

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT

(As required under Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020)

- (i) The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation 22 of SEBI (Portfolio Managers) Regulation 2020.
- (ii) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.
- (iii) The necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.
- (iv) The name, phone number, e-mail address of the Principal Officer designated by the Portfolio Manager is:

Name of Principal Officer : **Mr. Prashant Shrimal**

Address : No.6-3-1090/B/1&2, 5th Floor,
Rajbhavan Road, Somajiguda,
Hyderabad - 500082

Phone No(s) : 040-67807711

E-mail address : aditya.shrimal@gmail.com

- (v) This Disclosure Document is dated 13/09/2023.



For PCS SECURITIES LIMITED

Prashant Shrimal
Authorised Signatory

TABLE OF CONTENTS

Sr. No.	Particulars	Page No.
1.	Disclaimer	3
2.	Definitions	3
3.	Description of the Portfolio Manager	6
4.	Penalties, pending litigation or proceedings, finding of inspection or investigations for which action may have been taken or initiated by any regulatory authority.	9
5.	Details of Services offered	9
6.	Risk factors	10
7.	Client Representation	12
8.	Financial Performance of the Portfolio Manager	13
9.	Portfolio Management Performance of the Portfolio Manager in the last Three years.	16
10.	Audit Observation	16
11.	Nature of Expenses	16
12.	Rights and Liabilities of the Client	18
13.	Rights, Duties and Liabilities of the Portfolio Manager	19
14.	Taxation	24
15.	Accounting Policies	27
16.	Disclaimer by Portfolio Manager	28
17.	Investor Services	29
18.	Grievances Redressal / Dispute handling Mechanism	29
19.	List of Approved Share Brokers, involved for Portfolio Management activities	29
20.	Details of investments in the securities of related parties of the Portfolio Manager	30
21.	Details of Diversification Policy of Portfolio Manager	30
22.	General	30
23.	Form "C"	31

For PCS SECURITIES LIMITED

(Signature)
Authorised Signatory



1. **Disclaimer**

This Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2. **Definitions**

"Act" means the Securities and Exchange Board of India Act, 1992 as amended from time to time.

"Advisory Services" shall mean the non-binding investment advisory services rendered by the Portfolio Manager to the Client. The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the Client and shall not be responsible for the investment / divestment of Securities.

"Agreement" means this Portfolio Management Agreement and includes any recitals, schedules, annexure or exhibits to this Agreement and any amendments made to this Agreement by the Parties in writing.

"Application" means the application made by the Client to the Portfolio Manager as more particularly described in Schedule A to the Agreement, for investing the monies and/or Securities therein mentioned with the Portfolio Manager in the Products for rendering the services. Upon execution of the Agreement by the Parties, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

"Assets" means (i) the Portfolio and/or (ii) the Funds (as the case may be)

"Board" or "SEBI" means the Securities and Exchange Board of India established under the section of the Act.

"Cash Account" means the account in which the funds handed over by the client shall be held by the Portfolio Manager on behalf of the client.

"Chartered Accountant" means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.

"Client" means any individual, HUF, partnership firm, any body corporate, association of person, body of individuals, trust, statutory authority, or any other person who registers with the portfolio manager for availing the portfolio management services rendered by the portfolio manager.

"Client Level" shall mean the Product under which all the Assets of the Client shall be managed on an individual basis through a separate Bank Account and Depository Account which will be opened in the name of the Client and operated by the Portfolio Manager.

"Custodian" means any person who carries on or proposes to carry on the business of providing custodial services and shall be registered with SEBI.

"Disclosure Document" shall mean this disclosure document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to the Regulations.



: 3 :

For PCS SECURITIES LIMITED
[Signature]
Authorised Signatory

"Discretionary Portfolio Manager" means a portfolio manager who exercises or may, under a contract relating to Portfolio Management, exercises any degree of discretion as to the investments or management or administration of the portfolio of securities and / or the funds of the clients, as the case may be.

"DP" means the Depository Participant who holds the shares, securities and funds on behalf of the client.

"Effective Date" means the date on which the Portfolio Management account of the client is activated in the books of Portfolio Manager.

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

"Funds" means the monies managed by the Portfolio Manager on behalf of the client pursuant to this agreement and includes the monies mentioned in the application, any further monies placed by the client minus withdrawal / redemption made by the client with the Portfolio Manager for being managed pursuant to this agreement, the proceeds of the sale or other realization of the portfolio and interest, dividend or other monies arising from the funds, so long as the same is managed by the Portfolio Manager.

"Fund Manager" (FM) means the individual/s appointed by the portfolio manager who manages, advises or directs or undertakes on behalf of the client (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the clients, as the case may be.

