is for a ‘public purpose’. Though the compensation fetched might not be at such a rate which the acquired property might have got if it were sold in the open market. This may have an adverse impact on the Real Estate Portfolio.

Environmental Laws

The Indian Courts have time and again applied the “Polluter pays” principle in the field of environmental law whereby the person, company or industry responsible for causing the pollution, through the use or disposal of hazardous or toxic substances harming the property, is liable to make good the damage caused to the property and the surrounding environment and compensate any victims thereof. Such presence of hazardous or toxic substances may adversely affect the performance of the Real Estate Portfolio investing in any underlying assets, which may be affected thereby.

Rent Control
The rent control laws of various states in India place restriction on the amount of rent that can be charged from the tenants. If the Portfolio is invested in Securities wherein the underlying assets represents property that comes under the purview of rent control laws, then the same may adversely affect the returns which the Portfolio would generate from such a property and could have an adverse impact on the returns generated by the Real Estate Portfolio.

Litigation
The properties in India are susceptible to litigation, which takes a long time to settle and is quite complex in nature. If any property in which the Real Estate Portfolio is invested and the same is subject to litigation, it could have an adverse impact on the performance of the Portfolio.

Tenancy Risk
The monetary inflows for the Portfolio could be impacted by the bankruptcy, insolvency or non-payment by the tenant for any other reasons.

Use of Agricultural land
Certain lands in India have been reserved for the purposes of carrying on agricultural activities only. In order to carry on any non-agricultural activities, prior permission of the relevant local authority is required. Hence, if a Portfolio Company does not get such permission for usage of agricultural land for non-agricultural use then the Portfolio Company would not be able to carry out its plans and in turn it would affect the performance of Real Estate Portfolio.

Investment risks
As the investments made by the Portfolio will include unlisted Securities which are illiquid in nature, hence the risk involved in investing is quite more than the risk of investing in publicly listed Securities. Furthermore, many of the regulatory requirements are inapplicable on the unlisted companies which may result in lesser investment protection initiatives and lack of disclosures.

Nature of investments
The Portfolio may invest in companies facing financial difficulties. Such investments may be illiquid in nature and there may not be any assurance of such investments earning returns in a timely fashion. The Real Estate Portfolio will compete with many other investors in the Portfolio Companies. The same may result in lesser attractive investment opportunities.

Development risks
The Portfolio shall be subject to various development risks, delay in project risk, regulatory and various other legal risks. Development risks could be mitigated by providing an incentive structure to the developers for timely completion of the project. The development risks on integrated townships and Special Economic Zones (SEZs) would be high because of applicable political and regulatory regime. The same could lead to significant time and cost overruns. Also the delay in getting approvals for the projects in which the Portfolio Companies are bidding may also impact the performance of Portfolio.

Market cycles
The investment made during the boom period and looking favourable may become a loss making proposition during the market recession. Hence there will always be a risk associated with the market cycle. The same could well be addressed by diversifying the Portfolio across geographic region, asset type and exit time horizon, which the Portfolio Manager intends to do.

Management and Operational risks

Reliance on the Portfolio Manager

The success of the Real Estate Portfolio will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Companies and the structuring of investments.

Failure to meet drawdowns by Clients

Default of any of the clients in making drawdown may restrict the Portfolio from making the planned investments in the Portfolio Companies. Such defaults may also cause the Real Estate Portfolio to breach the investment and payment obligations towards the Portfolio Company rendering it liable to pay damages, which may result in material adverse effect on the performance of the Real Estate Portfolio.

Investment in Securities

⇒ The Portfolio shall consist of Securities of Real Estate companies which may be undergoing restructuring or require additional capital and active management. These Securities are subject to various inherent risks, including that (i) the Securities fluctuate in value, based on factors unrelated to the issuers of the Securities, (ii) such investments are generally subject to risks with respect to the issuer, (iii) the market for these Securities may be less liquid than that for other higher rated or more widely followed Securities, and (iv) Securities of some issuers are less liquid and more volatile than Securities of other issuers. Further there can be no assurance that such investment will not be sold at price below its acquisition costs.

⇒ The in-specie distribution of the Securities by the Portfolio Manager upon termination or liquidation of the Portfolio could consist of such Securities for which there may not be a readily available public market. Further, in such cases the Portfolio Manager may not be able transfer any of the interests, rights or obligations with respect to such Securities except as may be specifically provided in the agreement with Portfolio Companies.

⇒ It is anticipated that some of the Portfolio Companies in which the Portfolio Manager will invest may get their Securities listed with the stock exchange after the investment of the Portfolio. In connection with such listing, the Portfolio Manager may be required to agree not to dispose of its securities in the Portfolio Company for such period as may be agreed between the Portfolio Manager and the Portfolio Companies or as may be stipulated by the SEBI (Disclosure & Investor Protection) Guidelines, 2000, and therefore, despite such listing, such Securities will remain illiquid for the specified period.

⇒ The Portfolio may invest in Portfolio Companies in highly competitive markets or product segments dominated by other firms/organizations. These and other inherent business risks could affect the performance of the portfolio companies.

⇒ While a representative of the Portfolio Manager will strive to be on the Board of the Portfolio Company as a nominee director of the Portfolio Manager, there may be certain information that the nominee director may not be able to share with the clients.

⇒ The Real Estate Portfolio may also invest in Portfolio Companies which are new or recently established. Such investments may present greater opportunities for growth but also carry a greater risk than is usually associated with investments in listed securities or in the securities of established companies, which often have a historical record of performance. Such early-stage projects may also lack a fully developed and experienced management, financial resources to complete their projects or a market for their projects.

Portfolio-related Risks

Identification of Appropriate Investments

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

Investment and Liquidity Risks

There is no active secondary market for investments of the kind the Real Estate Portfolio intends to make. Such investments will be of a medium-to-long term nature. There are a variety of methods by which unlisted investments may be realized, such as the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant government approvals. However, there can be no guarantee that such realizations can be achieved and the Portfolio's investments may remain illiquid at the time the Real Estate Portfolio intends to terminate.

Since the Real Estate Portfolio may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the Real Estate Portfolio.

In specie distribution

The Portfolio Manager may make in specie distributions of Securities. If an in-specie distribution is received by the clients from the Real Estate Portfolio, the clients may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.

India-related risks

Political, economic and social risks

Political instability or changes in the Government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Company's business may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. Nevertheless, the Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the Government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Companies.

Government approvals

Approvals of the government or regulatory bodies or local authorities may be required before the Real Estate Portfolio can make investments in the Portfolio Companies. The Portfolio Manager cannot be certain that these approvals will be obtained.

Tax risks

The full tax impact of an investment under the Real Estate Portfolio would depend upon the circumstances of each client individually and the additional peculiarities associated with respect to activities of each Portfolio Company. Prospective clients are therefore strongly urged to consult their tax advisors with specific reference to their own situations.

