DKCG
Chartered Accountants

CERTIFICATE

The Board of Directors,
ASK Wealth Advisors Private 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 Wealth Advisors Private Limited ("the Company"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India within 7 working days of the material changes. ("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 director's 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.

iv. We have relied on the representation made by the management regarding introducing new investment approach and other non-material changes as on March 17, 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

DEEPAK
BABULAL
KHARWAD

Digitally signed by DEEPAK BABULAL KHARWAD
DN: c=IN, o=Personal, 2.5.4.20=d2cbfe43fcee522621be1f6ab119221a2b186c4f066cafaa25ae7f4c5a539298, postalCode=400086, st=MAHARASHTRA, serialNumber=1d3a8a943bc799eeffe19e8ce15a44613c68ebd870518a8bfee51089e1250760, cn=DEEPAK BABULAL KHARWAD, l=MUMBAI, title=9137, pseudonym=913720210226123236948, email=DEEPAK.KHARWAD@GMAIL.COM
Date: 2023.03.17 12:01:18 +05'30'

D K C G AND ASSOCIATES

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

Place: Mumbai
Date: 17th March, 2023

Cert. No.: DKCG/2022-23/007
UDIN: 23124599BGWVWA3848

ASK Wealth Advisors Private Limited

DISCLOSURE DOCUMENT

FOR

PORTFOLIO MANAGEMENT SERVICES

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, Chartered Accountants, (FRN 0154843W, M. No. 124599) having its head office at B 702 Neelkanth Business Park, Opposite Vidyavihar Railway Station, Vidyavihar West, Mumbai - 400 086.

iv) Principal Officer: Mr. Somnath Mukherjee
Address: ASK Wealth Advisors Private Limited
Birla Aurora, Level 16,
Office Floor 9, Dr. Annie Besant Road, Worli,
Mumbai – 400 030.
Telephone: 022-66132809
Email: smukherjee@askwealthadvisors.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 Wealth Advisors Private Limited

Mr. Somnath Mukherjee
Principal Officer

Date: 17 March 2023

Place: Mumbai

INDEX

Table of Contents

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 Wealth Advisors Private Limited (ASKWA)

ASK Wealth Advisors Private Limited is the part of ASK Group which has a heritage dating back to 1983. The ASK Group is a well-diversified and renowned Financial Services Group. Today, it is positioned at the summit in the areas of portfolio management, real estate investment and advisory and wealth advisory services managing the wealth of some of the richest families in India. With close to three decades of presence in the capital markets, ASK Group has been a prominent part of the India growth story, thriving hand-in-hand with its many high net-worth clients across the globe.

ASK Wealth Advisors Private Limited was established in 2006 as an independent Wealth Advisory and Family Office firm providing wealth management solutions. Currently, it manages more than Rs. 30,000 crores of assets across approximately 2,400 HNI and Ultra-HNI families spread across India.

- 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

ASKWA is registered as an Investment Adviser under SEBI (Investment Advisers) Regulations, 2013 and offers investment advisory services. ASKWA is the investment manager and the sponsor of ASKWA Multi Opportunities Fund, a Category III alternative investment fund registered with SEBI. ASKWA also undertakes distribution business in respect of insurance and mutual fund products and is registered with the Insurance Regulatory and Development Authority of India and the Association of Mutual Funds in India as a corporate agent and mutual fund distributor, respectively.

Our parent company, ASK Investment Managers Limited ("**ASK IM**") has entered into an agreement with the Blackstone Group, whereby an entity within the Blackstone Group has acquired approximately 71% of ASK IM, resulting in an indirect "change in control" of ASK WA under the SEBI (Portfolio Managers) Regulations, 2020. Mr. Sameer Koticha and his affiliates, together will continue to hold approximately 16% of ASK IM and the existing management team of ASK IM, including the CEO, Mr. Sunil Rohokale, our executive director, Mr. Bharat Shah and other key persons and employees will continue to collectively hold approximately 13% of the shareholding in ASK IM.

Blackstone was founded in 1985 and has been publicly listed on the New York Stock Exchange since 2007 under the ticker symbol "BX". It has a market capitalization of over USD 150 billion as of September 24, 2021. 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, among other businesses, include the management of private equity funds, real estate funds, real estate investment trusts, hedge funds and credit-focused funds. Blackstone, across its different investment businesses, had total assets under management of approximately USD 731 billion as of September 30, 2021.

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.

[ii] Promoters, Directors, Principal Officer and their background

Mr. Sameer Koticha, promoter and Chairman, has a long, enriched experience of more than three decades in capital market. He is on Board of ASK Wealth Advisors Private Limited. He is a member of the Board and Investment Committees of all the businesses, and he mentors ASK Group in areas of Corporate Governance and Best Practice. Mr. Koticha is also closely associated with several social causes focusing on betterment of underprivileged through various means.

Mr. Sunil Rohokale, CEO and Managing Director ASK Group, holds a Bachelor's degree in Engineering and has also completed MBA. He has a vast experience in Banking & Finance Industry.

He was working with a leading private sector bank for more than a decade in various capacities in assets, liabilities, wealth management, mortgage and real estate.

Mr. Ganesh Mani, is a nominee Director in ASKWA. He 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. Himanshu Dodeja, is a nominee Director in ASKWA. He is a Managing Director, and Head of Legal, of Blackstone India, based in Mumbai. Mr. Dodeja focuses on mergers & acquisitions, private equity, capital market initiatives of the firm, and on all the legal matters. Mr. Dodeja is also on the board of various companies in India. Before joining Blackstone in 2016, Mr. Dodeja was a partner at Cyril Amarchand Mangaldas in Mumbai, where he focused on private equity, M&A transactions, special situations, and advised many other marquee private equity investors. Attorney, The New York State Bar Association and Attorney, The Bar Council of India.

Mr. Rajesh Saluja, is the Managing Director and Chief Executive Officer of ASKWA. He holds a master's degree in marketing management from the University of Bombay. He has over 24 years of experience in finance and capital markets, and has previously worked at MODI GBC Limited, Real Value Marketing Services Limited and was the business head for deposits and priority banking at Standard Chartered Bank.

Mr. Toshan Tamhane is appointed as Additional Director (Non-executive Independent) with effect from 20th November 2020. Toshan was working as a Senior Partner with McKinsey & Company since 2002. He has worked across 26+ countries during his 18 years tenure in the firm. Within financial services, Toshan has served private sector banks, insurance players, wealth managers and regulators in 15 countries. He has also helped launch 5 greenfield banks across South East Asia. Toshan has done his Bachelors in Commerce from the University of Bombay and has received his P.G.D.M from the Indian Institute of Management, Ahmedabad.