"NAV" means the net asset value of the Portfolio and shall be aggregate of (a) the amount of Cash in the cash account; and (b) the value of the Client Securities calculated on the basis of the closing rates as on the immediately preceding trading day and (c) accrued interest on the security, (d) mutual fund, (e) Application Money (f) interest on application money, (g) dividend including dividend on mutual fund minus (h) TDS (if any).

"Non-Discretionary Portfolio Manager" means a portfolio manager who manages the funds and/or securities, in accordance with the directions of the clients.

"Parties" means the Portfolio Manager and the Client; and "Party" shall be construed accordingly.

"Person" includes any individual, partners in partnership, central or state government, company, body corporate, co-operative society, corporation, trust, society, Hindu Undivided family or any other body of persons, whether incorporated or not.

"Portfolio" means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to Agreement and includes any Securities mentioned in the Application, any further Securities that may be placed by the Client with the Portfolio Manager from time to time, for being managed pursuant to this Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager including the idle cash.

"Portfolio Manager" (PM) means **P.C.S. Securities Ltd.** who has obtained certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993, vide Registration No. **INP000002338**.

"Principal Officer" means an employee or director of the Portfolio Manager who is responsible for the activities of portfolio management and has been designated as principal officer by the Portfolio Manager.

For PCS SECURITIES LIMITED

Authorised Signatory



"Regulation" means the Securities and Exchange Board of India (Portfolio Manager) Regulations, 2020 as may be amended by SEBI from time to time.

"Securities" shall mean securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time. Provided that it shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the SEBI Regulations or other Applicable Law, for the time being in force.

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.



For PCS SECURITIES LIMITED

A handwritten signature in black ink, appearing to read "Sebastian", written over the printed text "For PCS SECURITIES LIMITED".

Authorised Signatory

3. Description of the Portfolio Manager

3.1 History, Present Business and Background of the Portfolio Manager

P.C.S. Securities Ltd. (PCSSL) is a closely held public limited company incorporated under Companies Act, 1956 on January 12, 1995 having its Registered Office at 3-1-336, Esamia Bazar, Hyderabad, Pin - 500 027. The company has started broking activities in October' 1995 by registering with NSEIL. The company has spread its wings in South India including Andhra Pradesh through Branches and Sub-brokers and develops its business over a period of time.

Presently, PCSSL is registered with NSE, BSE & MCX-SX for its broking activities. PCSSL is also registered as DP with CDSL.

PCSSL has obtained a certificate from SEBI dated September 11, 2007 to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, vide registration no. INP000002338.

The Philosophy of PCSSL has always been investment with full knowledge acquired by in-depth fundamental research. Keeping in view, PCSSL now desires to serve HNI's and corporate investors through the PMS route.

Under the portfolio management services offered by PCSSL, the funds of investors will be managed by team of professionals having good experience in the various facets of Equity Markets such as Research, Fund Management and Consultancy.

PCS Securities Ltd. is currently focused on providing personalized service to its client base comprising of high and middle net-worth individuals. The company has always aimed at providing value added services to the client which align with the clients long term goals of wealth creation. In pursuance of this goal, the company wishes to leverage its research capabilities to provide Portfolio Management Services with an aim to generate long term returns based on detailed fundamental research.

3.2 Promoters of Portfolio Manager, Directors and their background:

Sr. No.	Name	In the capacity of	Background
1.	<u>Prashant Shrimal</u> - <u>Managing</u> <u>Director</u>	Promoter and Director	Prashant Shrimal is Commerce Graduate and worked as an Authorized Remiser for 6 years. He is the Member of Hyderabad Stock Exchange (HSE) since 1995 & he is also the member of Investor Committee for the last 8 years in HSE. Presently, he is heading Research department in P.C.S. Securities Ltd. He has held key senior positions in the equity broking and research business. Having spent over a decade advising large HNI investors on their

For PCS SECURITIES LIMITED

Authorised Signatory



investment, Prashant has extensive experience and expertise in analyzing Indian business and stock picking.

2. Paresh Shah - Director
Director

Paresh Shah is Commerce Graduate and worked as an authorized remiser for 3 years. He is whole time director of P.C.S. Securities Limited since 1995. He is looking after day to day affairs and business development of the company.

3. Sandeep Hemraj Director
-Director

Sandeep Hemraj has more than 11 years Experience in Capital Market. Is currently a Director at PCS Securities Ltd; prior to which was heading the research team from 2010-2018. Has a Bachelors degree in Business Management from the University of Bangalore and Masters in International Trade from IMDR, Pune. He started his career with HSBC as a Banker in B'lore in 1999, later moved to SwissRE leading Re-insurer in the world managing team of technical accountants; was one of the foremost members in helping SwissRe set up a captive unit in B'lore. Post SwissRe switched to equity research in 2005, tracking the Indian markets as a sell side analyst with Deutsche Bank, was rated the best Infra team in India in 2007.