Changes in state and central taxes and other levies in India may have an adverse effect on the cost of operating activities of the Portfolio Companies**.** The Government of India, State Governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Companies. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Real Estate Portfolio's profitability. Furthermore, the tax laws in relation to the Real Estate Portfolio are subject to change, and tax liabilities could be incurred by clients as a result of such changes. The full tax impact of an investment under the Real Estate Portfolio would depend upon the circumstances of each client individually and the additional peculiarities associated with respect to activities of each Portfolio Company. Prospective clients are therefore strongly urged to consult their tax advisors with specific reference to their own situations.

Inflation Risk

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Fiscal Risk

The Government has exercised and continues to exercise, substantial influence and control over many aspects of the private sector. In some cases, governments own or control many companies. The availability of investment opportunities for the Portfolio depends in part on Government continuing to liberalize its policies regarding foreign investment and to further encourage private sector initiatives. Accordingly, government actions in the future could have a significant effect on economic conditions, which could affect private sector companies and the prices and yields of portfolio investments.

Other risks

The Portfolio Company may (i) co-invest with third parties through partnerships, joint ventures or other entities, (ii) rely on independent third party management with respect to the operation of an investment or (iii) only acquire a participation in an asset underlying an investment and, as a result, may not be able to exercise control over the management of such investments.

General risks associated with the management of the Portfolio

⇒ Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives of the investment will be achieved.

⇒ The past performance of the Portfolio Manager is not necessarily indicative of the future performance of the Portfolio Manager.

⇒ Any act, omission or commission of the Portfolio Manager under the Agreement is solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of negligence, willful default and/or fraud of the Portfolio Manager.

⇒ The Client undertakes all responsibilities and agrees to bear all risks arising out of refusal by a Portfolio Company for whatever reasons, to register the transfer of any of the Securities in respect of the Client's account. The Securities which are so purchased and refused to be transferred in the name of the Client or the Portfolio Manager, will be sold by the Portfolio Manager, at the best available market rate, at the risk and responsibility of the Client concerned.

⇒ The Portfolio may be affected by the changes in the interest rates prevailing for fixed income Securities and volumes of trading.

⇒ The Portfolio may be affected by settlement periods and transfer procedures.

⇒ The liquidity of the Portfolio is inherently restricted by trading volumes in the Securities of Portfolio Companies.

⇒ The portfolio management service is subject to risk arising out of non-diversification.

Nature of Fee and Expenses

Part I - One-Time Fees upon execution of Agreement

a. Up-Front Fee*:

Less than 5 crores of Capital Commitment	2% of Capital Commitment
More than 5 crores of Capital Commitment and upto 10 crores	1.5% of Capital Commitment
More than 10 crores of Capital Commitment	NIL

** Plus service tax as applicable*

Part II - Ongoing Fees and Expenses

a. Management Fee: **

During Commitment Period	2% per annum of the Capital Commitment
Post- Commitment Period	2% p.a. of the Net Capital Invested

*** Plus GST as applicable*

"Net Capital Invested" shall mean the Capital Contribution made by the Client less the Capital Contribution returned by the Portfolio Manager to the Client.

The Management Fee shall be payable on a quarterly basis in advance except for the first year where it will be paid for the entire year in advance.

Part III - Performance-Linked Fee: ***

Sr. No.	**Returns on the Portfolio** (Calculated using xIRR method from the date of drawdown till date of distribution)	**Fees Charged to the Client** (This is payable at the time of repayment, wherever applicable)
(a)	Between 0% to 12%	No fee will be charged till 12% return has been returned to the Investor
(b)	Between 12% to 15%	100% of the returns in excess of 12% upto 15%
(c)	Above 15%	20% of the returns in excess of 15% plus fees calculated as per (b)

**** Plus GST as applicable*

For the purpose of valuation of unlisted securities in the Portfolio / unlisted securities transferred to the client, the Fair Market Value as determined by the independent valuer appointed by the Portfolio Manager would be considered final and returns on the Portfolio would be calculated accordingly

Part IV - Termination Fee - Upon Early Termination

In the event the Client terminates the Agreement prior to the expiry of the term of the Agreement, the Client's portfolio shall be subject to a termination fee of 25%. The Termination Fee shall be calculated as a percentage of the Fair Market Value of the Securities held on behalf of the Client or on the Capital Commitment, whichever is higher.

Part V - Miscellaneous

All expenses, charges incurred by the Portfolio Manager in arranging for the custody of Securities held on account of the Client and any other fees, expenses, charges paid to the other service providers by Portfolio Manager under the Agreement shall be borne by the Client and shall be directly debited to the Client's account.

The Portfolio Manager may in its sole discretion vary the fee structure as provided under Part I – III above, but in no event shall increase the fee over the respective amounts stated therein.

6. TAXATION

A. General

This summary on Indian tax matters contained herein is based on existing law as on the date of this memorandum. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect. In view of the nature of tax consequences, each client is advised to consult their respective tax advisor with respect to the specific tax consequences to the client arising from participation in the investment approaches. Clients are best advised to take independent opinion from their tax advisors/ experts for any income earned from such investments.

The following is a summary of certain relevant provisions of the Income-tax Act, 1961 (‘ITA’) as proposed to be amended by the Finance Act, 2022 (‘Finance Act’) read along with Income-tax Rules, 1962, (‘Rules’) and various circulars and notifications issued thereunder from time to time.

The summary is based on laws, regulations, rulings and judicial decisions now in effect, and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

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 in the portfolio management schemes of the Portfolio Manager. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. Clients 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 nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the client is advised to best consult their own tax consultant, with respect to specific tax implications arising out of their portfolio managed by the Portfolio Manager. 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 shall endure indefinitely.

The Portfolio Manager accepts no responsibility for any loss suffered by any client as a result of current taxation law and practice or any changes thereto. It is the responsibility of all prospective clients 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.

B. Tax Rates

The tax rates stated in this tax chapter are exclusive of surcharge and health and education cess (unless stated otherwise).
The tax rates are applicable for the financial year 2022-23. The rate of surcharge and health and education cess are as under:

2.1 Surcharge rates are provided below:

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)				
	If income is less than INR 50 lakhs	If income is more than INR 50 lakhs but less than or equal to INR 1 Crore	If income exceeds INR 1 Crore but less than or equal to INR 2 Crores	If income exceeds INR 2 Crores but less than or equal to INR 5 Crores	If income exceeds INR 5 crores
Individual, HUF, AOP, BOI (Resident and non-resident)	Nil	10%	15%	25%	37%

Note 1: In the case where the total income includes dividend income (only residents) or income referred to in section 111A or section 112A of the ITA, surcharge on such income shall not exceed 15%. The Finance Act, has amended that in the case where the total income includes income referred to in section 112 of the ITA, surcharge on such income shall not exceed 15%.