Mr. Somnath Mukherjee – Managing Partner & Chief Investment Officer
As CIO, Somnath runs Investment Strategy, Product, Advisory & International Wealth Management for the firm. He has over 20 years of experience in Wealth Management, Private Banking & Global Markets with Standard Chartered Bank across India and Singapore. He has received an MBA from IIM, Calcutta & a Bachelors degree from University of Delhi. He also holds the CFA & FRM charters, from CFA Institute and Global Association of Risk Professionals, respectively

iii. Group companies / firms of the Portfolio Manager on turnover basis

As on March 31, 2022 (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 31.03.2022)**
1	ASK Wealth Advisors Private Limited (Self)	176.15
2	ASK Property Investment Advisors Private Limited	30.81

3	ASK Family Office and Investment Advisors Private Limited	-
4	ASK Property Advisory Services Private Limited	-
5	ASK Trusteeship Services Private Limited	0.04
6	ASK Capital Management PTE Limited (Singapore)	17.06
7	ASK Pravi Capital Advisors Private Limited	0.29
8	ASK Financial Holdings Private Limited (earlier known as "ASK Infrastructure Private Limited")	30.26
9	ASK Investment Managers Limited	739.72

iv. Details of Services being offered:

Discretionary & Non Discretionary Portfolio Management Services (PMS)

Under these services, all an investor has to do, is to give ASKWA his portfolio in any form i.e. in stocks, Mutual Funds, Bonds, or cash or a combination of any of these securities. 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, ASKWA reserves the right to prescribe a higher threshold product-wise or in any other manner at its sole discretion. ASKWA'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, execution of investment decisions are taken at the discretion of the Investor based on the recommendations provided by the Portfolio Manager.

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. ASK Wealth Advisors Private Limited is a SEBI registered Investment Adviser and offers investment advisory services under a separate division and investor is requested to approach the said division to avail advisory services.

DIRECT ONBOARDING OF CLIENTS:-

We have in place direct onboarding facility through our website. This facility shall ease Clients to have direct interaction with ASKWA personnel rather that routing through any Distributor/Referral or Channel Partners.

For more details about the same, the Client is requested to contact enquiry@askwealthadvisors.com or +91 22 6613 2800.

4. 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.	None
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

5. Services Offered

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

Investment Philosophy (Discretionary and Non discretionary services)

We are an UHNI focused firm, with several large investors engaging with us for their portfolio allocations across Asset classes and investment products.

Currently, these engagements with establishing the risk profile of the investor(s), and then constructing the multi-asset / multi-strategy Portfolio best suited for their risk appetite, long term investment goals, and specific investment guidelines (if any).

The multi-asset / multi-strategy portfolio constitutes varying allocation across Equity/Fixed Income/Cash & Alternatives basis different risk profiles.

Once the above is established, various investments in suggested investment schemes/products is done by the client, facilitated by the Portfolio Manager. The portfolios thus constructed are customized for the investors, depending on his objectives and risk profiles, in a multi-asset Be-Spoke Investment approaches.

This would mean constructing customized PMS portfolios for clients, again basis their needs, objectives and risk profiles –.

As a Portfolio Manager, this would entail ASKWA constructing / recommending a portfolio with the following characteristics:

Listed equities and Equity Mutual Funds using a blend of styles (Growth, Value and Quality) and across Market-capitalisation (Large, Mid and Small). ASKWA investment approach would be to optimize between styles and market-capitalisations to suit our projected views on the markets. While most ASKWA portfolios would be biased towards Growth Large-cap strategies, there could also be client portfolios that are blended towards a Value/Mid-cap/small-cap orientation, depending on objectives.

Listed Bonds and Debt Mutual Funds to express our views on interest rates (long duration or short) and credit spreads on the Fixed Income parts of client portfolios.

Long-short strategies – either via equities or suitable funds (like Arbitrage funds) – depending on ASKWA outlook on markets.

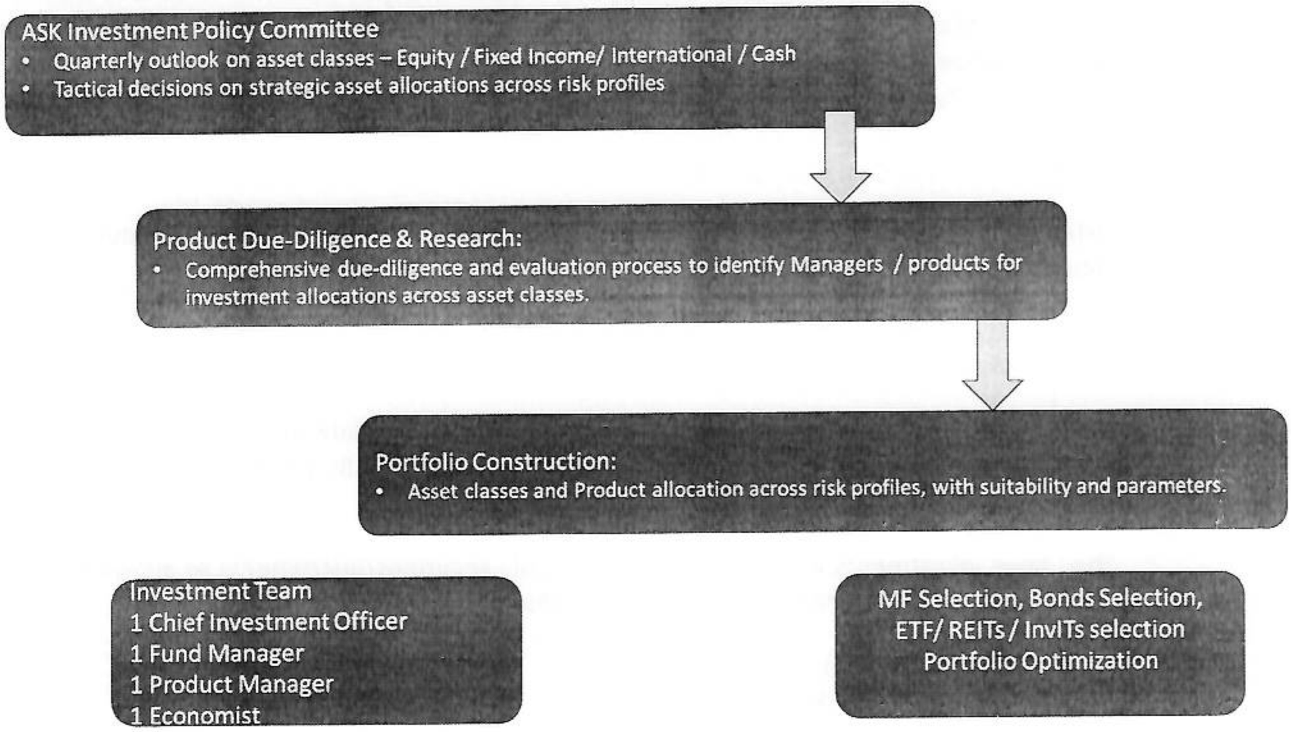
Alternate investments like domestic and international Real Estate Investment Trust (REITs), Infrastructure Investment Trusts (InvITs) units approved by SEBI and listed on Indian Stock Exchanges.