3.3 Top 10 Group Companies/Firms of the Portfolio Manager in India:

P.C.S. Commodities Private Limited
PCS Insurance Broking Private Limited
PCS Broking (IFSC) Private Limited
Tanvi Financial Services Private Limited
PCS SECURITIES AND CONSULTANTS LLP

3.4 Details of Services Offered: -

: 7 :



For PCS SECURITIES LIMITED

[Signature]
Authorised Signatory

The Portfolio Manager intends to offer services of discretionary portfolio management, non-discretionary portfolio management and that of investment advisory as set out in the details provided below. All clients will have the option to be onboarded directly to avail these services, without intermediation of persons engaged in distribution services.

a) Discretionary

Under these services, the choice as well as the timing of the investment decisions rest solely with the portfolio manager. The portfolio manager shall have the sole and absolute discretion to invest in respect of the clients account as per the agreement and make such changes in the investments and invest some or all of the clients funds in such manner and in such markets as it deems fit. The portfolio manager's decision in investment of the clients account will be absolute and final.

b) Non-discretionary

Under these services, the client decides their own investment with the portfolio manager. The portfolio managers role is limited to providing research, investment advise and trade execution at the client's request. The portfolio manager shall execute orders as per the mandate receive from the client.

c) Advisory

Portfolio Manager gives advice to the client regarding investment/disinvestment in Securities. However, discretion lies with the client whether to act upon it or to ignore the advice.



For PCS SECURITIES LIMITED

A handwritten signature in dark ink, appearing to read "Sasank Kumar", written over the printed text.

Authorised Signatory

4. **Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:**

Sr. No.	Particulars	Remarks
1	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under:	NONE
2	The nature of the penalty / direction:	NONE
3	Penalties/fines imposed for any economic offence and/ or for violation of any securities laws	NONE
4	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	NONE
5	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency:	NONE
6	Any enquiry / adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee under the Act or Rules or Regulations made there under:	NONE

5. **Details of Services offered**

5.1 **Services offered**

Investment Approach 1: Alyattes

- a) Investment Objective: Investing in companies with a structural growth story and a long lasting relevance. Generating alpha over and above the benchmark.
- b) Types of securities: Multi-cap with focus on small and mid-cap companies.
- c) Basis of selection of Securities: Minimum market capitalization of 500 crores, prefer non-cyclical companies with a high return on equity (>15%) and avoid loss making companies. Special situations like demergers, management change, etc. to be tracked closely. Investing in leaders and not relying only on forecasts made by the management.
- d) Allocation of portfolio across types of securities:

Asset Allocation Pattern	Min	Max
Mutual Funds	0%	10%
Debt Instruments	0%	30%
Equity Shares	60%	100%

: 9 :



For PCS SECURITIES LIMITED
[Signature]
 Authorised Signatory

- e) Indicative tenure / Investment Horizon: 2-3 years
- f) Explanation of risks involved in investment. There are some risks involved in investing. These are some risks which one may encounter when investing: Market risk, liquidity risk, concentration risk, political risk, business specific risk. Please refer section on risk factors.
- g) Appropriate benchmark to compare performance and basis for choice of benchmark: S&P BSE 500

Investment in Derivatives

The Portfolio Manager may invest in derivatives through recognized stock exchanges for the purpose of hedging and portfolio rebalancing. The type of derivative instruments will be of all the kinds including Stock futures, index futures, stock option and index option those that are traded on the floor of the recognized stock exchanges namely National Stock Exchange of India Limited and BSE Limited, in the Derivative Market Segment. Similarly, all or any type of derivative positions will be adopted.

The usage of Derivative Products and transactions will be for the purpose of hedging and portfolio rebalancing. The quantum of exposure to derivatives will be maximum up to 100 % the aggregate assets (net of existing derivatives investments) of the Client at the disposal of the Portfolio Manager.

Client level position limits and market wide position limits as specified by SEBI from time to time will be observed.

The terms of valuing and liquidating derivative contracts in the event of liquidation of portfolio management Product, will be at the best rate on the floor of the stock exchanges, namely, National Stock Exchange of India Limited and the BSE Limited, in the Derivatives Market Segment. On termination of the portfolio management services, the portfolio manager shall unwind the positions in the derivative segment as soon as possible.

The derivative positions will not be held for Non Resident Indian, and accordingly the NRI's portfolio may differ to that extent with the other persons in this Product.

Prior permission of investors will be obtained if derivatives are used for any other purpose (other than those mentioned above).

*Portfolio Manager may take position in derivatives with an allocation of 0% to 10%.



For PCS SECURITIES LIMITED

A handwritten signature in black ink, appearing to read "Sachin Kumar", written over the printed text "For PCS SECURITIES LIMITED".