Note 2: In the case where the total income of foreign portfolio investor ('FPI') includes dividend income or any income in the nature of short-term capital gains or long-term capital gains, surcharge on such income shall not exceed 15%.

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)		
	If income does not exceed INR 1Crore	If income exceeds INR 1 crore but less than or equal to INR 10 Crores	If income exceeds INR 10 Crores
Partnership firm (Domestic and foreign)	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company, including FPI incorporated as a company	Nil	2%	5%

Note 1: Per the Taxation Laws (Amendment) Act, 2019, the applicable surcharge rate on income chargeable to tax under sections 115BAA or 115BAB of the ITA is 10% irrespective of the income threshold.

2.2 In this tax chapter, we have used the term 'applicable slab rates' at many places. The slab rates which are applicable for individuals / HUF / AOP / BOI are as follows:

Total Income (Refer notes below)	Tax rates (refer notes below)
Up to INR 2,50,000	Nil

From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 10,00,000	20%
INR 10,00,001 and above	30%

The slab rates applicable for individuals/HUF opting for Alternative Tax Regime

Total Income (Refer notes below)	Tax rates (refer notes below)
Up to INR 2,50,000	Nil
From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 7,50,000	10%
From INR 7,50,001 to INR 10,00,000	15%
From INR 10,00,001 to INR 12,50,000	20%
From INR 12,50,001 to INR 15,00,000	25%
INR 10,00,001 and above	30%

Note 1: The Central Government *vide* the Finance (No. 2) Act, 2019, has provided for a rebate on tax on total income of upto INR 5,00,000 for resident individual assessee.

Note 2: In the case of a resident individual of the age of 60 years or more but less than 80 years at any time during the year, the basic exemption limit is INR 3,00,000.

Note 3: In the case of a resident individual of the age of 80 years or more at any time during the year, the basic exemption limit is INR 5,00,000.

In addition to the above, health and education cess at the rate of 4% is leviable on aggregate of tax and surcharge.

C. It is envisaged that a portfolio investor, including an FPI, could earn the following streams of income from investments made in the portfolio investments:

- Dividend income;
- Interest income;
- Gains on sale of securities;
- Premium on redemption; and
- Gains on buy-back of shares.

The tax implications of each stream of income are provided below:

i. <u>Dividend income on shares</u>

Per the amendments made by the Finance Act 2020, the Indian Company declaring dividend on or after 1 April 2020, is not required to pay any Dividend Distribution Tax (‘DDT’) on dividend distributed/ paid/ declared to its shareholders. The dividend income is now taxable in the hands of the shareholders under section 56 of the ITA under the head ‘Income from Other Sources’ at the applicable rates (except where DDT and tax under section 115BBDA of the ITA has been paid). Further, the taxpayer can claim deduction of interest expenditure under section 57 of the ITA against such dividend income. However, the taxpayer can claim deduction of interest paid to a maximum of 20% of the dividend income.

Per the provisions of section 194 of the ITA an Indian company declaring dividend is required to deduct tax at the rate of 10% provided amount of dividend exceed INR 5,000 (in case of payment to resident investors) and at specified rates/ rates in force (in case of payment to non-resident investors). In case, the dividend income is paid to an FPI, the rate of tax deduction as per section 196D of the ITA is 20% subject to availability of benefits under the double taxation avoidance agreement (‘Tax Treaty’), if any.

Per the amended provisions, the dividend income (net of deductions, if any) is taxable at the following rates:

Resident investors

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	30%
Resident Firms / LLPs	30%
Resident Individuals/ HUFs/ AOP/ BOI (Refer Note 3)	30%

Note 1: The Finance Act has reduced the tax rates to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2020-21.

Note 2: Per the provisions as contained under section 115BAA and section 115BAB, domestic companies have the option to pay tax on total income at the rate of 15% or 22% subject to fulfilment of certain conditions.

Note 3: Per section 115BAC in the ITA, Individuals and HUF may 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. At present, the highest slab rate has been captured.

Non-resident investors

Per the provisions of section 115A of the ITA, dividend income (net of deductions, if any) is taxable in the hands of the non-resident investors at the rate of 20% under the ITA. However, this rate is subject to the tax rate specified in the Tax Treaties of the respective jurisdictions of the investors and subject to applicable conditions.

ii. Interest income on debt securities

Resident investors

Interest income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	30%
Resident Firms / LLPs	30%
Resident Individuals/ HUFs/ AOP/ BOI (Refer Note 3)	30%

Note 1: The Finance Act has reduced the tax rate to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2020-21.

Note 2: Per the provisions as contained under section 115BAA and section 115BAB, domestic companies have the option to pay tax on total income at the rate of 15% or 22% subject to fulfilment of certain conditions.

Note 3: Per section 115BAC in the ITA, Individuals and HUF have an option to pay tax on their total income at the reduced tax rates (as mentioned above). The income would, however, have to be computed without claiming prescribed deductions or exemptions. At present, the highest slab rate has been captured.

Non-resident investors

Per the provisions of the ITA, in case of taxability of non-resident (who is a tax resident of a country with which India has a Tax Treaty for granting relief of tax), the provisions of the ITA apply to the extent they are more beneficial.

The interest income earned by the non-resident investors (being corporate entity / non-corporate entity) is generally (unless certain conditions are satisfied) taxable at the rate of 30%/40% under the provisions of the ITA.

The Indian company paying interest is required to deduct tax at the rates in force in case of payment to resident/ non-resident investors. In case, the interest income is paid to an FPI, the rate of tax deduction as per section 196D of the ITA is 20% subject to availability of benefits under the Tax Treaty, if any.

iii. Gains on sale of securities

Gains arising from the transfer of securities held in the investee company or portfolio company may be treated either as ‘Capital Gains’ or as ‘Business Income’ for tax purposes, depending upon whether such securities were held as a capital asset or a trading asset (i.e., stock-in-trade). Traditionally, the issue of characterisation of gains (whether taxable as Business Income or Capital Gains) has been a subject matter of litigation with the tax authorities. There have been judicial pronouncements on whether gains on transfer of securities should be taxed as ‘Business Income’ or as ‘Capital Gains’. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the Central Board of Direct Taxes (‘CBDT’) has provided guidance, vide its Instruction: No. 1827, dated 31 August 1989 and Circular No. 4/2007, dated 15 June 2007, in respect of characterisation of gains as either Capital Gains or Business Income.

