ASK PROPERTY INVESTMENT ADVISORS PRIVATE LIMITED
(PORTFOLIO MANAGER)

DISCLOSURE DOCUMENT
DATED 03RD JULY, 2017

FOR

DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES

WITH RESPECT TO

ASK COMMERCIAL REAL ESTATE PORTFOLIO SERIES 1

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

PORTFOLIO MANAGEMENT SERVICES
DISCLOSURE DOCUMENT

[As required under Regulation 14 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993]

It is confirmed that:

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

ii) The purpose of this Document is to provide essential information about the portfolio management services provided by ASK Property Investment Advisors Pvt. Ltd. ("**ASK PIA / Portfolio Manager**") in respect of **ASK Commercial Real Estate Portfolio Series 1** so as to assist and enable the investors in making an informed decision for engaging ASK PIA as the Portfolio Manager.

iii) This Document contains the necessary information about **ASK Commercial Real Estate Portfolio Series 1**, required by an investor before investing. The investor is advised to retain this Document for future reference.

iv) the contents of Disclosure Document have been duly certified by an Independent Chartered Accountant, M/s. Jitendra Chandulal Mehta & Co, Chartered Accountants, has office at 92-B, Visaria Sadan, 1st Floor, Belgrami Road, Near Bhabha Hospital, Kurla West, , Mumbai 400070.

v)

Principal Officer	: Mr. Amit Bhagat
Address	: ASK Investment Managers Pvt. Ltd. Birla Aurora, Level 16, Office Floor 9, Dr. Annie Besant Road, Worli, Mumbai – 400 030
Telephone Number	: 022-66460000
E-mail	: abhagat@askinvestmentadvisors.com

For ASK PROPERTY INVESTMENT ADVISORS PRIVATE LIMITED

Amit Bhagat
Managing Director & CEO (Principal Officer)
DIN: 02529737

Date: 03.07.2017
Place: Mumbai

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1. DISCLAIMER CLAUSE

The particulars as given in this Document have been prepared in accordance with the SEBI Portfolio Managers Regulations, 1993, as amended from time to time and filed with SEBI along with the certificate in the prescribed format in terms of Regulation 14 therein. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the Document.

The Client 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. All Capitalised terms will have the meaning given to them in the Discretionary Portfolio Management Services Agreement.

3. DESCRIPTION

[i] History, Present Business and Background of the Portfolio Manager – ASK Property Investment Advisors Private Limited (ASK PIA)

ASK Property Investment Advisors Private Limited, is a company incorporated on January 19, 2009, at Mumbai, Maharashtra under the Companies Act, 1956, having its registered office at Birla Aurora, Level 16, office floor 9, Dr. Annie Besant Road, Worli, Mumbai - 400030, India. The Portfolio Manager is a venture of the ASK Group, set up to manage and advise India focused real estate dedicated funds.

The Portfolio Manager shall be appointed as the portfolio manager, under the Discretionary Portfolio Management Agreement. The Portfolio Manager has overall responsibility for the management, control and operation of the Portfolio.

The Portfolio Manager will provide various portfolio management services, including the following:

- Sourcing investment opportunities and providing target company evaluation, due diligence services and market intelligence;
- Investigating, analyzing, structuring and negotiating potential investments, in accordance with the investment strategy of the Portfolio;
- Executing and implementing investments and divestments by the Portfolio;
- Monitoring the performance of the Portfolio Companies of the Portfolio;
- Furnishing to the Clients such reports and information as are required by the governing documents of the Portfolio;
- Recommending and implementing exit strategies for the Portfolio;
- Performing other activities set out in the Discretionary Portfolio Management Agreement and complying with the obligations required to be complied with under the PM Regulations (as amended from time to time).

In exchange for providing these services, the Portfolio Manager will receive Portfolio Management Fee in respect of the Portfolio as described in the Discretionary Portfolio Management Services Agreement.

The details of the portfolios / funds managed and/or advised by the Portfolio Manager as of December 31, 2016, are as follows:

(all amounts are in Rupees crores)

As Name of the Fund / Portfolio	Investment Manager's Role	Date of Final Closing	Amount raised till Final Closing	Amount Invested	Amount Returned	Valuation of the balance investments#
ASK REPMS I[1]	Investment Advisor	Dec, 09	317.18	308.75	438.80	239.83
ASK REPMS II[2]	Investment Advisor	Feb, 14	65.8	65.8	121.41	-
ASK RESOF[3]	Investment Manager	Jun, 12	964.5	829.65	479.18	943.61
ASK Offshore[4]	Investment Advisor	Mar, 16	550*	60*	10.7	91.23
ASK RESOF II[5]	Investment Manager	Jan, 16	1372.5	289.23	-	289.23

* computed at currency rate of Rs. 60 = 1 US$ for the amount invested and Rs. 66 = 1 US$ for the amount raised

All valuations are as on 30-Sep-16 except ASK REPMS which is as on 31-Dec-2016.

[1]ASK Real Estate Portfolio Management Scheme I

[2]ASK Real Estate Portfolio Management Scheme II

[3]ASK Real Estate Special Opportunities Fund

[4]ASK India Real Estate Special Opportunities Fund Pte. Ltd.

[5]ASK Real Estate Special Opportunities Fund II

The Portfolio Manager believes that the Portfolio will benefit from the extensive research capabilities and asset management expertise of the Portfolio Manager and the resources of the ASK Group. The real estate team of the Portfolio Manager has over ten decades of cumulative experience and comprises some of the industry's reputable professionals with retail and corporate lending, real estate, construction businesses, and asset management experience.

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

Promoter:

ASK Investment Managers Private Limited is a company incorporated on August 9, 2004 at Mumbai, Maharashtra under the Companies Act, 1956. The Promoter is the holding company of the ASK Group. The Promoter is also a licensed portfolio manager, regulated by the Securities and Exchange Board of India, Mumbai.

The Promoter is a diversified financial services group renowned for its strong research based investment advice. It focuses on long-term wealth creation for its clients, emphasizing attainment of superior long term compounding. The Promoter invests exclusively in listed Indian equities for India domiciled as well as off-shore clients, through segregated accounts as well as commingled funds. It currently manages / advises assets for both domestic and offshore clients.

The Promoter provides Portfolio Management Services (PMS) in listed equity to domestic clients including individuals, corporate and Non-Resident Indians. It also offers investment advisory services to offshore funds. Following are the offerings by the Promoter:

- Growth Portfolio
- Life Portfolio
- Indian Entrepreneur Portfolio
- Strategic Portfolio
- India Select Portfolio
- GEMS Portfolio

Directors:

- ***Mr. Asit Koticha:***

Mr. Asit Koticha is the Chairman of ASK Group and has over two and half decades of experience in the Indian capital markets and is well renowned in the Indian financial markets. Over the years, he has helped develop independent and focused expertise in Equity Research, Asset Management (both Equities and Real Estate), Financial Planning, and Wealth Advisory for the group. He has also been involved in providing research based portfolio management services for high net worth individuals.

- ***Mr. Sameer Koticha:***

Mr. Sameer Koticha is the Vice-Chairman of ASK Group and carries with him more than two and half decades of corporate experience and mentors the ASK Group in the areas of Corporate Governance and best practices. He has been instrumental in shaping the ASK Group into a leading wealth management entity. He provides support to all board members and chief executives in implementing business objectives that are aligned to ASK Groups philosophy, culture and values.

- ***Mr. Sunil Rohokale:***

Mr. Sunil Rohokale, founder of the private equity real estate practice at ASK, is currently Chief Executive and Managing Director of ASK Investment Managers Pvt. Ltd., which is renowned for its strong research based investment management, asset management, private equity, wealth advisory and multi-family office business.

Mr. Rohokale is responsible for the vision of ASK group and spearheads the strategy of the group, which manages approximately Rs. 32,544 Crore assets under management in equities, real estate, private equity and wealth advisory. Prior to joining ASK in September, 2008, he was the Managing Director & Chief Executive Officer of ICICI Home Finance Co. Ltd. one of the largest mortgage company in India & a wholly owned subsidiary of ICICI Bank. He was a member of the core team who started the mortgage business of ICICI Bank.