Authorised Signatory

6. Risk Factors

The Portfolio Manager is not responsible for the loss if any, incurred or suffered by the Client. The following are the inherent risks associated in the management of the Portfolio:

- i) Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the investment will be achieved.
- ii) Past performance is not an indication that returns in the future with regard to either the same scheme or any other future scheme that may be launched by the Portfolio Manager, will be achieved. Investors are not being offered any assurance, insurance or guarantee either that the objective of the scheme will be achieved or of any indicative returns or of protection of initial corpus or of appreciation of the Portfolio through these Products and the names of the product do not, in any manner, indicate their prospects or returns.
- iii) The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolio Products.
- iv) 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, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- v) The value of the Portfolios may be affected by changes in the, general market conditions and factors and forces affecting the capital markets, in particular, the level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- vi) The Portfolio Manager may invest in the shares, mutual funds, debt instruments, deposits and other financial instruments of affiliates / companies, subject to the relevant regulatory requirements. Such decisions will be on an arm's length basis.
- vii) The investment made by the Portfolio Manager is subject to risk arising out of non - diversification, if any.
- viii) The names of the products do not in any manner indicate their prospects and returns.
- ix) The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities that offer higher yield, which may increase the risk to the portfolio. Such investments shall be subject to the scope of investments laid down in the executed Agreement.
- x) The Portfolio Manager may appoint advisors and consultants for the purpose of investment advice/recommendation. The advice rendered by the advisor or consultant may or may not be followed by the Portfolio Manager. The appointment of such an advisor or consultant and the advice received, whether followed or not, may or may not give the desired result sought to be achieved. If the advice rendered by the consultant is not appropriate or is not executed in time or even if the advice is satisfactory and successfully implemented but due to market conditions, the desired results may not be achieved.
- xi) The Clients 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 Clients. The Client may incur a higher rate of TDS/Dividend Distribution Tax in case the investments are aggregated in the name of the Portfolio Management plan.
- xii) The investments of the fund and resultant investment are subject to a very wide range of risks which include amongst others inter alia:



: 11 :

For PGS SECURITIES LIMITED

[Signature]
Authorised Signatory

- a) Overall economic slowdown, unanticipated bad corporate performance, environmental or political (including changes in tax laws and rates), changes in government policies and regulations with regards to industry and exports.
 - b) Act of state, sovereign action, Acts of God, Acts of war, civil disturbance.
 - c) Delisting or market closure, relatively small number of scrips accounting for a large proportion of trading volume.
 - d) Misjudgment of Portfolio Manager, unsystematic settlement procedures, refusal or delay in registration of securities, non receipt of interest or dividend etc.
- xiii) The portfolio manager shall take all reasonable steps to invest the funds in a prudent manner such decisions shall not always prove to be profitable or correct. Consequently, any loss arising from such decisions shall be a risk assumed by the client.
- xiv) Limited liquidity in the market, settlement risk, impeding readjustment of portfolio composition, highly volatile stocks money markets in India. There is also risk of total loss of value of an Asset, possibilities of recovery of loss in investments only through expensive legal process. Such loss could arise due to factors which by way of illustration, include, default or non – performance of a third party, company's refusal to register a security due to legal stay or otherwise, disputes raised by third parties. Thus the investment in Indian Capital Money Market involves above average risk for investors compared with other types of investment opportunities. Investments will be of a longer duration compared to trading in securities. There is a possibility of the value of investment and the income there from falling as well as rising depending upon the market situation.
- xv) Performance of the Portfolios may be impacted as a result of specific investment restrictions provided by the client.
- xvi) The Portfolio Manager is not guaranteeing or assuring any return on investment.
- xvii) Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
- xviii) Risk factors associated with Derivatives: Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. The risks associated with the use of Derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Trading in derivatives has the following risks: (i) An exposure to Derivatives in excess of the hedging requirements can lead to losses. (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction. (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

7.

Client Representation

For PCS SECURITIES LIMITED

[Signature]
Authorised Signatory



- i. The Portfolio Management services performance for the previous three years ended on 31st March 2023, 31st March 2022 and 31st March 2021 are as follows

For the year ended on 31st March 2023

Category of Client	No. of Clients	Funds Managed	Discretionary/ Non-Discretionary / Advisory
Associate / Group Companies			
Other Clients	4	21700000	Discretionary

For the year ended on 31st March 2022

Category of Client	No. of Clients	Funds Managed	Discretionary/ Non-Discretionary / Advisory
Associate / Group Companies			
Other Clients	5	36100000	Discretionary

For the year ended on 31st March 2021

Category of Client	No. of Clients	Funds Managed	Discretionary/ Non-Discretionary / Advisory
Associate / Group Companies			
Other Clients	13	79300000	Discretionary

- ii. Complete disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India.

Related parties with whom transactions have taken place during the financial year ended 31st March 2023 is mentioned in Annexure – 1.