The above investments will be done in permissible securities/instruments as allowed under SEBI PMS regulations (indicative, though not exhaustive list below):

- Listed Equity (India)
    - Portfolio of stocks
    - Equity Mutual funds – (only through Direct Plan)
    - ETFs
- Fixed Income
    - Debt Mutual Funds (only through Direct Plan)
    - Listed Bonds/Debentures
    - Listed Preference shares
    - Listed Market linked Debentures
    - ETFs/FoFs
    - Portfolio of Bonds
    - Pass Through Certificate (PTC)
    - Commercial Papers
    - Certificate of Deposit
    - T-bills
    - SDLs
    - Government Securities
- Gold
    - ETFs
    - Gold funds / Silver Funds (only through Direct Plan)
- Alternates
    - InvITs
    - ReITs

BE-Spoke Investment Approach

Portfolio level (Portfolio construction methodology)



Equity:

The Strategic/Tactical decisions on equity as an asset class will be driven by the Quarterly IPC process of the Portfolio manager (as described in the chart above). This will include decisions like:

- Overweight/Underweight call on equity in the portfolio of various risk profiles
- The portfolio allocation across market capitalisations (Large/Mid/Small cap)
- Tactical Call on specific themes, if any (eg. Tactical call to go overweight in Financial sector stocks, or Pharma stocks, etc).

For selection of suitable equity mutual fund schemes, the portfolio manager will use both quantitative and qualitative evaluation to shortlist the schemes to be included in the Investment approach. The IPC guidance on market cap bias, tactical calls if any etc will again be used here as well to shortlist most appropriate schemes from the large universe of schemes.

Fixed Income

The approach in Fixed Income will be largely driven by the top-down call taken by the IPC committee. This will usually comprise view on parameters like economy, growth, inflation, rates, term spreads etc.

Basis these inputs, the portfolio manager will construct a relevant investment approach, which will include:

- Decision on what part of the yield curve to focus on (viz, short end, medium term, or long end), and the optimum way to position the same in the portfolio
- Call on duration, whether or not, or to what extent to build duration in the portfolio

- Tactical calls on any of the above, if any.

Basis the above, the portfolio manager will choose the relevant investment products/strategies across Debt MFs/listed Bonds and Debentures/ETFs/Market linked Debentures/commercial papers/T-bills, SDLs, Certificate of deposits etc. in portfolios across risk profiles and customize the same for Clients based on their investment objective.

Cash

Allocation to cash will include investment in Debt Mutual funds (Liquid, Ultra Short term etc), and Arbitrage funds.

Gold

As an asset allocation decision, the portfolio manager may make investment in Gold / Silver ETFs/Funds in varying proportion across portfolios of various risk profiles.

Alternates

The portfolio manager may also recommend investing into Real Estate Investment Trust, Infrastructure Investment Trust units if it falls within the overall risk profile and meets the overall investment objective of the client. This will also include international REITs / InvITs launched by domestic asset management companies.

Portfolio construction and recommendation:

Not all investors are alike. Different investors have different investment goals and objectives, risk appetite, investment experience, age factor, family factors, business dynamics etc, key determinants in establishing their Risk Profile with reference to investing their money. The process of identifying an investor's risk profile involves detailed conversation with the investor and guiding them through a risk assessment questionnaire to help them establish their risk profile.

We broadly classify investors in 5 risk profiles: Conservative/Cautious/Balanced/Assertive & Aggressive. Each risk profile has a different portfolio constitution, both at Asset class level (allocation between Equity/Fixed Income/Cash/Gold etc), as well as at Product/Strategy allocation level. At the current point of time, we will be launching the ASK Wealth Core Aggressive, ASK Wealth Harmony Aggressive, ASK Wealth Core Balanced, ASK Wealth Harmony Balanced, ASK Wealth Core Conservative, ASK Wealth Harmony Conservative Investment approaches. Also, for clients looking for customization, for investing across various asset classes, based on their risk profile and investment objective, we will provide them Be-Spoke Investment approaches to meet their investment objective.

An illustrative Investment Approach across various risk profiles is tabulated below:

Asset / Sub-Asset Class	**Core Aggressive**	**Core Balanced**	**Core Conservative**	**Harmony Aggressive**	**Harmony Balanced**	**Harmony Conservative**
Equity Allocation						
Offshore Funds						
US ETFs, FoFs	6.8	4.2	1.6	15.2	8.8	1.6
Emerging Market / China FoFs	1.7	1.1	0.4	3.8	2.2	0.4
Domestic Funds						

Large Cap Funds	28.7	17.7	6.8	21.9	8.4	6.8
Multicap / Focussed Funds	19.1	11.8	4.5	14.6	5.6	4.5
Midcap Funds	19.1	11.8	4.5	14.6	5.6	4.5
Thematic Funds / Sectoral / Special Situation	9.6	5.9	2.3	7.3	2.8	2.3
Fixed Income						
Short / Medium Term High Grade	1.7	11.8	22.7	2.5	16.6	22.7
Long Term High Grade	3.3	23.7	45.3	5.0	33.1	45.3
Cash / Liquid / Arbitrage	2.0	2.0	2.0	3.1	2.8	2.0
Hybrids						
REITs	3.5	4.5	4.5	5.2	6.3	4.5
InvITs	3.5	4.5	4.5	5.3	6.3	4.5
Commodities						
Gold Mutual Funds / ETF	1.0	1.0	1.0	1.5	1.4	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

[ii] Investment Approaches

A. Discretionary Service Offering:

Name: ASK Wealth Core Aggressive
Objective: To create a diversified portfolio across different asset classes to generate superior risk adjusted return.
Investment Philosophy: Refer Section About Investment Approach
Risks: Refer Section Risk
Benchmark: Blended Benchmark as table given below
Portfolio Manager Name: Mr. Amit Srivastava

Name: ASK Wealth Harmony Aggressive
Objective: To create a diversified portfolio across different asset classes to generate superior risk adjusted return by also considering client's investment in ASKWA Growth Opportunities Fund – Series A
Investment Philosophy: Refer Section About Investment Approach
Risks: Refer Section Risk
Benchmark: Blended Benchmark as table given below
Portfolio Manager Name: Mr. Amit Srivastava

Name: ASK Wealth Core Balanced
Objective: To create a diversified portfolio across different asset classes to generate superior risk adjusted return.
Investment Philosophy: Refer Section About Investment Approach
Risks: Refer Section Risk
Benchmark: Blended Benchmark as table given below
Portfolio Manager Name: Mr. Amit Srivastava

Name: ASK Wealth Harmony Balanced
Objective: To create a diversified portfolio across different asset classes to generate superior risk adjusted return by also considering client's investment in ASKWA Growth Opportunities Fund – Series A.
Investment Philosophy: Refer Section About Investment Approach
Risks: Refer Section Risk
Benchmark: Blended Benchmark as table given below
Portfolio Manager Name: Mr. Amit Srivastava

Name: ASK Wealth Core Conservative
Objective: To create a diversified portfolio across different asset classes to generate superior risk adjusted return.
Investment Philosophy: Refer Section About Investment Approach
Risks: Refer Section Risk
Benchmark: Blended Benchmark as table given below
Portfolio Manager Name: Mr. Amit Srivastava

Name: ASKWA Harmony Conservative
Objective: To create a diversified portfolio across different asset classes to generate superior risk adjusted return by also considering client's investment in ASKWA Growth Opportunities Fund – Series A Investment Philosophy: Refer Section About Investment Approach
Risks: Refer Section Risk
Benchmark: Blended Benchmark as table given below
Portfolio Manager Name: Mr. Amit Srivastava