Under his leadership ICICI Bank has achieved a leadership position in the mortgage and real estate business with a real estate portfolio of US$ 18 Billion which was half of ICICI Bank's retail assets. He is amongst the rare breed of professionals with experience in the assets, liabilities and investment. He enjoys strong credentials in setting up new businesses and building strong professional teams that deliver results. He has 20 years of Banking, financial services and investment experience.

- ***Mr. Amit Bhagat:***

Mr. Amit Bhagat is MD & CEO of the Portfolio Manager. Please refer 'Principal Officer' section below for his detailed profile.

- **Principal Officer:**

Mr. Amit Bhagat is co-founder of the private equity real estate practice at ASK and MD & CEO of the Portfolio Manager.

At ASK, Amit manages/advises Rs. 4346 Crore of real estate investments in ASK since 2009 and has provided exits of Rs. 1933 Crore.

He has spent nearly two decades in banking and financial services of which he has spent more than 15 years in the mortgage and real estate business. Amit worked in various capacities in ICICI Bank Ltd. including as National Credit Head for the mortgage division.

Prior to joining ASK in September, 2008, Amit was the Head of ICICI Property Services which comprised of transactions, investment banking, research & advisory. During his tenure ICICI Property Services became one of the largest players in India and syndicated a significant amount of private equity on behalf of domestic and offshore investors in various real estate projects across the country. Amit has also syndicated and advised transactions of Rs. 3,000 Crore in property services.

Amit is known for his skills in identifying new growth frontiers, strategic agility and negotiation, leading to win-win partnerships with prospective partners. Amit is a Chartered Accountant.

[iii] Group companies / firms of the Portfolio Manager on turnover basis as on March 31, 2016 (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 31.03.16)
1	ASK Wealth Advisors Private Limited	71.01
2	ASK Investment Managers Private Limited	155.90
3	ASK Family Office and Investment Advisors Pvt Ltd	0.01
4	ASK Property Advisory Services Private Limited	NIL
5	ASK Trusteeship Services Private Limited	0.02
6	ASK Capital Management PTE Limited (Singapore)	16.17
7	ASK Pravi Capital Advisors Private Limited	15.40
8	ASK Financial Holdings Private Limited (earlier known as "ASK Infrastructure Private Limited")	0.06

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

DETAILS OF PENDING LITIGATIONS

Authority where the case is pending	**Remarks**
ITAT (For AY 2010-11)	Rs. 10.12 crore of Client Referral Fees disallowed and amortized over a period of next 7 years. Loss of Current Year reduced from Rs. 14.99 crores to Rs. 6.32 crores. (Demand raised is Rs. NIL)
ITAT (For AY 2012-13)	Rs. 20.30 crores of Client Referral Fees disallowed and amortized over a period of next 7 years. Loss of Current Year Rs. 9.90 crores turned into profit of Rs. 6.04 crores which was adjusted towards brought forward losses of earlier years. (Demand raised is Rs. NIL)
CIT (A) (For AY 2013-14)	Rs. 11.06 crores of Client Referral Fees disallowed as Capital Expenditure. (Demand raised is Rs. 3.91 crores)
CIT (A) (For AY 2014-15)	Rs. 4.03 crores of Client Referral Fees disallowed and amortized over a period of next 7 years. (Demand raised is Rs. 1.74 crores)

5. SERVICES OFFERED & PRODUCT DETAILS

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

Portfolio name: ASK Commercial Real Estate Portfolio Series 1 (Product):

A Portfolio which aims to provide superior and consistent risk adjusted returns to the Investors by investing in securities offered by Portfolio Companies involved in, investing in, developing, constructing, owning, asset managing, project / facility managing and operating commercial real estate assets and related infrastructure opportunities. The strategy and the composition described more particularly hereinbelow, involve risk and there can be no assurance that specific objectives will be met under differing market conditions or cycles. The investment strategy and the composition of the Portfolio are only indicative in nature and are subject to change within the provisions of the Disclosure Document and the Agreement without any prior notice to Client.

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

INVESTMENT POLICY

The Portfolio Manager proposes to follow below Investment Strategy in the Product:

The Portfolio Manager intends to primarily invest in operating real estate companies, special purpose vehicles and holding companies of special purpose vehicles that undertake commercial and retail real estate developments.

- **Investment Objective and Philosophy**

The Portfolio Manager proposes to invest in mix equity-oriented and debt-oriented instruments. The primary objective of the Product shall be to invest in real estate projects in equity, equity-linked, debt, debt linked and convertible securities in the growing Indian real estate sector. The investment objective of the Product is to provide superior and consistent risk adjusted returns to the Investors by investing in securities offered by Portfolio Companies involved in, investing in, developing, constructing, owning, asset managing, project / facility managing and operating commercial and retail real estate assets and related infrastructure opportunities. The investment philosophy of the Portfolio Manager is as follows:

Partner	:	Prudent developer selection
Location	:	Growth corridor driven by job creation in micro-market
Entry Price	:	Development stage as opposed to land aggregation Some distressed opportunities
Structure	:	Margin of safety – underwriting at conservative present micro market pricing with escalation in cost
	:	Asset management focus and monitoring
	:	Control on the cash flows of Project SPV
Relationships	:	Access management with key stakeholders
	:	360 degrees view of partners operations
	:	Deep understanding of core values & growth aspirations of partner

The Product shall follow an intensive research process for screening potential investments. The Portfolio Manager should invest in quality investment opportunities that are easy to understand, quality management with a clear vision and focus on business in which it has strengths and at attractive valuations that can be best described as 'growth at reasonable price'.

- **Investment Strategy**

The Product is a portfolio aimed primarily at commercial and retail segments and intends to invest in equity, equity linked, debt, debt linked and convertible securities of operating real estate companies, special purpose vehicles and holding companies of special purpose vehicles that undertake commercial and retail real estate developments.

The proposed investment strategy of the Product is summarized below:

- Investments predominantly in 6 Cities (Mumbai Metropolitan Region, National Capital Region, Bengaluru, Chennai, Pune & Hyderabad) in India;
- Investments operating and holding entities (entities that have a portfolio of projects either in themselves and/ or in downstream entities) as well as special purpose vehicles (that actually hold the assets);
- Investments in commercial and retail developments with pre determined leasing ability
- Investments in redevelopment of existing commercial assets;
- Investments at distressed valuations;
- Conservative underwriting approach with a margin of safety;
- Focus on projects within city and suburban limits;
- Partnering with established strong regional developers;
- Control investments;
- Asset management focus;

The Product will invest primarily in mix of listed and unlisted private companies and in equity, equity linked, debt, debt linked and convertible instruments and any other securities as permitted under the PMS Regulations. The above investment strategy is indicative of the investment strategy of the Product as per the market conditions as of the date of this Disclosure Document and shall be subject to change, in accordance with the PMS Regulations, depending on the change in market conditions at any time during the term of the Product.

- **Exit Strategy**

While the Product has a long term investment strategy and proposes to benefit from the growth of its Portfolio Companies and receive distributions from them, it may also consider in the interest of Investors, selectively divesting certain Portfolio Investments depending on prevailing conditions and the asset segment. The Portfolio Manager will be responsible for judging the appropriate mechanism, timing and valuation for the exit from each Portfolio Investment. All exits will be at the discretion of the Portfolio Manager.

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

❖ Redemption of the investment by the Portfolio Companies:
❖ Sale to the end user;
❖ Sale to third parties like investors, real estate investment trusts, real estate mutual funds, real estate funds or similar entities;
❖ Public listing or initial public offering (IPO);
❖ Buyback by developers and/or Portfolio Company; and
❖ Sale to institutional investors and other recognized investors.