Following are the key illustrative factors indicative of Capital Gains characterisation (not Business Income): -

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

Further, the CBDT had issued a circular no. 6/2016 dated 29 February 2016 ('CBDT Circular 2016'), clarifying the issue of taxability of gains arising on sale of listed shares and securities. The CBDT Circular 2016, laid down guiding principles to characterise the gains from sale of listed shares and securities, either as Business Income or Capital Gains. It had clarified that the income-tax officer would not dispute any income arising from transfer of listed shares and securities held for more than 12 (twelve) months, if the same was treated as, and offered to tax under, the head `'Capital Gains', subject to genuineness of the transaction being established. However, as regards the securities sold within 12 months there is a risk that the tax officer could characterise the said income as 'Profits and gains from business or profession'.

To avoid disputes/ litigation and to have a consistent view in assessments, the CBDT had issued an instruction on 2 May 2016, to the tax department, on determining the tax treatment of income arising from transfer of unlisted shares, providing that the income from transfer of unlisted shares (for which no formal market exists for trading) would be treated as 'Capital Gain' irrespective of period of holding. However, the CBDT has carved out the following 3 (three) exceptions for the tax department to take an appropriate view, if:

a) The genuineness of transactions in unlisted shares itself is questionable;
b) The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
c) The transfer of unlisted shares is made along with the control and management of underlying business.

<u>Gains characterised as capital gains</u>

The ITA, provides for a specific mechanism for computation of capital gains. Capital gains are computed by deducting from the sale consideration, the cost of acquisition and certain other expenses. The tax payable on capital gains depends on whether the capital gains are long-term or short-term in nature.

Depending on the period for which the securities are held, capital gains earned by the Investors are treated as short-term or long-term capital gains. The taxability of capital gains is discussed below:

Type of instrument	Period of holding	Characterisation
Listed Securities (other than a unit), units of equity-oriented mutual funds, units of Unit Trust of India and Zero- Coupon bonds	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Shares of a company (other than shares listed on a recognised stock exchange in India)	More than twenty-four (24) months	Long-term Capital Asset
	Twenty-four (24) or less	Short-term Capital Asset
Other securities	More than thirty-six (36) months	Long-term Capital Asset
	Thirty-six (36) months or less	Short-term Capital Asset

Taxability of capital gains under the ITA (without considering the benefits under the Tax Treaty for non-resident investors) are be as follows:

Sr. No	Particulars	Resident investors	Non-resident investors [Note 1]	FPI
		Tax rate (%) excluding applicable surcharge and health and education cess		
1	Short-term capital gains on transfer of listed equity shares or units of an equity oriented mutual fund chargeable to Securities Transaction Tax ('STT')	15%	15%	15%
2	Any other short-term capital gains	30% [Note 2]	30% (in case of firms/LLP/foreign non-corporates) / 40% (in case of foreign company) (assumed highest slab rate for individuals)	30%
3	Long-term capital gains on transfer of: (i) listed equity shares on which STT has been paid both at the time of acquisition and sale of such shares; and (ii) units of equity oriented	10% [Note 4] [on income in excess of INR 1 lakh]	10% [Note 4] [on income in excess of INR 1 lakh]	10% [Note 4] [on income in excess of INR 1 lakh]

	mutual fund on which STT has been paid on transfer [Note 3]			
4	Long-term capital gains on sale of listed bonds or listed debentures	10% (without indexation) [Note 5]	10% (without indexation) [Note 5]	10% [Note 4]
5	Long-term capital gains on transfer of unlisted bonds or unlisted debentures	20% (without indexation)	10% [Note 4 and 5]	10% [Note 4]
6	Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures) [Note 6]	20% (with indexation)	10% [Note 4 and 5]	10% [Note 4]

Note 1:

In case, the investments are made by Non-resident Indians, then such investors are entitled to be governed by the special tax provisions under Chapter XII-A of the ITA.

Note 2:

Assuming highest slab rates for individual investors.

In the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2020-21), the tax rate is 25%.

Also, per provisions of section 115BAA or section 115BAB, domestic companies have the option to pay tax on total income at the rate of 15% or 22% subject to conditions as prescribed therein.

Per section 115BAC in the ITA, Individuals and HUF 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 3:

The cost of acquisition of equity shares or units of an equity oriented mutual funds acquired before
1 February 2018, shall be higher of:

- the actual cost of acquisition; and

- Lower of:
    - Fair market value as on 31 January 2018, determined in the prescribed manner; and
    - Value of consideration received or accruing upon transfer.

The CBDT issued a notification dated 1 October 2018, wherein the list of transactions has been specified in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the ITA with respect to payment of STT shall not apply.

Note 4:

Without considering indexation and foreign exchange fluctuation benefit.

Note 5:

The Indian Revenue Authorities may disregard the said position and apply a tax rate of 20%.

Note 6:

Per section 50CA of the ITA, where the consideration received or accruing on account of transfer of unlisted shares is less than the fair market value of such share, determined in the prescribed manner, the fair value as determined should be deemed to be the full value of consideration for the purpose of computing capital gains.

iv. Gains are characterised as 'business income'

If the gains are characterised as business income, then the same is taxable on net income basis at the rate of 30% for resident investors. The Finance Act has reduced the tax rate to 25% in case of domestic companies having a total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2020-21. Kindly note, we have assumed highest rate for resident individual investors. Also, per the provisions as contained under section 115BAA and section 115BAB, domestic companies have the option to pay tax on total income at the rate of 15% or 22% subject to fulfilment of certain conditions.

If the gains are characterised as business income, then the same are taxable on net income basis at 40% for foreign company if it has a business connection/ permanent establishment in India, and such income is attributable to the business connection/ permanent establishment of the non-resident in India. Further, for non-resident investors (other than a foreign company) tax at the rate of 30% is levied.

v. Premium on redemption:

There are no specific provisions contained in the ITA, with regard to the characterisation of the premium received on redemption of debentures. Redemption premium earned on account of redemption of Non-Convertible Debentures/ Optionally Convertible Debentures, may be classified as capital gains or interest. The characterisation of premium on redemption of debentures as interest or a capital receipt has to be decided based on factors surrounding the relevant case and within the framework of the following features:

- The term of the loan,
- The rate of interest expressly stipulated for (whether at arm's length, whether contains premium over risk free rate of return, etc.),
- The nature of the risk undertaken:
- Interest rate risk (e.g. Changes in prevailing market interest rates)
- Capital risk (e.g. Risk of loss of capital)
- Industry risk (real estate being quite volatile sector)
- Limited Exit Opportunities (e.g. Redemption option at the end of the 37th month and limitations with respect to purchaser in the open market)
- Country risk (e.g. economic risks - slowdown in economic growth or macro-economic imbalances, political instability and related risks, laws and tax related risks - retrospective amendments)
- Currency risk – adverse change in exchange rate

In order to characterise the redemption premium as capital gains, one need to demonstrate and substantiate (with requisite documentation) that any premium paid is on account of above referred risks. Preferable, one should be able to provide broad bifurcation of premium against each category of risk.