Portfolio Manager Name: Mr. Amit Srivastava

About Investment approaches:
The Strategy seeks to generate superior risk adjusted return for Investors from a portfolio of permissible securities/instruments in accordance with the Regulations, including (but not limited to) the following:

- Listed equity
  - Equity Mutual Funds
  - ETFs
- Unlisted equity
- Fixed Income
  - Debt Mutual Funds
  - Listed/unlisted bonds/debentures
  - Listed/unlisted preference shares

- o Listed/unlisted market linked debentures
  - o ETFs
  - o Pass Through Certificate (PTC)

- Gold
  - o ETFs
  - o Gold / Silver funds

- Alternates
  - o InvITs
  - o ReITs

Indicative Asset allocation bands: (in %)

Portfolio	Equity Allocation		Fixed Income Allocation (including Cash)		Gold & Alternates (through ETFs / MFs)	
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
ASK Wealth Core Aggressive	80	0	60	0	25	0
ASK Wealth Harmony Aggressive	80	0	60	0	25	0
ASK Wealth Core Balanced	70	0	80	0	25	0
ASK Wealth Harmony Balanced	70	0	80	0	25	0
ASK Wealth Core Conservative	40	0	90	0	25	0
ASK Wealth Harmony Conservative	40	0	90	0	25	0

Benchmark: Benchmark varies depending upon the type of structure

The blended benchmark created for the portfolio is constructed using the following indices:

1. NIFTY 50 TRI - The NIFTY 50 TRI is a benchmark that represents the weighted average of 50 of the largest Indian companies listed on the National Stock Exchange. Total Returns Index reflects the returns on the index arising from (a) constituent stock price movements and (b) dividend receipts from constituent index stocks. The benchmark is owned and managed by NSE Indices, which is a wholly owned subsidiary of NSE Strategic Investment Corporation. The benchmark is being used as it correctly defines the basket of securities and is also representative of total return generated including Dividends.

2. CRISIL Short Term Bond Fund Index – is an index of which constitutes government securities, AAA/AA+/AA rated corporate bonds, Commercial Papers and Certificates of Deposit. The index is published daily by CRISIL which is part of S&P Global. The short term bond index is a better benchmark reflecting less volatility and lower credit risk.

3. Ascendus REIT - Ascendas REIT is Singapore's largest listed Real Estate Investment Trust ("REIT"). They have a portfolio which spans across business spaces and industrial property market. Ascendas REIT has a well-diversified portfolio of 96 properties in Singapore, 36 properties in

Australia, 38 properties in the United Kingdom and 30 properties in the United States as at 31 December 2020. The REIT is listed on Singapore Exchange Limited (SGX) and is widely traded.

4. Gold Mumbai 10gm – The price of Gold in Mumbai spot market as published by the Centre of Monitoring Indian Economy (CMIE) or *Refinitiv based on the information availability.*

The proportion in which the blended benchmark will be maintained would be as per the allocations mentioned in the table below:

Benchmark allocation:

SAA Benchmark Weightages	Core Aggressive	Core Balanced	Core Conservative	Harmony Aggressive	Harmony Balanced	Harmony Conservative
Equity	80	47.5	15	70	26.5	5.5
Debt	12	42.5	75	18	59.5	83
Hybrid	5	7	7	7.5	9.8	8
Commodity	3	3	3	4.5	4.2	3.5
Total	100	100	100	100	100	100

Name: Harmony Income Opportunities Discretionary Debt PMS
Objective: All-weather debt investment option through a diversified portfolio of instruments aimed at maximizing risk-adjusted, post-tax returns
Investment Philosophy: Refer Section About Investment Approach
Risks: Refer Section Risk
Benchmark: NIFTY Credit Risk Bond Index. The investment strategy focuses to invest in instruments across risk and ratings profiles in a diversified manner. Therefore, it is the appropriate index to benchmark the performance of the below-mentioned strategy.

Portfolio Manager Name: Mr. Anshul Baranwal

Tenure: Upto 5 Years

About Investment approach:
The Strategy seeks to generate superior risk adjusted return for Investors from a portfolio of permissible securities/instruments in accordance with the Regulations, including (but not limited to) the following:

- Fixed Income
  - Debt Mutual Funds
  - Listed bonds/debentures
  - Listed preference shares
  - Listed market linked debentures
  - ETFs/FoFs
  - Pass Through Certificate (PTC)
  - Government Securities
  - SDLs
  - T-Bills
  - Unlisted bonds/NCDs/MLDs/hybrid securities (only for Accredited Investors*)

- Hybrids
  - Listed InvITs
  - Listed ReITs

*In case of accredited investors, investments will be accepted as per regulatory requirements as prescribed by SEBI.

Indicative Asset allocation bands: (in %)

Portfolio	Bonds/NCDs/MLDs/Government Securities/T-Bills/Commercial Papers/Preference Shares/ Debt Mutual Funds/PTCs/SDLs		REIT/INvIT	
	Maximum	**Minimum**	**Maximum**	**Minimum**
Harmony Income Opportunities Discretionary Debt PMS	100	0	25	0

Name: Harmony Treasury Advantage PMS

Objective: All-weather short term debt investment option through a diversified portfolio of instruments aimed at maximizing risk-adjusted returns

Investment Philosophy: Refer Section About Investment Approach

Risks: Refer Section Risk

Benchmark: CRISIL Money Market Index. The investment strategy focuses to invest in instruments across risk and ratings profiles in a diversified manner. Therefore, it is the appropriate index to benchmark the performance of the below-mentioned strategy.

Portfolio Manager Name: Mr. Anshul Baranwal

Tenure: Up to 3 Years

About Investment approach:

The Strategy seeks to generate superior risk adjusted return for Investors from a portfolio of permissible securities/instruments in accordance with the Regulations, including (but not limited to) the following:

- Fixed Income
  - Debt Mutual Funds
  - Listed Commercial Papers
  - Listed Certificate of Deposits
  - Listed bonds/debentures
  - Listed preference shares
  - Listed market linked debentures
  - ETFs/FoFs
  - Pass Through Certificate (PTC)
  - Government Securities
  - SDLs
  - T-Bills

- Unlisted bonds/NCDs/MLDs/hybrid securities (only for Accredited Investors)*

- Hybrids
  - Listed InvITs
  - Listed ReITs

*In case of accredited investors, investments will be accepted as per regulatory requirements as prescribed by SEBI.

Indicative Asset allocation bands: (in %)

Portfolio	Bonds/NCDs/MLDs/Government Securities/T-Bills/Commercial Papers/Preference Shares/ Debt Mutual Funds/PTCs/SDLs		REIT/INvIT	
	Maximum	Minimum	Maximum	Minimum
Harmony Short Term Opportunities Discretionary Debt PMS	100	0	25	0

B. **Non-Discretionary Service offerings:** Non-Discretionary Services are offered under the name "ASK WEALTH PRO PMS". Investment philosophy and methodology would be similar to discretionary service offering. However, as this is a non-discretionary portfolio management service, the discretion for execution of transactions is with the client to follow the suggested recommendations. Also, every client may have specific preferences about the recommendations being made by us for seeking execution approval, the portfolio construction under NDPMS may be customized to needs of specific investor risk profile and investment objective and will be Be-Spoke Investment approach.