➢ **Structuring of Investments**

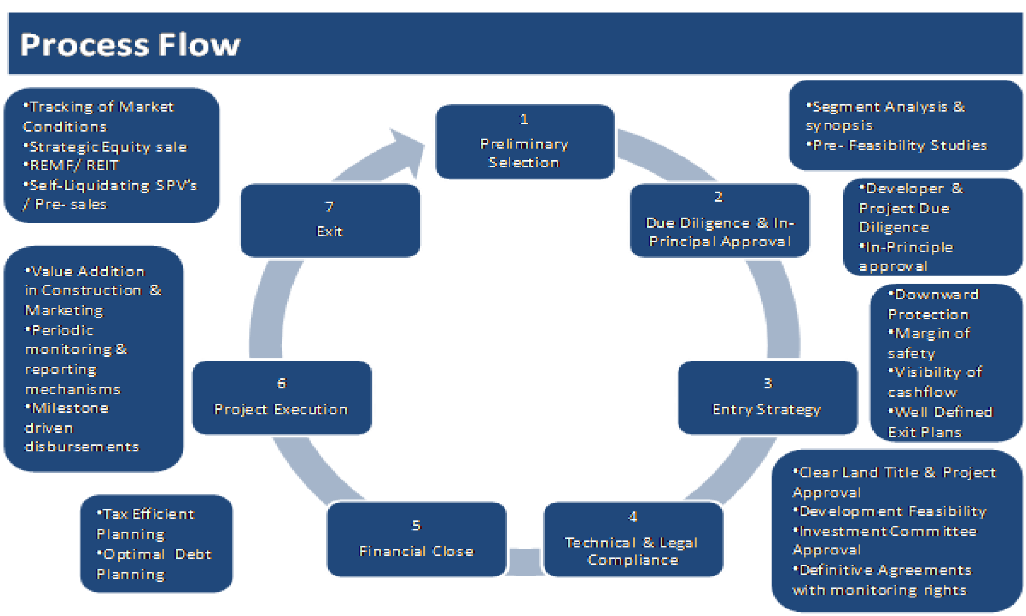
The Product may make Portfolio Investments in Portfolio Companies directly. Alternatively, in order to make a more efficient investment, the Product may choose to make Portfolio Investments in holding companies having one or more special purpose vehicles holding real estate assets in India set up for the purpose, or set up a special purpose vehicle in India to act as the holding company for its investments in Portfolio Companies, in accordance with applicable law.

➢ **Temporary Investments**

The Product may make temporary investments, pending Portfolio Investments. Temporary investments shall means and include investments in short-term or other securities issued or guaranteed by the Indian government or its agencies or instrumentalities, overnight and short-term bank instruments, bank deposits, money market instruments, units of money market or liquid mutual fund schemes or other instruments as may be determined by the Portfolio Manager.

➢ **Investment Process**

All potential investment decisions will be made following the diagrammatic representation below:



- **Investment Guidelines**

The Portfolio Manager will make Portfolio Investments in Portfolio Companies in the real estate sector in India from time to time in compliance with certain broad guidelines as set out below:

- The Portfolio Manager shall make investments only in (a) Bengaluru; (b) the Mumbai Metropolitan Region; (c) the National Capital Region; (d) Chennai; (e) Hyderabad; and (f) Pune.
- The Portfolio Manager shall make investments only in commercial and retail segments of real estate.

The above investment focus guidelines are indicative and are subject to change depending on the change in market conditions at any time during the term of the Product.

- **Types of Services**

- Discretionary Portfolio Management Services (PMS):

In the beginning the Portfolio Manager shall provide discretionary portfolio management services to domestic high net-worth individuals, corporates and other entities to manage their equity investments in Portfolio Companies engaged in real estate sector and over a period of time the Portfolio Manager shall provide the portfolio management services in other sector as well.

Under this Product, within the overall Client profile, the portfolio account made up in cash and/or stocks is managed at full discretion and liberty of the Portfolio Manager.

Product Name: ASK Commercial Real Estate Portfolio Series 1

Investment Objective Strategy:*

A Portfolio which aims to provide superior and consistent risk adjusted returns to the Investors by investing in securities offered by Portfolio Companies involved in, investing in, developing, constructing, owning, asset managing, project / facility managing and operating commercial and retail real estate assets and related infrastructure opportunities.

The strategy and the composition described herein and more particularly in the Investment Policy Section above, involve risk and there can be no assurance that specific objectives will be met under differing market conditions or cycles. The investment strategy and the composition of the Portfolio are only indicative in nature and are subject to change within the provisions of the Disclosure Document and the Agreement without any prior notice to Client.

Portfolio Features:

Particulars	Terms
Product Name	ASK Commercial Real Estate Portfolio Series 1
Minimum Commitment	INR 25,00,000 (Rupees Twenty Five Lakhs Only) subject to any minimum amount set out in the PM Regulations.
Reinvestment Option	The Portfolio Manager shall not be entitled to reserve and/or

	re-invest any proceeds it may receive from investments.
In specie distribution	Upon termination of investments through this Product, in case the Client decides to retain Securities, then the Fair Market Value of the underlying assets represented by such Securities shall be deemed to have been returned / distributed to the Client and the Performance Fees will be calculated accordingly. The valuation of the Fair Market Value of the underlying area shall be basis the latest valuation report availed by the Portfolio Manager.
Valuation Frequency	6 monthly by a credible valuer of repute as selected by the Portfolio Manager.
Audit Frequency	Annually by a credible auditor of repute as selected by the Portfolio Manager.

Benchmark Index: Not Applicable

Fees and Charges: Given below are the various fees and charges payable by the Client (and deducted by the Portfolio Manager from the Funds) in relation to the Client's investment in ASK Commercial Real Estate Portfolio Series 1. All fees are excluding any indirect taxes applicable thereon. The expense structure below is subject to revisions on a prospective basis with the written consent of the Client.

EXPENSE STRUCTURE

	Nature of Fees and frequency of levy	**Amount (INR) / %**
1.	**Account Opening Fee** One-time fee charged upon selection by the Client of this Product by execution of the Discretionary Portfolio Management Agreement and the Product Schedule appended to it.	Please refer to Discretionary Portfolio Management Services Agreement
2.	**Management Fee** For the first year of the investment, Management Fee would be charged in advance for the whole year; and for the second year (and thereafter) of the investment, Management Fee would be charged quarterly in advance.	Please refer to Discretionary Portfolio Management Services Agreement
3.	**Performance Fee** No Performance Fee shall be payable prior to the earlier of: (i) the end/termination of the Product Term or Term, whichever is earlier, (ii) the date on which the entire Capital Commitment has been drawn down by the Portfolio Manager, and (iii) the date on which the Client withdraws all the Assets. The Client shall bear all applicable indirect taxes on the Performance Fee.	Please refer to Discretionary Portfolio Management Services Agreement
4.	**Transaction Charges** Transaction charges are charges incurred by the Portfolio Manager in the process of executing	Charged at actuals.

	transactions for the Client, and payable by the Client quarterly. For example: ▪ **Registrar and transfer agent charges**: Charges payable to registrars and transfer agents in connection with effecting transfer of Securities of the Client, including stamp charges, service charge, cost of affidavits, notary charges, postage stamp and courier charges; ▪ **Brokerage and transaction costs**: Brokerage charges, stamp duty, and other transaction costs such as securities transaction tax (STT), turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments; ▪ **Intermediary costs**: (i) Depository Participant charges, (ii) charges of the Custodian for all services to the Client, including safekeeping of Funds and Portfolio, (iii) bank charges, and (iv) other payments made to Intermediaries of securities market; ▪ **Certification and professional charges**: (i) Charges such as consultancy charges, service charges and retainership fees payable for outsourced professional services like accounting, audit, taxation and legal services; (ii) expenses in relation to valuations, certifications and attestations required by bankers or regulatory authorities, connected with the execution, recording and settlement of Portfolio transactions; (iii) insurance premiums; and (iv) such other expenses, duties and charges incurred on behalf of the Client; ▪ **Other expenses**: Due diligence expenses in connection with the Assets; charges in connection with courier expenses, stamp duty, registration charges, service tax, postal, telegraphic, opening and operation of Bank Account(s) etc.; and all other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above and arising out of or in the course of managing or operating the Assets.	
5.	**<u>Termination Fee</u>** Termination Fee is charged if the Client chooses to redeem the investments made prior to the end of the Product Term.	Please refer to Discretionary Portfolio Management Services Agreement
6.	**<u>Default Interest</u>** The Portfolio Manager may charge interest on the overdue amount from the due date until the date	Please refer to Discretionary Portfolio Management Services Agreement

	of payment and/or offset amounts otherwise distributable to the Client against such interest at quarterly interval.	