Where redemption premium is classified as capital gains, the same is taxable at the rate specified against capital gains. If redemption premium is classified as interest, it is taxable at the rate specified against interest.

vi. Proceeds on buy-back of shares by a domestic company

Per section 10(34A) of the ITA, gains arising on buy back of shares are exempt in the hands of investors. However, per section 115QA of the ITA, a distribution tax at the rate of 20% is payable by an Indian company on distribution of income by way of buy-back of its shares where the buy-back is in accordance with the provisions of the Companies Act, 2013. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, CBDT *vide* its notification dated 17 October 2016 prescribed final buyback rules by inserting new Rule 40BB to the Rules for determination of the amount received by the Indian company in respect of issue of shares.

The above provision also applies in the case of buyback of shares listed on a recognised stock exchange.

D. Other tax considerations

4.1 Advance tax instalment obligations

It will be the responsibility of the investors to meet the advance tax obligation instalments payable on the due dates prescribed under the ITA.

4.2 Tax deduction at source

Section 206AA of the ITA

The income tax provisions (section 206AA of the ITA) provide that where a recipient of income (who is subject to withholding provisions) does not furnish its Permanent Account Number ('PAN'), then tax is required to be deducted by the payer at the higher of the following i.e., (i) rates specified in the relevant provisions of the ITA; (ii) rates in force; or (iii) at 20%.

In the case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents. The CBDT had issued a notification granting certain relaxations from deduction of tax at a higher rate in the case of non-resident investors or a foreign company. The provisions of section 206AA of the ITA does not apply in respect of payments to be made which are in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, provided the deductee furnishes certain details and specified documents to the deductor.

Section 206AB of the ITA

The Finance Act, 2021 has introduced a new provision - section 206AB in the ITA for deducting tax at higher rates on payments made to non-filers of income-tax returns. Section 206AB of the ITA applies where any sum or income or amount is paid, or payable or credited, by a person to a specified person and tax is required to be deducted at source as per provisions of the ITA (except under sections 192, 192A, 194B, 194BB, 194LBC or 194N of the ITA). The Finance Act has excluded section 194-IA, 194-IB, or 194M from the scope of section 206AB of the ITA.

The term 'specified person' has been defined to mean a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under section 139(1) has expired; and the aggregate of tax deducted at source and tax collected at source in his case is INR 50,000 or more in each of these two previous years. The Finance Act, 2022 has amended the definition of the term 'specified person' by reducing the period of non-furnishing of return from two years to one year. Further, specified person shall not include a non-resident who does not have a permanent establishment in India.

In case the aforesaid section is applicable, tax shall be deducted at higher of the followings rates:

- twice the rate specified in the relevant provision of the ITA; or
- twice the rate or rates in force; or
- the rate of five per cent.

If provisions of section 206AA and section 206AB of the ITA are applicable to a specified person, then, tax shall be deducted at higher of the two rates provided under the respective sections of the IT Act.

Withholding tax on purchase of goods

The Finance Act, 2021 has introduced a new provision - section 194Q in the ITA. The section provides that any person (i.e. buyer) who is responsible for paying any sum to any resident (i.e. seller) for the purchase of any goods (likely to include shares and securities) of the value or aggregate of such value exceeding INR 50 lakhs in any previous year, shall deduct an amount equal to 0.1%. of such sum exceeding INR 50 lakhs. The buyer shall be required deduct such tax at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier.

Further, the term 'buyer' has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the Financial Year immediately preceding the Financial Year in which the purchase of goods is carried out.

The section further provides that if any sum is credited to any account, whether called "suspense account" or by any other name, in the books of the buyer liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee (i.e. seller) and the provisions of this section shall apply accordingly.

However, the provisions of section 194Q shall not apply to transactions on which:

(a) tax is deductible under any of the provision of the ITA; and
(b) tax is collectible under the provisions of section 206C of the ITA other than transaction to which section 206C(1H) of the ITA applies.

Collection of tax at source

Section 206C(1H) of the ITA mandates a seller to collect tax at source at the rate of 0.1% of the consideration value of the goods (likely to include shares and securities) sold exceeding value of INR 50 lakhs. The seller has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crores during the specific earlier year. If the buyer does not provide PAN or Aadhaar number to the seller, then the tax rate shall be collected at rate higher of the following:

- at twice the rate specified in the relevant provision of this Act
- At the rate of 1%.

In a situation, where the buyer is liable to undertake withholding obligations and has undertaken the said obligation, the seller will not be liable to collect tax at source.

Having said the above, the CBDT *vide* its Circular No. 17 of 2020, dated 29 September 2020, stated that the provisions of 206C(1H) shall not apply to transactions in securities and commodities which are traded through recognized stock exchanges.

The Finance Act, 2021, has proposed a new section (i.e. section 206CCA) which is to be effective from 1 July 2021. Vide this section, tax will be required to be collected at the higher of the i.e., (i) rates specified in the relevant provisions of the ITA; or (ii) at 5% (five per cent) by a person at the time of receipt of any sum from a specified person.

In this context, the term 'specified person' means a person who has not filed the tax returns for the specific defined past two years and the tax withheld and tax collected at source is INR 50,000 or more for the said two years. The Finance Act, 2022, has amended the definition of the term 'specified person' by reducing the period of non-furnishing of return from two years to one year. Further, the specified person to not include a non-resident who does not have a permanent establishment in India.

If both the above-mentioned provisions are applicable (i.e. section 206CC and 206CCA), it has been proposed that the tax will be collected at the higher of the two rates derived in both the sections.

Applicability of these provisions in the case of cross-border or offshore transactions to be evaluated on a case to case basis.

The applicability of these provisions w.r.t. shares and securities are required to be tested.

4.3 <u>Foreign Portfolio Investors</u>

Per section 2(14) of the ITA, any investment in securities made by FPIs in accordance with the regulations made under the Securities and Exchange Board of India is treated as a capital asset. Consequently, any income arising from transfer of securities by FPIs are to be treated as capital gains. Under section 115AD of the ITA, long-term capital gains arising from transfer of securities are taxable at the rates mentioned in paragraph 3.3 above.

Under section 115AD of the ITA, interest and dividend income earned by FPIs are taxable at 20%. However, interest referred to in section 194LD of the ITA is taxable at 5% subject to fulfilment of conditions.

Per section 196D of the ITA, no deduction of tax is made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD which is payable to FPI. However, tax shall be deducted under section 196D of the ITA with respect to interest income (other than referred to in section 194LD of the ITA) and dividend income at the rate of 20%.