Diversification policy

Background

A diversified portfolio is aimed towards achieving better risk-adjusted returns with commensurate low volatility. Diversification is a key risk mitigation technique in the Asset Allocation process that attempts to reduce risk by allocating investments across various asset-classes, financial instruments / securities.

ASKWA Investment approach

The Investment approach of ASKWA aims to create a diversified portfolio across different asset classes and instruments with the objective of generating superior risk-adjusted returns for Investors from a portfolio of permissible securities /instruments in accordance with the SEBI Regulations – which include (but is not limited to) Equity mutual funds (across Active Funds and passive strategies like Index funds, ETFs, smart beta fund strategies), Debt mutual Funds, listed/unlisted bonds or debentures, listed/unlisted commercial papers, Certificate of Deposits, listed / unlisted preference shares, listed / unlisted market linked debentures, PTCs, and hybrid instruments like REITs & InvITs etc.

From the universe of approved investment class / investment grade securities, ASKWA narrows down to the investment portfolio by applying various internal qualitative and quantitative filters (such as caps on single security exposure, single fund scheme exposure, AMC exposure to name a few) whilst ensuring quality of business and management. The team ensures optimal diversification amongst such quality businesses when creating portfolios to ensure objective and unbiased evaluation.

The endeavour is to design portfolios that are not concentrated towards select few investment avenues. This is also reflected in the parameter-based diversification which the Portfolio Manager(s) ensure in respective portfolios.

Summary
Employing a multi-manager and multi-asset class strategy allows for adequate diversification to the portfolios' investment strategies – where Diversification is in-built as an underlying philosophy. This diversification not only helps in achieving the goal of optimal risk-adjusted returns to the investors but also offers a balance of liquidity and upside potential.

Key risks applicable to Non-Discretionary Service:
Even a small price movement in the underlying security and time gap between Portfolio Manager receiving the Client's approval for execution of the investment and its actual execution by Portfolio Manager could have a material impact on its value.

For detail, you may refer to PMS agreement at the time of on boarding.

Key Risks for both Discretionary and Non-Discretionary Offering:
Besides the risks that are generally applicable to investment products, 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.
- The portfolio is suitable for investors with long term investment horizon. While investors have the flexibility to withdraw early, it will attract exit load.

Refer section for detailed in risk section in Sr. No. 6.

[ii] 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.

6. 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 / Redemption Risk
Some mutual fund schemes / stocks that the investor might be invested in might not be highly liquid or the redemption window is closed due to adverse circumstances being faced by the asset management companies / scheme or financial markets. 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.

[vi] Risk Factors relating to Portfolio Rebalancing:

If market conditions do not permit to rebalance the portfolio, portfolio performance may get affected.

[vii] Asset Class Risk:

The returns from the types of securities in which the Portfolio Manager invests may underperform from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under-performance in comparison with the general securities markets.

[viii] Selection Risk:

The risk that a security chosen will underperform the market for reasons that cannot be anticipated

[ix] Risk factors associated with investing in Debt and Money Market Instruments:

A. *Price-Risk or Interest-Rate Risk: Debt and Money Market Instruments such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing Debt and Money Market Instruments fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.*
B. *Credit Risk: Credit Risk means that the issuer of a security may default on interest payments or even paying back the principal amount on maturity. (i.e. the issuer may be unable to make timely principal and interest payments on the security). Even where no default occurs, the prices of security may go down because the credit rating of an issuer goes down. It must be, however, noted that where the Scheme has invested in Government securities, there is no risk to that extent.*
C. *Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian Debt and Money Market Instruments market.*
D. *Reinvestment Risk: Investments in Debt and Money Market Instruments may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.*
E. *Pre-payment Risk: Certain Debt and Money Market Instruments give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.*
F. *Spread Risk: In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.*
G. *Different types of securities in which the Strategy would invest carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than*

Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

[x] Settlement Risk

Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the investment approach are uninvested and no return is earned thereon. The inability of the investment approach to make intended securities purchases, due to settlement problems, could cause the Investment Approach to miss certain investment opportunities. Similarly, the inability to sell securities held in the Investment approach's portfolio, due to the absence of a well-developed and liquid secondary market for debt securities, may result at times in potential losses to the Investment approach in the event of a subsequent decline in the value of securities held in the Investment Approach's portfolio.

[xi] Risk associated with investments in Gold ETF's & alternate investment options like ReITs & InvITs

A. *The strategy would invest in Gold ETFs and thus the portfolio performance will react to Gold price movements. Several factors that may affect the price of gold are as follows:*

(i) *Global gold supplies and demand, which is influenced by factors such as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, productions and cost levels in major gold producing countries such as the South Africa, the United States and Australia.*
(ii) *Investors' expectations with respect to the rate of inflation*
(iii) *Currency exchange rates*
(iv) *Interest rates*
(v) *Investment and trading activities of hedge funds and commodity funds*
(vi) *Global or regional political, economic or financial events and situations*
(vii) *Changes in indirect taxes or any other levies*

B. *To the extent Portfolio assets are going to get invested n Gold ETFs, risk associated with investing in Gold ETFs will be applicable, some of them include, Currency Risk, Regulatory Risk, Taxation and Redemption Risk.*

C. *The investment in alternates like ReITs and InvITs will carry risks similar to investing in equities and debt and may also include risks associated with currency, regulation, taxation and liquidity.*

[xii] Risks associated with investments in Market Linked Debentures:

1. The Non-Convertible Debentures being structured NCDs are sophisticated instruments, which involve a significant degree of risk and are intended for sale only to those investors capable of understanding the risks involved in such instruments. Please note that both the return on the NCDs and the return of the principal amount in full are at risk if the Debentures are not held till or for any reason have to be sold or redeemed before the Redemption Date.

2. The NCDs are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till Final Redemption Date. The debenture holder shall receive at least the face value of the Debenture only if the investor holds and is able to hold the Debentures till the Final Redemption Date. Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to

determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances. Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investor considers necessary in order to make their own investment decisions.

3. Structure Risks: An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

4. Liquidity Risk: The NCDs may or may not be listed. Presently, secondary market for such securitized papers is not very liquid. Listing of the NCD does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the NCDs will develop or be maintained. Consequently, the NCDs may be illiquid and quote below its face value/valuation price.

5. Market Risk: The value of the Portfolio, prior to the Redemption and Maturity Date, may be affected by a number of factors, including but not limited to the level of the performance of the stocks, option volatility of the stock(s) in the basket, interest rates and time remaining to maturity. The return of the Portfolio is linked to performance of the underlying Equity Index or on single stocks or basket of stocks or Mutual Funds, Futures & Options. The fluctuations in the equity market can be significant. The returns on the NCDs may be lower than prevalent market interest rates or even be nil depending entirely on the movement in the underlying index and futures values as also that over the life of the NCDs (including the amount if any, payable on maturity, redemption, sale or is position of the NCD.) The NCD holder may receive no income /return at all on the NCDs, or less income/return than the NCD holder may have expected, or obtained by investing elsewhere or in similar investments.