Disclaimer:

The portfolio objective, characteristics, investment approach and other details mentioned in the foregoing paragraphs are generic in nature and are intended at providing a broad overview to the investors with respect to the respective offerings. There can be no assurance or guarantee that the respective objectives would always be met. The past performance of the Portfolio Manager is not necessarily indicative of the future performance of the Portfolio Manager.

ASK Property Investment Advisors Pvt. Ltd. reserves the right to make appropriate changes and take all such decisions to amend or modify any of the above details, anytime at its sole discretion in the best interest of the portfolio having due consideration to the market conditions at that point in time.

- **Option to Invest in Debt for Interim Period:**

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

- **Option to Invest in Mutual Fund Schemes:**

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

[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 are detailed below:

The Portfolio funds shall not be invested in Associates or Group Companies.

The Valuation Policy and Methodology to be adopted by the Series is annexed to the Discretionary Portfolio Management Services Agreement for your reference**.**

- **Conflicts of Interest**

The Portfolio will be subject to conflicts of interest relating to Portfolio Manager, and various other affiliates, associated companies, or group companies' directors, officers and employees of the Portfolio Manager (collectively the **"Relevant Parties"**), which are engaged in a broad spectrum of activities in the financial sector.

Some of the potential conflicts of interest are outlined below:

1. Portfolio Manager and the Relevant Parties may provide services such as Real Estate consulting, broking and valuation services to the institutional or retail clients interested in the Indian Real Estate sector. It may in the ordinary course of business also invest in, acquire, deal in and dispose of Real Estate assets or invest in companies which acquire, deal in or dispose of Real Estate assets. The Portfolio Manager may also advise the Relevant Parties to invest in such companies.

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

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

4. There could be multiple portfolios under the management of Real Estate investment team of the Portfolio Manager and the Relevant Parties, thereby presenting possibility of conflict of interest in allocating investment opportunities amongst the various portfolios. The Portfolio Manager will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each portfolio, the remaining unfunded commitment, the level of diversification of each portfolio, and the basis on which prior conflicts in allocating investment opportunities have been resolved. However there can be no assurance that the Portfolio shall be allocated any particular investment opportunities that are identified by the Portfolio Manager. Furthermore, the Portfolio Manager shall have the right, at its discretion, to allocate any investment opportunities to other portfolio or to their own portfolio.

5. The Portfolio Manager may also advise other portfolio managers or venture capital funds to invest in companies which acquire, deal in or dispose of Real Estate assets.

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

7. The Portfolio Manager may offer (without any obligation to do so), co-investment opportunities to invest alongside the Portfolio, to one or more of the Relevant Parties, or any other funds or third parties on a case-by-case basis in circumstances that the Relevant Parties at its discretion deems appropriate and subject to any terms and conditions that it deems necessary, provided that no such co-investment opportunities shall be offered on more favourable terms than available to the Portfolio.

8. Subject to compliance with applicable laws and regulations, the Portfolio Manager may undertake purchase or sale of securities between the Portfolio Managers own accounts and clients accounts or between two client/portfolio accounts at the prevailing market price.

9. There could be conflict of interest in transfer of investments/ Real Estate assets inter-se amongst the portfolios under the management of Real Estate investment team of the Portfolio Manager. The Portfolio Manager will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each portfolio, the remaining unfunded commitment, the level of diversification of each portfolio, and the basis on which prior conflicts in allocating investment opportunities have been resolved. However, the Portfolio Manager shall have the right, at its discretion, to transfer any investments from one portfolio to other.

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

6. RISK FACTORS:

An indicative list of the risks associated with investing through the Services is set out below:

1. Securities investments are subject to market and other risks and the Portfolio Manager provides no guarantee or assurance that the objectives set out in the Disclosure Document, Product Schedule and/or the Discretionary Portfolio Management Agreement shall be accomplished.

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

3. The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and demat.

4. Investment decisions made by the Portfolio Manager may not always be profitable.

5. Past performance of the Portfolio Manager does not indicate or guarantee the future performance of the Portfolio Manager.

6. In addition to the factors that affect the value of individual Securities, the value of the Portfolio can be expected to fluctuate with movements in the broader equity, bond and Real Estate markets and may be influenced by factors affecting capital markets and Real Estate markets in general, such as, but not limited to, price and volume volatility in the capital markets, real estate markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors.

7. Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation set out in the relevant Product Schedule.

8. The benchmark index may not be truly representative of the Services offering due to the unique nature of the Services wherein inter alia: (a) the number of Securities may be lower in comparison to the benchmark index; and (b) the weightages of individual stocks may vary from weightages in the benchmark index.

9. The Portfolio will primarily consist of equity, equity linked and convertible Securities issued by companies whose Securities are not publicly traded. Although private equity investments offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risk, as well as company specific, industry specific and market risks that can result in substantial losses. Such Portfolio Companies may face intense competition, including competition from companies with greater financial resources, extensive development, production, marketing and service capabilities and a larger number of qualified managerial and technical personnel. The Portfolio Manager can offer no assurance that the marketing efforts of any particular Portfolio Company will be successful or that its business will succeed. Further, equity Securities and equity related Securities are volatile and prone to price fluctuations on a daily basis. Investments in such Securities involve a degree of risk and the possibility of loss of the amount invested.

10. While the Portfolio Manager shall take all reasonable steps to invest the funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.

11. **Macro-Economic risks:** Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to various factors including industry, exports and taxation may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.

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

Securities are finally sold. Even upon termination of the Discretionary Portfolio Management Agreement, the Client may receive illiquid Securities and finding a buyer for such Securities may be difficult. Further, different segments of the 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 strategy are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

13. **Credit Risk:** Debt Securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.

14. **Interest Rate Risk:** This is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income Securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income Securities can be expected to decline.

15. The liquidity and valuation of the unlisted Securities held in the Portfolio may be affected if they have to be sold prior to their target date of diversification.

16. Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio. The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

17. **Reinvestment Risk:** This risk arises from the uncertainty in the rate at which Cash flows from an investment may be reinvested. With respect to bonds, this is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.

18. **Non-Diversification Risk:** This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio will invest in Portfolio Companies operating in Real Estate sector.

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

policies could affect performance of the investment in mutual fund units. In case of investments in mutual fund units, the Client shall bear the recurring expenses of the Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.

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

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

22. The Client may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Client. The Client may incur a higher rate of TDS / dividend distribution tax in case the investments are aggregated.

23. After accepting the Assets for management, the Portfolio Manager may not get an opportunity to deploy such Assets or there may be delay in deployment. In such a situation the Client may suffer opportunity loss.

24. Subsequent to the investment in the Portfolio Companies, these companies may admit other new investors at a price, which may be at a discount to the prevailing asset value of the Portfolio's investment. This may result in dilution of the value of the holdings of the Client. The valuation of such investments is subjective in nature. The value arrived at by the Portfolio Manager or an independent auditor may not reflect the actual worth of the investments.

25. Client will not be permitted to dispose of, sell, acquire, withdraw the funds / Client's Securities from the Portfolio (except to the extent permitted under the Agreement). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Discretionary Portfolio Management Services Agreement and in the Regulations.

26. In case of early termination of the Discretionary Portfolio Management Services Agreement, where Client's Securities are reverted to the Client, additional rights negotiated by the Portfolio Manager with an investee company or its shareholders that

were available while the Securities were held as part of the Portfolio may no longer be available to the Client.

27. The Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document and the risks disclosed therein.

28. Changes in Market Requirements may impact the performance of the Portfolio.

29. Approvals of the Government or regulatory bodies or local authorities may be required before certain investments can be made. The Portfolio Manager cannot be certain that these approvals will be obtained or be aware of the timeline for such approvals.

30. Persons who are associated with or related to the Portfolio Manager, including its promoters and/or any direct or indirect shareholders of the Portfolio Manager may from time to time become clients of the Portfolio Manager. Consequent to the above, the Portfolio Manager may manage funds of these entities, together with the funds of its other clients. While the Portfolio Manager will endeavor to avoid any situations where a conflict of interest may arise, in the event that the Portfolio Manager faces any such situation of conflict, then the Portfolio Manager shall exercise due care and professional judgment in order to ensure fair treatment to its clients.