8. Financial Performance

The financial performance of the company for the financial years ended 31st March 2023 (unaudited), 31st March 2022 (audited), 31st March 2021 (audited) and 31st March 2020 (audited) are as follows.

Capital Structure (Rs. in lakhs)



: 13 :

For PCS SECURITIES LIMITED

[Signature]
Authorised Signatory

Particulars	As on 31 March 2023 (Unaudited)	As on 31 March 2022(Audited)	As on 31 March 2021(Audited)	As on 31 March 2020 (Audited)
a) Paid-up capital	250.46	250.46	250.46	250.46
b) Free reserves (excluding re-valuation reserves)	3821.45	3745.22	3384.071	2681.71
c) Total (a) + (b)	4071.91	3995.68	3634.53	2932.17

8.2 Deployment of Resources (Rs. in lakhs)

Particulars	As on 31 March 2023 (Unaudited)	As on 31 March 2022 (Audited)	As on 31 March 2021 (Audited)	As on 31 March 2020 (Audited)
a) Fixed Assets	113.32	71.77592	94.65731	397.51
b) Plant & Machinery & Office Equipment's	0	0	0	0
c) Investments	2340.52	1495.78	909.46	494.46
d) Others	1921.09	2869.977	10179.18	7958.11
Total	4374.93	4437.52	11183.29	8850.08

8.3 Major Sources of Income: (Rs. in lakhs)

Particulars	As on 31 March 2023 (Unaudited)	As on 31 March 2022 (Audited)	As on 31 March 2021 (Audited)	As on 31 March 2020 (Audited)
• Revenue from Operations	3.30	1957.269	2996.871	1368.30
• Other Income	184.86	365.3615	642.569	499.26
Total	188.16	2322.62	3639.43	1867.56

8.4 Net Profit (Rs. In lakhs)

: 14 :

For PCS SECURITIES LIMITED

Authorised Signatory



Particulars	As on 31 March 2023 (Unaudited)	As on 31 March 2022 (Audited)	As on 31 March 2021 (Audited)	As on 31 March 2020 (Audited)
Profit Before Tax	76.23	433.511	811.2581	-241.96
Profit After Tax	76.23	361.1493	702.3575	-241.96

Latest Net worth of Portfolio Manager as on 31st March 2023: Rs.40,71,91,182



For PCS SECURITIES LIMITED

 Authorised Signatory



9. **Portfolio Management Performance**

In the performance/returns table below, please note the following:

- I. Performance/returns are calculated using the "Time Weighted Rate of Return" method in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations 2020.
- II. Returns are net of all fees and expenses.

The performance of portfolio for the years ended 31st March 2023, 31st March 2022 and 31st March 2021 are as follows.

PCS SECURITIES LTD	Year ended 31 st March 2023	Year ended 31 st March 2022	Year ended 31 st March 2021
Portfolio Performance (%)	1.90%	16.02%	70.75%
Benchmark Performance % BSE Sensex	0.72%	18.30%	68.01%
S&P CNX NIFTY%	-0.60%	18.88%	70.87%

PCS ABSOLUTE RETURN	Year ended 31 st March 2023	Year ended 31 st March 2022	Year ended 31 st March 2021
Portfolio Performance (%)	-42.50%	32.04%	82.33%
Benchmark Performance % BSE Sensex	0.72%	18.30%	68.01%
S&P CNX NIFTY%	-0.60%	18.88%	61.35%

Both the above investment approaches were active till <12-09-2023date of closure of investment approach> and are now closed.

10. **Audit Observation:**

There are no observations made by the statutory auditor of the Portfolio Manager for the preceding three financial years FY 2021 -22, 2020-21 & 2019-20.

11. **Nature of Expenses**

The following are indicative types of charges. The exact basis of charge relating to each of the following services shall be annexed to the PMS Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.



11.1. Investment Management and Advisory Fees:

- i) The Portfolio Management Fees relate to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed or linked to portfolio returns achieved or a combination of any of these with high watermark.
- ii) Upfront Fees:
The Portfolio Manager may levy the charges as Upfront Fee at such fixed percentage as may be agreed between the Portfolio Manager and the Clients, which will be calculated on the amount of Funds introduced by the Clients. The said fees shall be recovered from the Funds introduced by the clients.

11.2. Custodian fee / Depository Charges & Fund Accounting Charges:

Charges relating to custody and transfer of shares, bonds, and units, opening and operation of demat account, dematerialization and/or any other charges in respect of the investment etc. The actual fees levied by the custodian for custody, demat charges and fund accounting shall be charged to the client as mentioned in the agreement with the client and as agreed between the Portfolio Manager and the Custodian from time to time.

11.3. Registration and transfer agents' fees:

Fees payable for the Registrars and Transfer Agents in connection with effecting the transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps, and courier charges.