6. Prospective investors should be aware that receipt of any coupon payment and principal amount at maturity on the NCDs is subject to the credit risk of the Issuer and the Guarantor. Investors assume the risk that the Company and the Guarantor will not be able to satisfy their obligations under the NCDs. Any stated credit rating of the Company or the Guarantor reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company or the Guarantor (where applicable). Any downgrading of the credit ratings of the Company or its parent or affiliates, or of the Guarantor by any rating agency could

result in a reduction in the value of the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company and/or the Guarantor, the payment of sums due on the Debentures may be substantially reduced or delayed.

7. Prospective Investors should be aware that the Portfolio Manager or any of its associates, group companies etc. are not offering any guarantee or capital or returns. No claims therefore shall lie against the Portfolio Manager or any of its group/associate companies, employees or directors for the protection of capital or providing any returns under the market linked debentures.

8. An investment in any series of Debentures that has payments of principal, coupon or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range (each of the foregoing, a "Reference Value") will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the amount of any principal or coupon payments linked to the applicable Reference Value. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events. Past performance of any Reference Value to which any principal or coupon payments may be linked is not necessarily indicative of future performance. Investors should be aware that a Reference Value may go down as well as up and/or be volatile and the resulting impact such changes will have on the amount of any principal or coupon payments will depend on the applicable index formula. The Debenture holder shall receive at least the face value of the Debenture only if the investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the Final Maturity Date.

9. Re-investment Risk: The Portfolio may be redeemed upon the exercise of the Issuer's Call Option. Thus, the Investor could have a potential re-investment risk, if the Portfolio is redeemed under such circumstances prior to the Redemption and Maturity Date.

10. In the interest of the investors, the Portfolio Manager may, at its sole discretion, invest up to 100% of the Portfolio in Liquid and / or Debt Mutual Fund Schemes. Moreover, the Portfolio Manager may at its sole discretion decide not to apply to the NCDs and return the funds to investors, in case there is any change in the Participation Rate or if the Portfolio Manager feels that the total amount received under this Series does not justify investment in the NCDs, or if the Issuer does not allot the NCD for any reason, or for any other reason that the Portfolio Manager may deem appropriate.

11. The Issuer of the NCDs or the Portfolio Manager does not make any representation or warranty, express or implied to the subscribers of the NCDs regarding the advisability of investing in such instruments or the ability of the Nifty (or any other index used instead of, in replacement or in conjunction with the S&P CNX Nifty) to track general stock market performance in India. The Issuer of the NCDs or the Portfolio Manager has not guaranteed the accuracy and/or the completeness of the Nifty (or any other index) or any data included therein.

12. The Issuer of the NCDs or any person acting on behalf of the Issuer of NCDs may have an interest/position as regards the Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind.

13. At any time during the life of such NCDs, the value of the NCDs may be substantially less than its investment value. The NCD holder shall receive at least the face value of the NCDs only if the investor holds and is able to hold the Debentures till the Final Redemption Date.

14. *Credit Risk: Credit Risk means that the issuer of a security may default on interest payments or even paying back the principal amount on maturity. (i.e. the issuer may be unable to make timely principal and interest payments on the security). Even where no default occurs, the prices of security may go down because the credit rating of an issuer goes down.*

15. The Issuer of the NCDs may have long or short positions or make markets including in Nifty indices, futures and options and other similar assets, they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the NCDs, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). Such type of activities of the Issuer of the NCDs or any of its Agents and related markets (such as the foreign exchange market) may affect the value of the NCDs. In particular, the value of the NCDs could be adversely impacted by a movement in the Nifty indices, futures and options or activities in related markets.

16. NCDs may generate returns, which are not in line with the performance of the Reference underlying, depending on their payoffs.

17. The returns of investments in securities would depend on the happening / non-happening of specified events and the returns may or may not accrue to an investor accordingly.

18. It is possible that tax may be deducted at source by the Issuer for unlisted debentures at the time of redeeming of the NCDs on maturity and otherwise. The Portfolio Manager will not be in a position to offer credit for such TDS to the investors, particularly in the pooling arrangement for investment. In these circumstances, such tax paid would have to be considered as expense by the Investors and to that expense the returns would be affected.

19. Clients should be aware that the investment approach of the Portfolio may lead to a dilution of performance when compared to a direct investment into underlying. The Participation Rate and the averaging mechanism of the NCD, if any, will also affect the performance of the Portfolio.

20. Clients should note that Portfolio Manager and Issuers of the NCDs are different entities & each of such entities operates independently in assuming their respective duties and obligations in relation to the Portfolio and is subject to the supervision of their relevant industry regulators. All transactions and dealings between such entities in relation to the Portfolio will be dealt with on arm's length basis.

[xiii] Portfolio Manager does not have any prior experience in the Portfolio Management but Product Managers / Investment Team and Principal Officer has cumulative experience in the field of securities market, investment advisory and securities dealing of more than 50 years.

(c) Transactions with Subsidiaries /Joint Ventures / Entity controlled by the Company: (as per last audited Balance sheet of 31st March 2022......**Refer Annexure**

- **Details of investments in the securities of related parties of the Portfolio Manager**

Investments in the securities of associates/related parties of Portfolio Manager as on February 28, 2023 as per SEBI circular dated August 26, 2022:

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

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

Particulars	F.Y. 2021-22 #	F.Y. 2020-21 #	F.Y. 2019-20 #	F.Y. 2018-19 #
Profit / (Loss) Before Depreciation & Taxation	48.51	13.41	33.21	47.90
Net Profit / (Loss) after Depreciation & Taxation	32.61	7.28	21.03	32.84
Shareholder's Funds				
Share Capital	80.06	75.38	70.70	70.70
Reserves & Surplus	216.34	159.31	105.74	80.41

 # Numbers are as per Ind AS

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

Investment approach and their benchmark	FY2022#
ASK Wealth Harmony Aggressive	0.28%
Harmony Aggressive	8.60%
ASK Wealth Harmony Balanced	1.27%
Harmony Balanced	4.99%
ASK Wealth Harmony Conservative	0.49%
Harmony Conservative	4.61%
ASK Wealth Core Aggressive **	-
Core Aggressive	-

Harmony Income Opportunities Discretionary Debt PMS	1.24%
NIFTY Credit Risk Bond Index	0.43%
ASK WEALTH PRO PMS (non-discretionary)	3.24%

** Activated from 06th May, 2022

Operations of Portfolio Manager commenced from April 27, 2021. Investment approaches stated above were activated at different dates during FY 2022, hence returns calculated above are absolute returns (calculations based on TWRR) from the date of activation of respective investment approaches.

10. Statutory Audit Observations:-

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

11. Outsourced Activity:

Portfolio Manager has outsourced Fund Accounting and Custodian related activities to ICICI Bank Limited. ICICI Bank Limited is one of the leading private sector bank in India.