31. There is a possibility of the Client, the Portfolio Manager and/or other clients of the Portfolio Manager being treated as persons acting in concert in terms of the Takeover Regulations and consequently, the Securities acquired / held by all such persons may be clubbed to determine the applicability of requirements under the Takeover Regulations, including disclosure requirements and the requirement to make an open offer for acquiring Securities from the public.

32. If the proposed arrangement of raising of funds from various clients and investing them in Portfolio Companies could be construed as an Association of Persons (AOP) in India under the provisions of the Income Tax Act, 1961, then any adverse tax consequence would be borne by the Client. The full tax impact of an investment under the Portfolio would depend upon the circumstances of each client individually and the additional peculiarities associated with respect to activities of each Portfolio Company. Prospective clients are therefore strongly urged to consult their tax advisors with specific reference to their own situations.

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

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

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

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

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

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

39. **Breaches of Investment Documents; Counter-Party Risks; etc.:** Under its investment documents with Portfolio Companies, the Portfolio Manager will seek to obtain typically seen contractual protections and covenants appropriate for the Portfolio investment in question. There can be no assurance that such protections or covenants will achieve their desired effect. Material misrepresentations or omissions or breaches of contracts on the part of a Portfolio Company or other obligors (including any credit support providers) may occur which will affect the Portfolio investments and their value. Further, the Portfolio Manager will rely upon the accuracy and completeness of representations made by Portfolio Companies and other obligors to the extent reasonable, but cannot guarantee such accuracy or completeness.

40. **Risks Associated with Convertible Instruments:** The Portfolio Manager may make investments in fully, partially or optionally convertible Securities that may be converted into or exchanged for a specified amount of equity instruments of the same or a different issuer within a particular period of time at a specified price or formula. Such convertible

security entitles its holder to receive interest that is generally paid or accrued on debt until the convertible security matures or is redeemed, converted or exchanged. Convertible Securities have unique investment characteristics in that they generally have higher yields than equity, but lower yields than comparable non-convertible Securities, are less subject to fluctuation in value than the underlying equity due to their fixed-income characteristics, and provide the potential for capital appreciation if the market price of the underlying equity increases.

41. A convertible security may be subject to redemption at the option of the Portfolio Company issuing it at a price established in the investment documents. If a convertible security held in the Portfolio is called for redemption, the Portfolio Manager will be required to permit the Portfolio Company to redeem the security, convert it into the underlying equity or sell it to a third party. Any of these actions could have an adverse effect on the Portfolio Manager's ability to achieve the investment objective.

42. **Enforcement Risks:** The enforcement of security and/or contractual rights that may be obtained in respect of the Portfolio investments will involve actions in Indian courts or arbitral tribunals, and the Portfolio will be exposed to the delays in the Indian judicial system and arbitrations. In the normal course, such enforcement could take between 7 (seven) to 10 (ten) years.

43. Security provided by the Portfolio Company and/or other obligors will be subject to the risk of insolvency of such persons. In the case of liquidation of Portfolio Companies, to realize amounts, liquidation procedures in India are generally time consuming, complex and require permissions from various authorities, including courts and creditors, which may impair the ability of the Portfolio Manager to realize its returns upon such liquidation. For sale and realization of security through such winding-up proceedings, it is not uncommon for lenders being required to wait for 10 (ten) to 15 (fifteen) years. The Portfolio Manager will have the option of staying outside the scope of the winding up proceedings, and liquidating assets specifically charged to them separately, but even this process does not usually provide a significant advantage.

Sector Specific Risk Factors: Indian Real Estate market

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

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

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

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

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

c. The Real Estate (Regulation and Development) Act, 2016 ("**RE Act**") aims to institutionalize transparency and accountability in real estate and housing transactions. The RE Act provides for establishment of state level regulatory authorities - the Real Estate Regulatory Authorities (the "**RERAs**") and certain provisions of the RE Act are subject to additional rules or notifications issued by the RERAs and the relevant state governments. Therefore, the implementation of the RE Act may vary from one state to another, and this may have an adverse impact on some of the projects undertaken by the Portfolio Company(ies). The RE Act provides, inter alia that (a) projects with certain land area or having certain number of apartments must be registered with the RERAs, (b) such projects cannot be offered for sale by the promoters without such registration, (c) 70% (seventy percent) of the amounts realized for the project from allottees must be deposited in a separate bank account and used only to cover the cost of construction, and (d) developers are barred from effecting any changes to plans and designs of a project without the consent of two-thirds of the allottees. The RE Act therefore seeks to expand regulatory oversight and compliance and will apply to new projects as well as on-going projects. Therefore, the implementation of the RE Act could create significant transition issues such as customer litigations, delays, work stoppage, and increased costs to ensure compliance with the provisions of the RE Act.

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

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

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

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

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

i. Performance of the Portfolio Companies may be dependent on the performance of third party contractors and Service Providers. Accordingly the failure of any third-party contractor or Service Provider may negatively affect the performance of Portfolio Companies;

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

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

l. Focus will be on partnering with prominent established strong regional developers. The progress of developments underlying the Portfolio Manager's investments would depend on among other factors, the developer's / joint development partner's ability to procure resources and execute the project in a timely and cost efficient manner. As a consequence, Client would be subject to development execution risk. The Client may further face such risk in case of insolvency of any of the joint development partner.

47. **Title:** While the Portfolio Manager believes that reasonable due diligence investigations would be conducted prior to making a Portfolio investment, there can be no assurance that there will not be any defects or deficiencies in relation to such due diligence including any title due diligence. The method of documentation of land records in India has not been fully computerized and is mostly done manually with physical records of

all land related documents physically updated. This could result in the updation process getting substantially delayed or being inaccurate in certain aspects. As a result thereof, the title of the real property in which the underlying assets might be invested in, or represent, may not be clear or may remain doubtful in absence of accurate or updated land records.

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

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

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

51. **Litigation:** The properties in India are susceptible to litigation, which takes a long time to settle and is quite complex in nature. If any property / Security in which the Portfolio is invested and the same is / becomes subject to litigation, it could have an adverse impact on the performance of the Portfolio. Such litigation may in most cases, extend beyond the term of the Portfolio and therefore, significantly impair the ability of the Portfolio Manager to exit a Portfolio Company in a timely manner or for a suitable exit value. Litigation may be commenced with respect to projects in relation to activities that took place prior to the Portfolio Manager making a Portfolio investment. There may be limited or no recourse with respect to such unknown liabilities. As a result, if any such liability is asserted against the Portfolio Company, or if any adverse condition existed with respect to the projects, the Portfolio Company might be required to pay substantial sums to settle or cure it, and this could adversely affect the Cash flow and operating results of the Portfolio. Further, it could also adversely affect the security / Encumbrance created in relation to the Portfolio investments.

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

53. **Use of Agricultural land:** Certain lands in India have been reserved for the purposes of carrying on agricultural activities only. In order to carry on any non-agricultural activities, prior permission of the relevant local authority is required. Hence, if a Portfolio Company does not get such permission for usage of agricultural land for non-

agricultural use then the Portfolio Company would not be able to carry out its plans and in turn it would affect the performance of the Portfolio.

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

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

56. **Fluctuations in the Market:** The Real Estate operations of any Portfolio Company are subject to the performance of the Real Estate market in India generally and more particularly the markets in which its projects are located. The development of a Real Estate project takes a substantial amount of time and could be adversely impacted if there is a decline in prices over the timeframe of development and consequential sale. The investment made during the boom period and looking favorable may become a loss making proposition during the market recession. Hence there will always be a risk associated with the market cycle. Changes in government policies, local economic conditions, demographic trends, employment and income levels and interest rates, among other factors, may affect the Real Estate market and affect the demand for and valuation of the projects.

57. **Sector Risk:** The Portfolio investments will be subject to the risks incidental to the ownership, construction and operation of the Real Estate sector, including risks associated with the general economic climate, geographic or market concentration, the ability of the Portfolio Manager to manage the Portfolio investment, technical problems, financial failures of operating or construction sub-contractors, government regulations, and fluctuations in interest rates. Since Portfolio investments in the Real Estate sector, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of an investment (such reductions could be material) and adversely impact the Portfolio.