These tax rates are subject to the rates specified in the applicable tax treaties and subject to fulfilment of conditions specified therein and under the ITA for availing such benefits.

4.4 Tax Treaty Benefits for Non-Resident investors

Per Section 90(2) of the ITA, the provisions of the ITA, are applicable to the extent they are more beneficial than the provisions of the Tax Treaty between India and the country of residence of the non-resident investor (subject to General Anti Avoidance Rules ('GAAR') provisions discussed below and to the extent of availability of Tax Treaty benefits to the non-resident investors).

Section 90(1) of the ITA provides that the Central Government may enter into Tax Treaty for granting relief in respect of income tax, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit of residents of any other country or territory).

Having said the above, it may be noted that no assurance can be provided that the Tax Treaty benefits will be available to the non-resident investors or the terms of the Tax Treaty will not be subject to amendment or reinterpretation in the future. This chapter does not discuss the tax implications applicable to the non-residents under a beneficial Tax Treaty, which would need to be analysed separately based on the specific facts.

The taxability of such income of the non-resident investors, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, is in accordance with the provisions of the ITA.

4.5 Tax Residency Certificate ('TRC')

In order to claim Tax Treaty benefits, the non-resident investors have to obtain the TRC as issued by the relevant authorities of its home jurisdiction. Further, the non-resident investors are required to furnish such other information or document as may be prescribed. In this connection, the CBDT *vide* its notification dated 1 August 2013 had prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.

The tax authorities may grant Tax Treaty benefit (after verifying the TRC) based on the facts of each case.

4.6 Non-resident investors (including FPI):

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

- it is regarded a tax resident of India; or
- being a non-resident in India, it 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 ITA.

Per Section 6 of the ITA, a foreign company is treated as a tax resident in India if its place of effective management ('POEM') is in India in that year. 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 are, in substance made. In case, the foreign company has a POEM in India, it qualifies as a resident of India for tax purposes and consequently, its worldwide income is taxable in India. In this connection, the CBDT issued a notification dated 22 June 2018, prescribing special provisions regarding taxation of foreign companies which are regarded as residents in India on account of its POEM being in India. Further, the foreign company might also not be entitled to claim the benefits of a Tax Treaty between India and the country of residence of the foreign company.

The CBDT had *vide* its Circular dated 24 January 2017, issued guiding principles for determination of POEM of a Company ('POEM Guidelines'). The POEM guidelines lay 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 POEM do not apply to companies having turnover or gross receipts less than or equal to INR 50 crores during the Financial Year.

Per section 90(2) of the ITA, the provisions of the ITA apply to the extent they are more beneficial than the provisions of the Tax Treaty between India and the country of residence of the non-resident investor (subject to GAAR provisions discussed below).

Section 90(1) of the ITA provides that the Central Government may enter into Tax Treaty for granting relief in respect of income tax, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit of residents of any other country or territory).

However, no assurance can be provided that the Tax Treaty benefits will be available to the non-resident investor or the terms of the Tax Treaty will not be subject to amendment or reinterpretation in the future. The taxability of such income of the non-resident investor, in the absence of Tax Treaty benefits or where the non-resident investor is from a country with which India has no Tax Treaty, would be as per the provisions of the ITA.

4.7 <u>STT:</u>

STT is applicable on various transactions as follows:

(a) 0.10% on the purchase of equity shares in a company and units of business trust on a recognised stock exchange in India where the contract for purchase is settled by the actual delivery or transfer of shares or units;
(b) 0.10% on the sale of equity shares in a company or sale of units of a business trust on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of shares or units;

(c) 0.001% on the sale of units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of units
(d) 0.025% on the sale of equity shares in a company or units of equity oriented funds or units of a business trust on a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of shares or unit;
(e) 0.01% on the sale of futures in securities;
(f) 0.05% on the sale of options in securities;
(g) 0.125% of the difference between the strike price and settlement price of the option, where the options are exercised;
(h) 0.001% on the sale of units of equity oriented fund to the Mutual Fund.
(i) 0.2% on sale of unlisted equity shares or unlisted units of a business trust under an offer for sale
(j) 0.001% on sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after 1 February, 2021

4.8 <u>Receipt of any property at a value below fair market value</u>

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 is 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 ITA.

For the above purposes, the FMV of shares is 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.

4.9 <u>Transfer of unquoted shares at less than fair market value</u>

Per Section 50CA of ITA, 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 is deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has notified rules for computation of FMV for the purpose of section 50CA of the ITA.

The provision of section 50CA do not apply to any consideration received/ accruing on transfer by certain class of persons and subject to fulfilment of conditions, as prescribed under Rule 11UAD.

4.10 <u>Deemed income on investment in securities</u>

Section 56(2)(x) of the ITA provides that if any assessee receives any property (including securities) without consideration or for inadequate consideration in excess of INR 50,000 as compared to the fair market value, fair market value in excess of such consideration is taxable in the hands of the recipient as 'Income from Other Sources'. The tax rates are subject to availability of benefits under the Tax Treaty, if any in case of non-resident assessee.

The CBDT has notified rules with revised mechanism for computation of FMV for the purpose of section 56(2)(x) of the ITA.

The provision of section 56(2)(x) of the ITA do not apply to any sum of money or any property received by such class of persons and subject to fulfilment of conditions as may be prescribed.

Such deemed income is chargeable to tax (i) at the rate of 30% in case of resident investors (assuming highest slab rate for resident individual) (ii) at the rate of 40% in case of foreign companies and (iii) at the rate of 30% in case of non-resident (assuming highest slab rate for non-resident individual).

In the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2020-21, the tax rate is 25%. Furthermore, domestic companies have the option to pay tax on total income at the rate of 15% or 22% depending on fulfilment of certain conditions and their nature of business.

Per section 115BAC in the ITA, Individuals and HUF 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.

4.11 GAAR:

The GAAR regime as introduced in the ITA is effective from April 1, 2017. GAAR may be invoked by the 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 four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
- It results in directly / indirectly misuse or abuse of the ITA;
- It lacks commercial substance or is deemed to lack commercial substance as specified under section 97 of the ITA in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

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

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;

- Looking through the arrangement by disregarding any corporate structure; or
- Reallocating and re-characterizing equity into debt, capital into revenue, etc.
- Disregarding or treating any accommodating party and other party as one and the same person;
- 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 GAAR provisions 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 does not apply, have been enumerated in Rules 10U to 10UC of the Rules. The Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 2017, the CBDT issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause ('LOB') in a Tax Treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

4.12 FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act ('FATCA') provisions and the Common Reporting 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 reportable account:

a. the name, address, taxpayer identification number [('**TIN**') (assigned in the country of residence)] and date and place of birth ['**DOB**' and '**POB**' (in the case of an individual)];
b. where an entity has one or more controlling persons that are reportable persons:
    i. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
    ii. the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
c. account number (or functional equivalent in the absence of an account number);
d. 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
e. 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 reportable accounts (i.e. under CRS).