12. Nature of expenses

[i] Investment management fees

Expenses

Particulars	**Discretionary and Non-Discretionary Portfolios**
Management Fee	Upto 2.50 % p.a. charged on calendar quarter basis on the daily average Net Asset Value (NAV) of the portfolio. Management Fee can also be charged in combination of flat fee subject to a maximum of 2.50% p.a. charged on calendar quarter basis on the daily average Net Asset Value (NAV) of the portfolio.
Exit Fee	Exit Charges are applicable on redemption amount as per the slabs described below on exit before 3 years: 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 Redemption period is calculated from the date of each tranche of inflow (initial or additional). Redemption amount is arrived at after calculation and charging of all Fees and Expenses (including Performance Linked Fee, if applicable).
Custodian Fee	up to 0.50% per annum

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

No reportable conflict as of now. ASKWA has Employee Personal Trade policy in place in order to ensure that interest of Client is always protected and all possible conflicts which may arise on account of personal investment transactions by its employees are avoided.

[xv] *Conflict of Interest*

ASKWA 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 Investment approach vis-à-vis in the proprietary account of ASKWA;

(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) 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;

(g) 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;

(h) 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, ASKWA 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, ASKWA 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.

7. Client Representation

(i) Category of Clients

The details as given below are as on February 28, 2023: -

Category of clients	No. of clients	Funds Managed (Rs. in Crores)	Discretionary / Non – Discretionary
Associates / Group companies:			
February 28, 2023	NIL	N.A.	N.A.
March 31, 2022	NIL	N.A	N.A
March 31, 2021	NIL	N.A	N.A
March 31, 2020	NIL	N.A.	N.A.
Others:			
February 28, 2023	86	252.78	Discretionary
March 31, 2022	40	118.45	Discretionary
March 31, 2021	NIL	N.A.	N.A.
March 31, 2020	NIL	N.A.	N.A.
Others: (Non-Discretionary)			
February 28, 2023	221	2254.36	Non – Discretionary
March 31, 2022	106	691.39	Non – Discretionary
March 31, 2021	NIL	N.A.	N.A.
March 31, 2020	NIL	N.A.	N.A.

(ii) **Related Party Disclosure**

Names of Related Parties and nature of relationship……Refer Annexure

1. **Transactions during the period with related parties are as under**

(a) The portfolios of some related parties are managed by ASK Wealth Advisors Private Ltd. These portfolios are under different accounts. The following are details of funds of related parties managed during October 2021 – February 2023.

RELATED PARTY	Funds as on October 1, 2021 (Rs.)	Received during October 2021 to August 2022 (Rs.)	Returned during October 2021 to February 2023 (Rs.)	Funds as on 31 February 2023 (Rs.)
ASK Financial Holdings Pvt Ltd	37,316	0	29,115	0

(b) Fees are charged to related parties for management of their portfolios. Following are details of the fees received by ASK Wealth from these parties during October 1, 2021 – February 28, 2023and the fees receivable from them as on February 28, 2023.

RELATED PARTY	Fees earned during October 2021 to August 2022 (Rs.)	Fees receivable as on February 28, 2023 (Rs.)
ASK Financial Holdings Pvt Ltd	0	0

Registrar and Transfer Agent Fee	
Any Other expenses	
Brokerage and transaction cost	Up to 15 bps

Note: The above fee structure is over and above the fees, expenses and exit loads (if any) charged for the respective underlying securities where the money will be invested under each portfolio.

13. 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 Bill, 2023 ('Finance Bill') 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, 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 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: The Finance Bill has proposed to make the Alternative Tax Regime as Default Tax Regime. Per the proposed amendment, 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: 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 15,00,001 and above	30%

The Finance Bill has proposed the following slab rates for Default Tax Regime:

Total Income (Refer notes below)	Tax rates (refer 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 Bill has

proposed to provide for a rebate on tax on total income of upto INR 7,00,000 for resident individual assessee if such individual is opting for a proposed 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.

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 is provided below:

5.1. Dividend income on shares

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 Bill has proposed reduce 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.

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 22% or 15% 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.

Further, the Finance Bill has proposed that the provisions of section 115BCA of the Act shall also be applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA.

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.

5.2. 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 Bill has proposed to reduce 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.

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 22% or 15% subject to fulfillment 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.

Further, the Finance Bill has proposed that the provisions of section 115BCA of the Act shall also be applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA.

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.

5.3. 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), 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
	More than twenty-four (24) months	Long-term Capital Asset

Shares of a company (other than shares listed on a recognised stock exchange in India)	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 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 mutual fund on which STT has been paid on transfer [Note 3]	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]
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	20% (without	10% [Note 4 and 5]	10% [Note 4]

	unlisted debentures	indexation)		
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 2021-22), 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.

Further, the Finance Bill has proposed that the provisions of section 115BCA of the Act shall also be applicable to association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person referred to in clause (vii) of section 2(31) of the ITA.

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.

5.4. 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 Bill has proposed to reduce 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 2021-22. 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 fulfillment 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.

5.5. 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.

5.6. 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.

6. Other tax considerations

6.1 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.

6.2 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

Section 206AB of the ITA deals with the deduction of 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, 194-IA, 194-IB, 194LBC, 194M, or 194N 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.
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 in 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.

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.

Per section 206CCA, tax will be required to be collected at the higher of the i.e., (i) twice 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 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.

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.

6.3 <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 fulfillment of conditions specified therein and under the ITA for availing such benefits.

6.4 <u>Tax Treaty Benefits for Non-Resident investors</u>

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.

6.5 <u>Tax Residency Certificate ('TRC')</u>

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.

6.6 <u>Non-resident investors (including FPI):</u>

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.

6.7 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

6.8 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 Bill has proposed to amend 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.

6.9 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 fulfillment of conditions, as prescribed under Rule 11UAD.

6.10 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 fulfillment 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 fulfillment 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.

6.11 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.

6.12 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).

Furthermore, the Finance Bill has proposed to insert a new sub-section (2) in the section 285BA 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.

6.13 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.

6.14 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.

6.15 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.

6.16 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 amended the provisions 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.

6.17 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.

6.18 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.

6.19 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%.

14. Accounting policies

The following Accounting policy will be applied for the investments of Clients: Investments in Equities, Mutual funds, Exchange Traded Funds and listed Debt instruments will be valued at closing market prices of the exchanges (BSE or NSE or any Independent valuation agency such as ICRA, CRISIL as the case may be) or the Repurchase Net Asset Value declared for the relevant scheme on the date of the report or any cut-off date or the market value of the debt instrument at the cut off date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned. In case of structured products, if the valuations from any of the above sources is not available then the security/instrument will be valued at the face value of the product until the expiry of the tenure.

a) Realized gains/ losses will be calculated by applying the first in / first out principle.
b) Unrealised gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.
c) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further Mutual Fund dividend shall be accounted on receipt basis. Other income like bank interest, interest on FD etc. shall also be accounted on receipt basis.
d) Bonus shares shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
e) Right entitlement shall be recognised only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
g) The cost of investment acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the brokers cost note/bought note.

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

Portfolio Manager accounting will be carried out at client level using a PMS accounting software in house or the same activity may be outsourced to an agency with repute and expertise.