58. In addition, general economic conditions in relevant jurisdictions, as well as conditions of domestic and international financial markets, may adversely affect operations of the Portfolio Manager. With respect to Portfolio investments which involve real property, the Portfolio will incur the burdens of ownership of real property, which include the paying of expenses and ad valorem and other real property taxes, maintaining such property and any improvements thereon, exposure to liabilities, and ultimately disposing of such property. Further, in India, given the system of recording of title to property assets and the non-availability of title insurance, the risk of title defects may increase, where real property is acquired.

59. **Changes in Regulatory Policy:** Low interest rates on housing loans and favourable tax treatment of these loans have helped boost the recent growth of the Indian Real Estate market. High interest rates could discourage consumers from taking loans for acquiring Real Estate and thereby weaken the Real Estate market. Rising interest rates also increase cost of borrowings for the Portfolio Companies. Various provisions and norms imposed by the RBI in relation to housing loans by banks and housing finance companies could reduce the attractiveness of the property, and the RBI or the Government of India may take further steps to reduce directly or indirectly the credit to the Real Estate sector, which may adversely affect the availability of housing loans at attractive rates. The use of home loans for residential properties has also become attractive due to income tax benefits. A change in fiscal, monetary or other policy or any withdrawal of such income tax benefits may adversely affect the operating results and financial condition of the Portfolio. These factors can negatively affect the demand for and valuation of projects of Portfolio Companies.

60. **Construction risk:** The development of properties includes a degree of risk associated with the construction of the asset, including the risk that a project may not be completed within budget, within the agreed timeframe and/or to the agreed specifications. The Portfolio Manager will seek to mitigate the exposure of the Portfolio by transferring some or all of such risks from the relevant Portfolio Company to the relevant construction contractors under the terms of the construction contract, including a requirement for payment of liquidated damages by the construction contractor. However, should any of the above risks materialise in relation to any Portfolio Company, they could have a material adverse effect on the value of the relevant Portfolio investment which could, in turn, have a corresponding effect on the financial position and/or its results of the Portfolio.

61. The Portfolio may remain at risk if, following construction completion, there exist site defects that were caused by the construction contractor and not discovered. There may be a limit to the liquidated damages available to the Portfolio Manager from the construction contractor, particularly in the event of the construction contractor’s financial failure. Consequently the Portfolio Manager may not be able to recoup all damages/losses incurred as a result of a time delay or budget overrun.

62. **Construction Cost Risk:** Real Estate projects involve significant construction and development works with construction cost forming a major portion of the project capital expenditure. Construction cost is affected by the availability, cost and quality of raw materials. The principal raw materials include steel, cement, wood, sand, metal, glass and aluminium. The prices and supply of these and other raw materials depend on factors not under the control of the Portfolio Company, including general economic conditions, competition, production levels, transportation costs and import duties. If, for any reason, the Portfolio Company is unable to obtain such raw materials to in the required quantities and at prices that are competitive, its ability to meet its material requirements for its projects could be impaired, its construction schedules could be disrupted and it may not be able to complete its projects as per schedule. The Portfolio Company may also not be able to pass on any increase in the prices of these building materials to its customers. This could affect its results of operations and impact its financial condition.

63. **Delays in projects:** The construction of projects may face opposition from local communities, non government organisations and other parties. The construction of

projects may become politicised and face opposition from the local communities where these projects are located and from special interest groups. In particular, the public may oppose the acquisition or lease of land due to the perceived negative impact it may have on such communities or on the environment. The Portfolio Company may in such cases incur significant expenditure on any such resettlement which may adversely affect its financial condition and results of operation.

64. **Competition risk:** The Portfolio Manager may invest in Portfolio Companies that construct or maintain and operate certain assets in the Real Estate assets in a highly-competitive environment. The Portfolio Manager will compete with other consortia and companies for property and Real Estate related assets. These competitors, which include large construction and engineering groups and other financial investors, may have significant financial resources and may be able to present bids with competitive terms. As a result of such competition, the Portfolio Manager may have difficulty in making certain potential investments or the Portfolio Manager may be required to make investments on economic terms less favourable than anticipated. If the Portfolio Manager fails to make new investments or makes investments under less favourable terms, the financial condition and results of operations of the Portfolio Manager could be materially and adversely affected.

65. **Valuation Related Risks:** Property valuations generally may include a subjective determination of certain factors relating to the relevant project, such as their relative market positions, financial and competitive strengths and physical conditions. There can be no assurance that any Real Estate appraisals which are obtained by the Portfolio Manager will reflect the actual market values of the properties or that such values will not change over time. The appraised value of any of the projects is not an indication of, and does not guarantee, projected returns at present or in the future. The price at which the Portfolio Manager may dispose of a Portfolio investment may be lower than its appraised value as determined by independent valuers (though independent valuers would be reputed property consultants or such other competent organizations that can provide impartial reports on the value of the projects).

66. **Property tax and Other Similar Risks:** Real Estate projects are subject to property taxes that may increase from time to time. Any increase in property taxes and any other applicable taxes or levies will adversely affect the value of the Portfolio investment. Transactions involving Real Estate projects are also subject to stamp duties and other local or municipal taxes, which would differ from State to State, city to city and between municipal jurisdictions, depending on the location where Real Estate activities are carried out.

67. **Concentration Risk:** The Product may invest in single investment / asset for the clients who choose so. In such a case the returns of such client's portfolio will be directly linked to the returns on the said single investment /asset.

68. **Post Tax dues/litigations:** The Portfolio Manager may invest in a Portfolio Company which may have tax disputes/litigations or other contingent liabilities in respect of past years. Such tax disputes / litigations may arise after investment by the Portfolio. While Portfolio Manager exercises due diligence and due care to understand such disputes, they may adversely impact the returns of the Portfolio.

7. CLIENT REPRESENTATION:

(i) Category of Clients

The details as given below are as on March 31, 2017*:

Category of clients	No. of clients	Funds Managed	Discretionary/ Non – Discretionary
Associates/Group companies:			
March 31,2017	NIL	N.A.	N.A.
March 31,2016	NIL	N.A.	N.A.
March 31,2015	NIL	N.A.	N.A.
March 31,2014	NIL	N.A.	N.A.
March 31,2013	NIL	N.A.	N.A.
Others (only active clients):			
March 31,2017	NIL	N.A.	N.A.
March 31,2016	NIL	N.A.	N.A.
March 31,2015	NIL	N.A.	N.A.
March 31,2014	NIL	N.A.	N.A.
March 31,2013	NIL	N.A.	N.A.
Total:			
March 31,2017	NIL	N.A.	N.A.
March 31, 2016	NIL	N.A.	N.A.
March 31, 2015	NIL	N.A.	N.A.
March 31, 2014	NIL	N.A.	N.A.
March 31, 2013	NIL	N.A.	N.A.

Since the Company is new in the business, the Company has no Clients.

(ii) Related Party Disclosure

(i) Related Parties and their relationship

List of related parties as on March 31, 2016 (last audited Balance Sheet)

a) Particulars of Entities controlled by the Company :

Sr. N	Name of Related Party	Nature of Relationship
1	ASK Wealth Advisors Private Limited	Fellow Subsidiary
2	ASK Investment Managers Private Limited	Holding Company
7	ASK Capital Management PTE Limited (Singapore)	Subsidiary of Holding Company

b) Key Managerial Personnel:

Sr. No.	Name of Related Party	Nature of Relationship
1	Asit Koticha	Director
2	Sameer Koticha	Director
3	Sunil Rohokale	Director

4	Amit Bhagat	CEO & Managing Director

c) Others

Sr. No.	Name of related party	Nature of relationship
1	ASK Real Estate Special Opportunities Fund	Enterprise where significant influence can be exercised
2	ASK Real Estate Special Opportunities Fund-II	Enterprise where significant influence can be exercised
3	ASK Securities Advisory Services Private Limited	Enterprise where significant influence can be exercised
4	Fortress Constructions Private Limited	Enterprise where significant influence can be exercised
5	Prushti Developers Private Limited	Enterprise where significant influence can be exercised
6	ASK Foundation	Enterprise where significant influence can be exercised
7	ASKPIA Employment Benefit Trust II	Enterprise where significant influence can be exercised
8	Shalin Koticha	Relative of Director

(ii) Transactions with Subsidiaries /Joint Ventures / Entity controlled by the Company: (as per last audited Balance sheet of 31st March 2016:

1) ASK Investment Managers Private Limited:

(In Rs.)