11.4. Brokerage, transaction costs, and other services:

The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees, and such other levies as may be imposed upon from time to time. Brokerage / or Transaction Cost on transactions would be levied at the prevailing rates charged by the brokers and / or any such other intermediary (+) applicable Service Tax (+) Transaction Charges (+) Stamp Duty (+) Securities Transaction Tax (+) Turnover Tax (+) any other levies thereon, as may be applicable from time to time.

11.5. Securities lending and borrowing charges:

The charges pertaining to the lending of securities, costs associated with transfer of securities connected with the lending and borrowing transfer operations as permitted by SEBI for time to time

11.6. Fees for Technical Services:

- a) Investment management fee i.e. a fixed fee is charged as agreed with the client vide terms and conditions mentioned in the agreement.
- b) Performance management fee i.e. performance fee based on profit slabs provided in the portfolio agreement is charged as agreed with the client vide terms and conditions mentioned in the agreement.

11.7. Depository Charges:

The actual fees levied by the DP like Dematerialization, Annual Maintenance charges (AMC) and transfer of securities, etc. shall be charged to the client as mentioned in the agreement with the client.

11.8. Certification charges or professional charges:



: 17 :

For PCS SECURITIES LIMITED

[Signature]
Authorised Signatory

The charges payable for outsourced professional services like accounting, taxation and any legal services, notarizations, etc. shall be borne by the Clients.

11.9. Registration and transfer agents' fees:

Fees payable for the Registrars and Transfer Agents in connection with effecting transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and courier charges.

11.10. Fees, entry/exit loads and charges in respect of investment in mutual funds:

Mutual Funds shall be recovering expenses or management fees, entry/exit loads and other incidental expenses along with services tax, if any, on such recoveries and such fees, entry /exit loads and charges including services tax on such recoveries shall be paid to the Asset Management Company of these Mutual Funds on the Clients' account. Such fees and charges are in addition to the Portfolio Management fees described above.

11.11. Any other incidental or ancillary expenses:

All incidental and ancillary expenses not covered above but incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client.

11.12. Other Charges:

Over and above the Portfolio Management fees and the transaction cost as mentioned above, the portfolio manager would recover audit fees for auditing and reporting of individual client's accounts; and other charges that the portfolio manager may have to incur while running Portfolio Management Services.

Charges pertaining to partial withdrawal / closure would be levied as per the terms provided in Agreement entered into between Portfolio Manager and Client.

11.13. The portfolio manager shall deduct / withdraw directly from the cash account of the client all the fees / costs specified above. Other expenses, which could be attributable to the Portfolio Management, would also be directly deducted and the client would be sent a statement about the same.

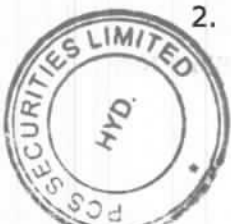
12. Rights and Liabilities of the Client

1. Rights:

- a. The client has a right to obtain a copy of the Disclosure Document prior to signing the agreement.
- b. Client shall obtain reports for a period not exceeding six months containing details as specified in regulation 31(1) and as agreed in the agreement with the portfolio manager except for the auditor's report which shall be submitted annually.
- c. The portfolio manager shall provide to the client with a transaction statement once in a quarter or as stated in the agreement with the client.
- d. The client will be provided a statement reflecting portfolio status and a statement of profit and loss on a quarterly basis.

2. Liabilities & Duties

- a. The liability of the client shall be to the extent of his investments.



[Handwritten Signature]
Authorised Signatory

- b. The client shall maintain utmost secrecy with regard to investment made by the Portfolio Manager on its behalf. In no case shall the Client replicate for its or for the benefits of others, the investments made by the Portfolio Manager.
- c. The client shall disclose to the Portfolio Manager from time to time whether it is privy to price sensitive information, such that a conflict of interest may arise where the Portfolio Manager to buy Securities on behalf of the Client.
- d. The Client shall pay the agreed fees at the agreed times to the Portfolio Manager in the manner as provided in the agreement.
- e. The Client shall not directly dispose of or acquire any Securities held in the portfolio, except as agreed by the Portfolio Manager. The Custodian appointed under the Custodian Agreement shall not be authorized to accept the instructions directly from the client. The Client shall not issue any direct instructions to the Custodian or the broker in this respect. In case the client issues any instructions directly to the Custodian or the broker, the Portfolio manager shall not be responsible for any loss or claim or damage arising there from. In any such case, in respect of any sale, the sale proceeds shall be made over by the Client to the Portfolio Manager as part of the investible funds and in case of any purchase, the client shall make payment directly to the Seller.
- f. The Client shall within seven days notify the Portfolio Manager if it notices any discrepancies or shortfalls in the Custodian holding statement. In case the Client does not notify the Portfolio Manager of any discrepancies or shortfalls in the Custodian holding statement the same shall be deemed to be correct.
- g. The Client shall plan and pay any tax (long term or short-term capital gains, income tax etc.) and other governmental liabilities that may arise as a consequence of the portfolio transactions on its account. The Portfolio manager shall during its meeting with the Client be available to help the Client plan its tax outflows. However, it should be clearly understood that tax considerations should not be allowed to supersede investment decisions even though the Portfolio Manager recognizes the desirability post tax returns.
- h. The Client shall render all possible assistance, and provide requisite information for the purpose of assisting the Portfolio Manager in determining, evaluating and investing the available funds of the Client. The Client shall also immediately provide to the Portfolio Manager any information in respect to the investments or possible investments as may be available with it.
- i. The Client agrees that the investments made by the Portfolio Manager shall be at the sole discretion, judgment and opinion of the Portfolio Manager in case of discretionary portfolio management service.