4.13 Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The final impact of the MLI on a Tax Treaty is dependent on both the contracting states to the Tax Treaty having deposited their respective instruments of ratification with their final MLI Positions with the OECD Depositary. The MLI includes both mandatory provisions (i.e. the minimum standards under the BEPS Project) as well as non-mandatory provisions.

India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs. The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty. On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Once MLI evolves and is implemented in future, one should need to analyse its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Revenue authorities and applied.

4.14 Minimum Alternate Tax

The Taxation Laws (Amendment) Act, 2019 has reduced the base rate of MAT from 18.5% to 15% (plus applicable surcharge and cess), which shall be applicable w.e.f. 1 April 2020 i.e. Financial Year 2019-2020. Per the ITA, if the income-tax payable on total income by any company is less than 15% (excluding applicable surcharge and health and education cess) of its book profits, the company is required to pay MAT at 15% of such book profits (excluding applicable surcharge and health and education cess). Further, MAT provisions are not applicable to a foreign company if such company is a resident of a country or a specified territory with which India has a Tax Treaty and the company does not have a permanent establishment in India. Also, MAT provisions are not applicable if the company is a resident of a country or a specified territory with which India does not have a Tax Treaty, but the company is not required to seek registration under any law in relation to companies.

Further, the MAT credit is allowed to be carried forward up to 15 assessment years. The Finance Act, 2017, has introduced the framework for computation of book profit for IndAS compliant companies in the year of adoption and thereafter.

In case where the domestic company opts to be taxed as per the rates and manner prescribed under section 115BAA and section 115BAB of the ITA, then MAT provisions does not apply to such domestic companies. Also, MAT credit (if any) is not allowed to be carried forward once the company exercises the option to avail reduced tax rates as mentioned above.

4.15 Alternate Minimum Tax

Per the ITA, 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 18.5% (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 ITA.

4.16 Bonus stripping

Where any person buys or acquires any units of a mutual fund or the Unit Trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional units (without any payment) on the basis of holding of the aforesaid units on the record date, and if such person sells or transfers all or any of the original units within a period of nine months after the record date while continuing to hold all or any of the additional units, then any loss arising to him on account of such purchase and sale of all or any of the units is ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored is deemed to be the cost of acquisition of such additional units as are held by him on the date of sale or transfer of original units.

The Finance Act has been amended to include shares and units of infrastructure Investment Trust or Real Estate Investment Trust or Alternative Investment Funds (AIFs) in the anti-avoidance provisions of the ITA related to bonus stripping.

4.17 Carry-forward of losses and other provisions (applicable irrespective of the residential status)

In terms of section 70 read with section 74 of the ITA, 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, can 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, can be carried forward and set-off against long-term capital gains arising during the subsequent 8 assessment years.

4.18 Proposed change in the India tax regime

The Government of India intends to replace the current Income-Tax Act, 1961 with a new direct tax code ('DTC') in consonance with the economic needs of the country. The task force is in the process of drafting a direct tax legislation keeping in mind, tax system prevalent in various countries, international best practices, economic needs of the country, among others. At this stage, it is not possible to comment on the final provisions that the new DTC will seek to enact into law and consequently, no views in that regard are being expressed. There can be no assurance as to the implications of the final new DTC for the Portfolio Manager and its investors.

4.19 Goods and Services 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 should be applicable on services provided by the Portfolio Manager. GST rate on such services is currently 18%.

ACCOUNTING POLICIES

ASK Investment Managers Limited follows prudent accounting policies for the portfolio investments of client as under:

a. *Contribution to portfolio*

Contribution to portfolio by way of securities is recorded at the previous day closing market value from the date the securities are received by the portfolio manager. Contribution by way of cheque/RTGS/NEFT is recorded on the date of clearance of funds in bank account.

b. *Portfolio investments*

Portfolio investments are stated at market/fair value prevailing as on year year end and the difference as compared to book value is recognized as unrealized gain/loss in the statement of affairs for the year.

Market value/fair value of portfolio investments is determined as follows:

i. Investments in listed equity shares are valued at the closing quoted price on The Stock Exchange, Mumbai/ National Stock Exchange;
ii. Investments in units of a mutual fund are valued at Net Asset Value of the relevant scheme;
iii. Valuation of all other securities will be valued at fair price as determined by a valuer of repute appointed by the Portfolio Manager;
iv. Purchase and sale of investments are accounted for on trade date basis. Cost of purchase and sale includes consideration for scrip and brokerage (including service tax thereon) but excludes securities transaction tax paid on purchase/sale of securities.

v. Consideration received against fractional entitlements on account of corporate actions is entirely considered as revenue under other income.

c. *Revenue*

Realized gain/loss on sale of investments is accounted on trade date basis by comparing sale consideration with the cost of investment. The cost of investment is identified following First–in-First Out (FIFO) method.

Corporate dividend income is recognized on ex-dividend date.

d. *Expenses*

Portfolio management fees are accounted on accrual basis.

Securities transaction tax paid on purchase/sale of securities is treated as expenditure shown under other expenses in the Statement of Affairs.
Other expenses like depository charges, transaction charges, audit fees etc are recorded on cash basis.

INVESTORS SERVICES & GRIEVANCE REDRESSAL AND DISPUTE SETTLEMENT MECHANISM:

ASK IM seeks to provide the portfolio clients a high standard of service. ASK IM is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. The Investor servicing essentially involves: -

- Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- Attending to and addressing any client query with least lead time;

Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints:

Mr. Kiran Valanger
ASK Investment Managers Limited
Birla Aurora, Level 16, Office Floor 9,
Dr. Annie Besant Road, Worli, Mumbai 400 030
Phone: 022-66520000
Email: ce@askpms.in

ASK PMS Real Estate Special Opportunities Portfolio – I is a Portfolio Management Product set up by ASK Investment Managers Limited

The Product proposes to make portfolio investments in accordance with the investment policy with a view to generate superior returns through long term investment in various Portfolio Companies engaged in the real estate, construction development and allied sectors in India.

Grievance Redressal:

Mr. Kiran Valanger, Head – Operations & Client Service, Mr. Jenil Doshi – Head – Client Service and Mr. Amit Gupta, Group Compliance Officer shall attend to and address any client query or concern as soon as practicably possible.

Dispute Settlement Mechanism:

All disputes, differences, claims and questions whatsoever which shall arise either during the subsistence of the agreement with a client or afterwards with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising therefrom or the interpretation of any provision therein shall be, in the first place settled by mutual discussions, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and be conducted in English language.