Particulars	31 March 2016	31 March 2015
Opening balance receivable	**189,709,741**	69,397,555
Shared service cost	**65,963,374**	49,666,809
Recovery of portfolio expenses	**432,162**	974,866
Reimbursement of other cost	**885,496**	853,111
Recovery of other cost	**-**	79,946
Income from investment advisory fees	**36,237,050**	186,398,816
Advance fees received	**337,463**	-
Closing balance receivable	**195,038,706**	189,709,741
Opening balance payable – loan	**-**	-
Loans received	**168,250,000**	-
Loans repaid	**116,700,000**	-
Interest paid on loans	**2,393,903**	-
Closing balance payable – loan	**51,550,000**	-
Interest payable – loan	**812,115**	-

2) ASK Wealth Advisors Private Limited:

(In Rs.)

Particulars	**31 March 2016**	**31 March 2015**
Opening balance payable	**2,846,390**	588,570
Reimbursement of service cost	**19,500**	21,190
Recovery of service cost	**37,651**	-
Client referral / marketing fees expense	**165,950,000**	248,652,500
Closing balance payable	**423,705**	2,846,390

3) ASK Capital Management Pte. Limited:

(In Rs.)

Particulars	**31 March 2016**	31 March 2015
Income from Investment Advisory Fees	**13,981,267**	-
Closing balance receivable	**13,981,267**	-

4) Asit Koticha:

(In Rs.)

Particulars	**31 March 2016**	**31 March 2015**
Opening balance payable	**270,000**	81,000
Director sitting fees expense	**180,000**	300,000
Closing balance payable	**162,000**	270,000

5) Sameer Koticha:

(In Rs.)

Particulars	**31 March 2016**	**31 March 2015**
Opening balance payable	**270,000**	54,000
Director sitting fees expense	**150,000**	300,000
Closing balance payable	**135,000**	270,000

(iii) Transactions with Key Management Personnel:

1) Mr. Amit Bhagat:

(In Rs.)

Particulars	**31 March 2016**	**31 March 2015**
Opening balance payable	**-**	-
Managerial remuneration	**30,884,538**	24,779,550
Reimbursement towards Office and Administrative expenses	**83,210**	222,265
Recovery of expenses	**-**	4,701
Closing balance payable	**-**	-
Employee stock options granted and outstanding nos.	**780,670**	780,670

Provision for bonus for the year has not been considered as the same has been determined at the Company level.

2) Mr. Sunil Rohokale:

(In Rs.)

Particulars	**31 March 2016**	**31 March 2015**

Opening balance payable	**-**	-
Reimbursement towards office and administrative expenses	**16,087**	11,014
Closing balance payable	**-**	-

(iv) Transactions with other related parties:

1) ASK Real Estate Special Opportunities Fund:

(In Rs.)

Particulars	31 March 2016	31 March 2015
Opening balance receivable	**1,856,650**	426,578
Income from Investment Management fees	**150,995,474**	172,275,000
Recovery of portfolio expenses	**4,854,807**	5,912,894
Closing balance receivable	**406,513**	1,856,650

2) ASK Real Estate Special Opportunities Fund-II:

(In Rs.)

Particulars	31 March 2016	31 March 2015
Opening balance receivable	**9,154,034**	-
Income from Investment Management fees	**282,776,138**	103,399,662
Advance Investment Management fees	**-**	121,025,338
Recovery of portfolio expenses	**1,603,998**	542,981
Closing balance receivable	**90,740**	9,154,034
Sponsor contribution (Class C units)	**7,500,000**	2,500,000
Investment (Class Z units)	**-**	40,000

3) ASK Securities Advisory Services Private Limited:

(In Rs.)

Particulars	31 March 2016	31 March 2015
Opening balance payable	**-**	-
Payment of rent	**-**	1,436,400
Closing balance payable	**-**	-

4) Fortress Constructions Private Limited

(In Rs.)

Particulars	31 March 2016	31 March 2015
Payment of rent	**747,592**	410,400
Closing balance payable	**-**	-

5) Prushti Developers Private Limited

(In Rs.)

Particulars	31 March 2016	31 March 2015
Payment of rent	**1,121,388**	615,600
Closing balance payable	**-**	-

6) ASK Foundation

(In Rs.)

Particulars	31 March 2016	31 March 2015

Opening balance payable	**-**	-
CSR expenditure	**600,000**	-
Closing balance payable	**-**	-

7) ASK PIA Employment Benefit Trust-II

(In Rs.)

Particulars	**31 March 2016**	**31 March 2015**
Opening balance payable	**-**	-
Initial settlement fees	**100,000**	-
Closing balance payable	**-**	-

8) Shalin Koticha

(In Rs.)

Particulars	**31 March 2016**	31 March 2015
Opening balance payable	**23,685**	-
Salaries and allowances	**200,004**	11,666
Reimbursement towards office and administrative expenses	**-**	23,685
Closing balance payable	**-**	23,685

8. THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (BASED ON AUDITED FINANCIAL STATEMENTS): (in Rs.)

Particulars	**F.Y. 2015-16**	**F.Y. 2014-15**	**F.Y. 2013-14**	**F.Y. 2012-13**	**F.Y. 2011-12**
Profit / (Loss) Before Depreciation & Taxation	9,34,64,147	3,86,09,139	8,22,31,617	16,38,05,860	-10,02,55,719
Net Profit / (Loss) after Depreciation & Taxation	12,62,85,690	3,13,92,135	6,55,21,113	12,97,00,747	-10,11,23,530
Shareholder's Funds					
Share Capital	25,13,54,530	25,13,54,530	25,13,54,530	24,52,00,475	23,75,68,535
Reserves & Surplus	3,34,14,263	-9,28,71,427	-12,42,63,562	-18,97,84,675	-32,05,67,774

9. PORTFOLIO MANAGEMENT PERFORMANCE: Not Applicable

10. NATURE OF EXPENSES

[i] Investment management and advisory fees:
[ii] Custodian Fees:
[iii] Registrar and transfer agent charges:
[iv.] Brokerage and transaction cost:

Fees and Charges for "ASK Commercial Real Estate Portfolio Series 1"

Given below are the various fees and charges payable by the Client (and deducted by the Portfolio Manager from the Funds) in relation to the Client's investment in ASK Commercial Real Estate Portfolio Series 1. All fees are excluding any indirect taxes applicable thereon. The expense structure below is subject to revisions on a prospective basis with the written consent of the Client.

	Nature of Fees and frequency of levy	Amount (INR) / %
1.	**Account Opening Fee** One-time fee charged upon selection by the Client of this Product by execution of the Discretionary Portfolio Management Services Agreement and the Product Schedule appended to it.	Please refer to Discretionary Portfolio Management Services Agreement
2.	**Management Fee** For the first year of the investment, Management Fee would be charged in advance for the whole year; and for the second year (and thereafter) of the investment, Management Fee would be charged quarterly in advance.	Please refer to Discretionary Portfolio Management Services Agreement
3.	**Performance Fee** No Performance Fee shall be payable prior to the earlier of: (i) the end/termination of the Product Term or Term, whichever is earlier, (ii) the date on which the entire Capital Commitment has been drawn down by the Portfolio Manager, and (iii) the date on which the Client withdraws all the Assets. The Client shall bear all applicable indirect taxes on the Performance Fee.	Please refer to Discretionary Portfolio Management Services Agreement
4.	**Transaction Charges** Transaction charges are charges incurred by the Portfolio Manager in the process of executing transactions for the Client, and payable by the Client quarterly. For example: ▪ **Registrar and transfer agent charges**: Charges payable to registrars and transfer agents in connection with effecting transfer of Securities of the Client, including stamp charges, service charge, cost of affidavits, notary charges, postage stamp and courier charges; ▪ **Brokerage and transaction costs**: Brokerage charges, stamp duty, and other transaction costs such as securities transaction tax (STT), turnover tax, exit and entry loads on	Charged at actuals.