13. **Rights, Duties and Liabilities of the Portfolio Manager**

The Portfolio Manager hereby undertakes as follows:

- a) The Portfolio Manager shall independently manage the funds of each client in accordance with the needs of the Client in a manner which does not partake of a Mutual Fund.
- b) The Portfolio Manager and/or its officers, directors, employees or associates shall not derive any benefit whether direct or indirect from the Client's funds or Securities Purchase for the Client and shall strive to safeguard the Client's interests

: 19 :



For PCS SECURITIES LIMITED

[Signature]

Authorised Signatory

to the best of its ability at all times.

- c) The Client agrees and confirms that the Portfolio may be held in a Security Account in the name of the Client and/or a Depository Account including a pool account in the name of Portfolio Manager on behalf of the Client or in such other manner as the Portfolio Manager may determine.
 - d) The Portfolio Manager shall furnish the following reports periodically to the client. Such report shall contain the following details namely.
 - a. Quarterly report on the composition and value of the portfolio, description of securities, number of securities, value of each security held in the portfolio, cash balance, aggregate value of the Portfolio, dividend receivable, interest accrued, etc. as on the date of the report.
 - b. Periodically report on transactions undertaken during the period of report including date of transaction and details of purchases and sales.
 - c. Monthly report on beneficial interest received during that period in respect of dividend, interest, bonus shares, rights shares and debentures.
 - d. Monthly report on expenses incurred in managing the portfolio.
 - e. Details of risk foreseen by the Portfolio Manager and the risk relating to the Securities recommended by the Portfolio Manager for investment.
 - f. Default in payment of coupons or any other default in payments in the underlying debt security and downgrading to default rating by the rating agencies, if any
 - g. Details of commission paid to distributor(s) for the particular client
- All the above reports will be submitted to the clients to their email id's.

Alternatively, the Portfolio Manager may provide to the Client access to its website, if any, for the limited purpose of viewing the aforesaid reports.

The statements/documents/ report furnished by the portfolio manager to the client present a true and fair picture of the actual transactions. The client is responsible for reviewing statements provided by the Portfolio Manager and confirming and reporting any discrepancies within 30 days from the date of receipt of the statement.

- e) The Portfolio Manager shall not lend or pledge, hypothecate, or create any similar encumbrance on the Client Securities without the prior written approval of the Client.
- f) The Portfolio Manager shall keep confidential all proprietary information exchanged between the Client and the Portfolio Manager in the course of the Portfolio Manager's engagement here under.
- g) The Portfolio Manager shall not borrow any funds or Securities, on behalf of the Client except as provided under the PM Regulations.
- h) The Portfolio Manager shall not while dealing with Client's funds enter into any speculative transaction for the purchase or sale of any Security which is periodically or ultimately settled otherwise than by actual delivery or transfer of Security.
- i) The Portfolio Manager may at its discretion, constitute, nominate, appoint and substitute agents/ custodians/auditors, determine their duties, fix their emoluments and acquire security in such insurance cover or such other benefits for the Client as may be given by the corporation or body corporate or other organization.
- j) The Portfolio Manager shall take all precautions and steps to prevent any Insider Trading and shall comply with the provisions of the SEBI (Prohibition of



[Handwritten Signature]
Authorised Signatory

Insider Trading) Regulations, 1992 as amended from time to time.