15. Investors services

ASKWA seeks to provide the portfolio clients a high standard of service. We are 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. Rahul Shah
Associate Vice President– Customer Service
ASK Wealth Advisors Private Limited
Birla Aurora, Level 16, Dr Annie Besant Road
Worli, Mumbai 400 030

Phone: 022-66132800
Email: clientservices@askwealthadvisors.com

ASK Wealth Advisors Private Limited
Solitaire Corporate Park, Tower9,
5th Floor, Furu Hargovindji Road
Chakala, Andheri East,
Mumbai – 400093
Phone: 022- 68523300
Email: clientservices@askwealthadvisors.com

16. Grievance redressal and dispute settlement mechanism:

Grievance Redressal:

Mr. Rahul Shah, Associate Vice President – Customer Service, Mr. Somnath Mukherjee, Principal Officer and MrNipun Doshi, Compliance Officer shall attend to and address any client query or concern as soon as practicably possible.

ASK Group strives in providing to satisfactory customer service by constantly improving the processes through prompt corrective and preventive actions. However, the investors may have complaint(s) and those should be quickly and effectively handled.

The process for redressal of Investor Grievances should be as follows:

1. In case an investor has a complaint or a grievance about the Company and its services including services provided by its distributors or outsourced agencies, investor should contact Associate Vice President- Customer Service - Mr. Rahul Shah clientservices@askwealthadvisors.com +91-22-66132800.
2. It may be noted that a complaint or a grievance shall be an instance where the investor alleges deficiency in the services provided by the Company, its distributors or outsourced agencies.
3. Such a complaint or a grievance should be noted in the Investor Grievance Register. Mr. Rahul Shah shall ensure that all the complaints received are recorded and resolved.
4. Best efforts should be made to redress the complaint or grievance within the Turn Around Time (TAT) of 5 working days.
5. In case the redressal needs time more than the TAT, an interim response, acknowledging the complaint shall be issued.
6. Investors, who are not satisfied with the resolution provided by Mr. Rahul Shah, can call or write to Principal Officer, Mr. Somnath Mukherjee, <smukherjee@askwealthadvisors.com>, +91-22-66132800.
7. Mr. Somnath Mukherjee shall also ensure effective monitoring of grievance redressal to make sure that none of the complaints remain unresolved for an unreasonable period of time.

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 either party of its obligations will be conducted exclusively in courts located within the city of Mumbai in the State of Maharashtra.

SEBI Scores Link wherein you can lodge your complaint against Intermediary: http://scores.gov.in/

For ASK Wealth Advisors Private Limited

Rajesh Saluja

Sunil Rohokale

Date: 17th March 2023

Place: Mumbai

ASK Wealth Advisors Private Limited

Notes to the financial statements for the year ended March 31, 2022

(All amounts in lacs)

31. Related party transactions

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

A) <u>**Names of related parties and nature of relationship**</u>

(a) Holding company:
ASK Investment Managers Limited

(b) Direct Subsidiaries:

Name of the Subsidiary	Country	% Holding as at March 31, 2022	% Holding as at March 31, 2021
ASK Family Office and Investment Advisers Private Limited	India	**100.00**	100.00
ASK Financial Holdings Private Limited	India	**100.00**	100.00

(c) Fellow subsidiaries :

Name of the Subsidiary	Country
ASK Property Investment Advisors Private Limited	India
ASK Capital Management Pte. Limited	Singapore
ASK Property Advisory Services Private Limited	India
ASK Trusteeship Services Private Limited	India

(d) Joint venture of holding company:

Name of the Joint venture	Country	% Holding as at March 31, 2022	% Holding as at March 31, 2021
ASK Pravi Capital Advisors Private Limited	India	**50.00**	50.00

(e) Key management personnel

Asit Koticha	Director (till 10 June 2020)
Sameer Koticha	Chairman
Sunil Rohokale	Director
Sneh Koticha Contractor	Director (w.e.f. 11 June 2020 till 11 February 2022)
Rajesh Saluja	CEO and Managing Director
Balakrishnan Anantharaman	Independent Director (till 20 April 2020)
Sangeeta Kapiljit Singh	Independent Director (till 24 April 2020)
Toshan Ajay Tamhane	Independent Director (w.e.f. 20 November 2020)
Shweta Jalan	Nominee Director (till 11 February 2022)
Ganesh Mani	Director (w.e.f. 11 February 2022)
Himanshu Dodeja	Director (w.e.f. 11 February 2022)

(f) Enterprises where the reporting entity excercises significant influence

ASK Foundation
ASKWA Growth Opportunities Fund - Series A-B
Fortress Advisors LLP

ASK Wealth Advisors Private Limited

Notes to the financial statements for the year ended March 31, 2022

(All amounts in lacs)

31. Related party transactions *(Continued)*

B) Transactions with related parties

Transactions with key management personnel

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

(a) Key management personnel compensation

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short term employee benefits (refer note 1 to 2)	5,606.12	524.33
Total compensation	5,606.12	524.33

(b) Transactions with related parties

The Company's related party transactions and outstanding balances with its subsidiaries and joint ventures with whom the Company enters into transactions in the ordinary course of business.

Transactions with related parties are as follows:

Sr. No.	Nature of transactions	Year ended March 31	Holding Company	Fellow Subsidiares, Subsidaires & Joint Venture	Key management personnel (KMP)	Entities where the reporting entity exercises significant influence
1	Services received	2022	1,779.56	-	-	-
		2021	1,423.58	-	-	-
2	Services rendered	2022	6,110.77	-	-	76.27
		2021	4,086.23	13.25	-	-
3	ESARs	2022	78.00	-	-	-
		2021	102.17	-	-	-
4	Loan given	2022	-	1,500.00	-	-
		2021	-	5,000.00	-	-
5	Repayment of loan received including interest	2022	-	-	-	-
		2021	-	5,000.00	-	-
4	Managerial remuneration (refer note 1 to 2)	2022	-	-	5,606.12	-
		2021	-	-	524.33	-
5	Purchase of investment	2022	-	5,000.00	-	586.13
		2021	5,167.69	-	-	-
6	Donation	2022	-	-	-	87.54
		2021	-	-	-	75.66
7	Fresh issue of equity share capital	2022	5,000.00	-	-	-
		2021	-	-	-	-
8	**Other transactions :**					
	Other income	2022	-	4.60	-	-
		2021	-	85.48	-	-

ASK Wealth Advisors Pvt. Ltd. Mumbai

ASK Wealth Advisors Private Limited

Notes to the financial statements for the year ended March 31, 2022

(All amounts in lacs)

31. Related party transactions *(Continued)*

B) Transactions with related parties

Sr. No.	Nature of transactions	Year ended	Holding Company	Fellow Subsidiares, Subsidaires & Joint Venture	Key management personnel (KMP)	Entities where the reporting entity exercises significant influence
8	**Outstandings :**					
	Payable	Mar-22	1,130.25	-	11.03	-
		Mar-21	-	-	0.06	-
9	Receivable	Mar-22	-	-	-	-
		Mar-21	936.47	283.97	-	-
10	Investments (at cost)	Mar-22	-	20,449.69	-	-
		Mar-21	-	15,449.69	-	-

Notes:

1. The future liability for gratuity and compensated absences is provided on acturial 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 bonus on accrual basis.

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 end are unsecured and interest free and settlement occurs in cash.