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

ASK Investment Managers Ltd (Investor Grievance) link wherein you can lodge your complaint: https://www.askfinancials.com/ask-investment-managers/investor-grievance.aspx

SEBI Scores Link wherein you can lodge your complaint against Intermediary: https://www.scores.gov.in/scores/Welcome.html

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ASK Investment Managers Limited

Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in lacs)

30. Related party transactions

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosures' are given below:

A) Names of related parties and nature of relationship

(a) Direct subsidiaries:

Name of the subsidiary	Country	% Holding as at March 31, 2023	% Holding as at March 31, 2022
ASK Wealth Advisors Private Limited	India	100.00	100.00
ASK Property Investment Advisors Private Limited	India	99.50	99.50
ASK Property Advisory Services Private Limited *	India	100.00	100.00
ASK Trusteeship Services Private Limited	India	100.00	100.00
ASK Capital Management Pte. Limited	Singapore	100.00	100.00

* ASK Property Advisory Services Private Limited, wholly owned subsidiary of the Company, has filed an application for strike-off with the Registrar of Companies on 21st December, 2022 and the same is under process.

(b) Indirect subsidiaries:

Subsidiaries of the wholly owned subsidiary, ASK Wealth Advisors Private Limited

Name of the subsidiary	Country	% Holding as at March 31, 2023	% Holding as at March 31, 2022
ASK Family Office and Investment Advisers Private Limited	India	100.00	100.00
ASK Financial Holdings Private Limited	India	100.00	100.00

(c) Joint venture :

Name of the Joint venture	Country	% Holding as at March 31, 2023	% Holding as at March 31, 2022
ASK Pravi Capital Advisors Private Limited	India	50.00	50.00

(d) Key management personnel (KMP) and relatives with whom transactions have taken place :

Sameer Koticha	Chairman & Non Executive Director
Sunil Rohokale	CEO and Managing Director
Bharat Shah	Executive Director
Girish Shrikrishna Paranjpe	Independent Director
Milind Barve	Independent Director (w.e.f. February 16, 2022)
Ayshwarya Vikram	Nominee Director (w.e.f. May 6, 2022)
Amit Dixit	Nominee Director (wef February 11, 2022)
Ganesh Mani	Nominee Director (wef February 11, 2022)
Nitin Rakesh	Nominee Director (wef February 11, 2022)
Kishore Koticha	Relative of Director
Pramoda Koticha	Relative of director
Monik Koticha	Relative of Director
Arvind Shah	Relative of Director
Jatin Koticha	Relative of director
Aditi Paranjpe	Relative of director
Varsha Ghelani	Relative of director

(e) Enterprises where the reporting entity excercises significant influence with whom transactions have taken place :

ASK Foundation
ASK Pravi Private Equity Opportunities Fund
ASK India 2025 Equity Fund
ASK Multi Cap Fund
ASK Select Focus Fund
ASK Emerging Opportunities Fund
ASK Golden Decade Fund
ASK Golden Decade Fund Series II
ASK Emerging Opportunities Fund Series II
ASK Growth Fund
ASK Golden Decade Fund Series III
ASK Life Fund

(All amounts in lacs)

30. Related party transactions *(Continued)*

B) Transactions with related parties

(a) Transactions with key management personnel (KMP)

The table below describes the compensation to key management personnel which comprise directors and executive officers under Ind AS 24:

Key management personnel compensation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term employee benefits (refer note 1 & 2)	7,594.27	40,353.69
Total compensation	7,594.27	40,353.69

(b) Transactions with related parties

Transactions with related parties are as follows:

Sr. No.	Nature of transactions	Year ended March 31	Holding Company	Subsidiaries	Joint venture	Key management personnel (KMP) and relatives	Entities where the reporting entity exercises significant influence
1	Services received	2023	-	7,935.38	-	-	-
		2022	-	6,120.90	-	-	-
2	Services rendered	2023	-	2,911.42	-	11.16	7,673.85
		2022	-	2,343.27	-	27.37	3,046.82
3	Investments	2023	-	-	-	-	-
		2022	-	5,000.00	-	-	-
4	Loan given	2023	-	65,025.18	-	-	-
		2022	-	2,501.80	-	-	-
5	Repayment of loan given including interest	2023	-	37,499.00	-	-	-
		2022	-	5,970.03	-	-	-
6	Conversion of loan into equity	2023	-	615.54	-	-	-
		2022	-	-	-	-	-
7	Managerial remuneration (refer note 1 & 2)	2023	-	-	-	7,594.27	-
		2022	-	-	-	40,353.69	-
8	**Other transactions :**						
	Other income	2023	-	189.29	-	-	-
		2022	-	48.38	-	-	-
	Diminution in value of Investments	2023	-	1,006.36	-	-	-
		2022	-	-	-	-	-
	Donation	2023	-	-	-	-	489.68
		2022	-	-	-	-	234.22
	Reimbursements received from parties	2023	-	-	-	8.85	-
		2022	-	0.22	-	0.79	-
	Recovery of expenses	2023	-	95.16	-	-	-
		2022	-	66.42	-	-	-

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS MUMBAI

ASK Investment Managers Limited ★ Mumbai

ASK Investment Managers Limited

Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in lacs)

30. Related party transactions *(Continued)*

B) Transactions with related parties

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

Transactions with related parties are as follows:

Sr. No.	Nature of transactions	year ended	Holding Company	Subsidiaries	Joint venture	Key management personnel (KMP) and relatives	Entities where the reporting entity exercises significant influence
	Outstandings :						
9	Payable	Mar-23	0.00	1,126.01	-	25.57	-
		Mar-22	2.40	-	-	6.10	-
10	Receivable	Mar-23	-	209.48	-	0.48	1,326.99
		Mar-22	-	2,033.09	-	16.48	559.21
11	Investments (at cost)	Mar-23	-	32,335.87	814.50	-	8,597.20
		Mar-22	-	30,087.14	814.50	-	3,559.37
12	Loans	Mar-23	-	27,301.23	-	-	-
		Mar-22	-	214.73	-	-	-
13	Number of outstanding options (refer note 3)	Mar-23	-	5,560,001	-	4,542,978	-
		Mar-22	-	5,904,999	-	4,565,693	-

Notes:

1. The future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly, the amount pertaining to KMP's is not ascertainable separately, and not included above.

2. Managerial remuneration include perquisite tax (Rs. 5,937.75 lacs ; Previous period - Rs. 36,023.95) & include bonus.

3. Numbers of outstanding options represents issuance of ESOPs and ESARs to employees of subsidiary companies.

C) Terms and conditions of transactions with related parties

The transactions with related parties are made on arm's length basis. Outstanding balances at the period / year end are unsecured and settlement occurs in cash.

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS MUMBAI

ASK Investment Managers Limited ★ Mumbai