	the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments; ▪ **Intermediary costs**: (i) Depository Participant charges, (ii) charges of the Custodian for all services to the Client, including safekeeping of Funds and Portfolio, (iii) bank charges, and (iv) other payments made to Intermediaries of securities market; ▪ **Certification and professional charges**: (i) Charges such as consultancy charges, service charges and retainership fees payable for outsourced professional services like accounting, audit, taxation and legal services; (ii) expenses in relation to valuations, certifications and attestations required by bankers or regulatory authorities, connected with the execution, recording and settlement of Portfolio transactions; (iii) insurance premiums; and (iv) such other expenses, duties and charges incurred on behalf of the Client; ▪ **Other expenses**: Due diligence expenses in connection with the Assets; charges in connection with courier expenses, stamp duty, registration charges, service tax, postal, telegraphic, opening and operation of Bank Account(s) etc.; and all other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above and arising out of or in the course of managing or operating the Assets.	
5.	**<u>Termination Fee</u>** Termination Fee is charged if the Client chooses to redeem the investments made prior to the end of the Product Term.	Please refer to Discretionary Portfolio Management Services Agreement
6.	**<u>Default Interest</u>** The Portfolio Manager may charge interest on the overdue amount from the due date until the date of payment and/or offset amounts otherwise distributable to the Client against such interest at quarterly interval.	Please refer to Discretionary Portfolio Management Services Agreement
Note for all portfolio fee structures: The above stated fee structure for all the concepts/portfolios represent the maximum and general fees applicable currently for the respective portfolios. Portfolio Manager reserves the right to charge lesser fees or such customized fees within the stated range or waive off upfront & termination fees under each concept/portfolio at its sole discretion.		

11. TAXATION

It is currently envisaged that the Portfolio could earn the following streams of income from investments made in the Portfolio Investments:

- Dividend income;
- Interest income;
- Gains on transfer;
- Redemption premium; and
- Buy-back of shares

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

Dividends

Dividends declared by Indian companies are exempt from tax in the hands of the Investors under section 10(34) of the ITA. However, such dividends would be subject to dividend distribution tax at the rate of 15%, on the amount of dividend distributed including the dividend distribution tax, in the hands of the Portfolio Companies under Section 115-O of the ITA. Credit of dividend distribution tax is generally not available to investors. The dividend income received by the Portfolio from its investments in units in mutual funds shall be exempt from tax in the hands of the investors under section 10(35) of the ITA.
Further, the Finance Act provides that individual, HUF or firm, resident in India, will be required to pay tax at the rate of 10% on the dividend income received by them exceeding INR 10 Lakhs.

Interest

Interest income shall be taxable in the hands of the Investors as follows:

Interest income from unlisted/listed securities shall be taxable as 'income from other sources' and taxable at the rate of 30%.

Capital Gains on transfer:

Long-term capital asset: Following securities are regarded as capital assets:

- Listed securities (other than units) and units of equity oriented mutual fund held as investments for a period of more than 12 months immediately preceding the date of transfer;
- Unlisted shares held as investments for a period of more than 24 months; and
- the securities other than stated in the bullet point above held as investments for a period of more than 36 months immediately preceding the date of transfer.

Short-term capital asset: In any other case, the assets are classified as short-term capital assets.

Taxability of capital gains shall be as follows:

Type of security	Domestic investors
Short-term capital gains on transfer of listed equity shares and units of equity oriented mutual fund (subject to securities transaction tax)	15%
Any other short-term capital gains (not subject to securities transaction tax)	30%
Long-term capital gains on transfer of listed equity shares and units of equity oriented mutual fund (subject to securities transaction tax)	Nil
Long-term capital gains on listed securities other than above (not subject to securities transaction tax)	10% (without indexation) /20% (with indexation)*
Long-term capital gains on unlisted securities or shares of a company in which public are not substantially interested	20% (after indexation)*

*Indexation benefit may be applicable for certain assets except debentures.

Redemption premium

There are no specific provisions contained in the ITA, with regard to the characterization of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as "interest" or as "capital gains". The characterization of premium on redemption of securities as interest or a capital receipt has to be decided based on factors surrounding the relevant case. Taxability of "interest" and "capital gains" is provided above.

Buy-back of shares:

Under the provisions of the ITA, the consideration paid by the Portfolio Company for purchase of its own unlisted shares in excess of the sum received by the investee company at the time of issuing the shares ("Distributed Income") will be charged to tax. The Portfolio Company would be liable to pay additional income-tax at 20% of the Distributed Income paid to the shareholder. This provision is applicable only in the case of buy-back in accordance with the provisions of Section 77A of the Companies Act, 1956.

The taxes on the distributed income by the Portfolio Company would be treated as final payment of tax in respect of the income. The income arising to the Portfolio / Investors in respect of such a buy-back by the investee company would be exempt. The Portfolio / Investors would not be able to claim credit for the buy-back tax paid by the Portfolio Company. Further, Portfolio / Investor shall not be eligible to claim any expenditure against income arising on account of buy back. The buy-back of shares by listed companies will attract the capital gains related provisions of the Act and the DTAA (entered between India and the country in which the offshore investor is resident) as discussed above.

The Finance Act has been amended to provide for buy-back of unlisted shares under any law for the time being in force relating to companies instead of currently being buy-back under specific section.

Further, Rules will be prescribed to determine the amount received by the investee company for issue of shares.

Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on the facts and circumstances of each case. The client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his of income or loss and the expenses incurred by him as a result of his investment in the Portfolio Management Service offered by the Portfolio Manager.

12. ACCOUNTING POLICIES

ASK Property Investment Advisors Pvt. Ltd. follows prudent accounting policies for the portfolio investments of client as under:

a. *Contribution to portfolio*

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

b. *Portfolio investments*

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

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

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

c. *Revenue*

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

Corporate dividend income is recognized on ex-dividend date.

d. *Expenses*

Portfolio management fees are accounted on accrual basis.

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

13. INVESTORS SERVICES & GRIEVANCE REDRESSAL AND DISPUTE SETTLEMENT MECHANISM:

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

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

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

Mr. Kiran Valanger
Vice President - Operations
ASK Property Investment Advisors Private Limited
Birla Aurora, Level 16, Office Floor 9,
Dr. Annie Besant Road, Worli, Mumbai - 400030
Email:customerservice@askinvestmentadvisors.com

ASK Commercial Real Estate Portfolio Series I is a Portfolio Management Product set up by ASK Property Investment Advisors Pvt. Ltd.

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

Grievance Redressal

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 is as follows:

1. In case an investor has a complaint or a grievance about Product and its services including services provided by its distributors or outsourced agencies, investor should contact Mr. Kiran Valanger, Vice President – Finance of the ASK Property Investment Advisors Pvt. Ltd.
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 Product, its distributors or outsourced agencies.
3. Such a complaint or a grievance should be noted in the Investor Grievance Register. Mr. Kiran Valanger 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. Kiran Valanger, can call or write to Mr. Amit Bhagat, CEO and MD of the ASK Property Investment Advisors Pvt. Ltd.
7. Mr. Amit Bhagat shall also ensure effective monitoring of grievance redressal to make sure that none of the complaints remain unresolved for an unreasonable period of time.

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

ASK PROPERTY INVESTMENT ADVISORS PRIVATE LIMITED

Sunil Rohokale
Director
PLACE: Mumbai
Date : 03.07.17

Amit Bhagat
CEO & Managing Director
PLACE: Mumbai
Date: 03.07.17

iv. We have relied on the representation made by the management regarding the Value of Assets under management of Rs .1563.9 Crore as on December, 2016.

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 14(2) 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 Jitendra Chandulal Mehta & Company
Chartered Accountants

JITENDRA CHANDULAL MEHTA & CO. FRN No. 104288W Chartered Accountants

Deepak B Kharwad
Partner
Membership No. : 124599
Firm Registration No. : 104288W

Place : Mumbai
Date : 01st June, 2017
Cert. No. : JCM/2017-18/004