- k) The portfolio manager shall ensure compliance with SEBI (Portfolio Managers) Regulations, 2020 and rules, regulations, guidelines thereunder as amended from time to time.
- l) The ownership of the securities purchased by the Portfolio Manager on behalf of the Client shall rest with the Client and the Portfolio Manager shall act in a fiduciary capacity, as a trustee and agent of the Client's account.
- m) The Portfolio Manager shall ensure that it has provided the Client with the Disclosure Document along with a certificate in Form C prescribed under the PMS Regulations prior to the execution of this Agreement.
- n) The Portfolio Manager and the Client shall in no circumstance be considered as persons acting in concert or as persons co-operating with each other (directly or indirectly) or as persons having a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over any company, whose shares are purchased by the Portfolio Manager on behalf of and on account of the Client pursuant to this Agreement.
- o) The Portfolio Manager shall be responsible for furnishing the information as is required in accordance with the SEBI (Portfolio Managers) Regulations, 2020 or as may be required by the SEBI or any other authority having the right to call for information. Such information will be furnished by the Portfolio Manager without obtaining the prior consent of the client.
- p) The Client hereby authorizes the Portfolio Manager to do all such acts or things on behalf of the Client as may be incidental or consequential to the discharge of its responsibilities under this Agreement provided that the Portfolio Manager shall not borrow funds or securities on behalf of the Client. The Portfolio Manager shall invest the funds in accordance with the Regulations and the rules, regulations, guidelines made under it, as amended from time to time and any other laws/ rules/ regulations/ guidelines, etc. prescribed by SEBI. All such decisions, including decisions as to the Securities in which investment/disinvestment should be made and the nature, quantity, timing and other details of the investments, disinvestment and other dealings with the Assets shall be in the absolute and unfettered discretion of the Portfolio Manager who shall not be required to give any notice to or take any approval of, the client for the same.
- q) The Portfolio Manager shall maintain books and records relating to its transactions for the Client to ensure compliance with the Regulations.
- r) The portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant (in respect of the Client's Portfolio) shall be sent to the Client to his address provided to the Portfolio Manager.
- s) If the Client desires, he/she may appoint a chartered accountant of its choice at his own cost to audit the books and account of the Portfolio Manager, relating to his/her/its transactions. The Portfolio Manager shall provide such accounts statements, information, documents or excerpts thereof as are relevant and as may be requested by the Client in writing to assist the auditors of the Client, within a reasonable period of time.
- t) The Portfolio Manager may at its discretion, appoint and remove agents, determine their duties, fix their emoluments and execute such contracts on such terms as the Portfolio Manager may think fit.
- u) The Portfolio Manager shall be entitled to open, operate or close one or more bank



accounts, Demat accounts and constituent SGL account for and on behalf of the Client, to deposit and withdraw monies /securities in such accounts and to fully operate the same. Fund of different clients may be kept together in such a bank. These accounts will be solely operated by the Portfolio Manager and/or Custodian appointed by Portfolio Manager to the exclusion of the Client and the Client hereby confirms and ratifies that it shall not exercise any right in relation to the operation of these account till the termination of this Agreement.

- v) The Portfolio Manager may at its own discretion constitute committees consisting of employees/directors/ officers of Portfolio Managers as it thinks fit to guide and advise the operations of the Portfolio Manager and delegate suitable power to them and impose appropriate regulations on them; and generally, to do all acts, deeds, matters and things which are necessary for any object, purpose of or in relation to the Client's Portfolio in any manner or in relation thereto.
- w) The Portfolio Manager shall, to the extent of any monies, fees or other charges due to it from the Client under this Agreement have a lien on the Portfolio.
- x) The Client is aware that the Portfolio Manager may record conversations between the Client and/or the Client's representatives and the Portfolio Manager, over the telephone, or such other recording equipment as the portfolio manager may deem fit and hereby specifically permits the Portfolio Manager to do so. Such records will be the Portfolio Manager's sole property. Such recordings may be relied upon by the Portfolio Manager as and when required to resolve disputes in connection with the trading transactions or for any other matters arises in the future.
- y) Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the grounds of mala fide, fraud, conflict of interest or gross negligence. The right of the Portfolio Manager to make decisions on behalf of the Client shall be exercised strictly in accordance with the SEBI Portfolio Manager's Regulations and any other applicable law in force from time to time.
- z) The Portfolio Manager may operate depository account under the power of attorney, with any Depository Participant of National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Ltd. (CDSL) for and on behalf of the Client, for crediting the securities in electronic mode and fully operate the same for the purpose of this Agreement and such depository account may be opened with any Depository Participant of NSDL and/or CDSL.
- aa) The Portfolio Manager at its complete discretion determines the manner in which any voting rights, right to consent to corporate actions, conversion rights, subscription rights, tender rights, appraisal rights and any other rights pertaining to any portfolio of Securities held in the Account shall be exercised. For this purpose, the Portfolio Manager may require the Client to execute any such certificate, proxy, consent and/or any other document necessary or appropriate to effectuate its powers under this Agreement.
- bb) The Portfolio Manager, as well as any of its directors, its officers, and its employees, shall avoid any conflict of interest in relation to its decision with regard to investments in respect of the Clients Account or else, where such a conflict of interest does arise shall ensure fair treatment as on an arm's length basis to all Clients. The Portfolio Manager shall not place its personal interest above that of the Client. Subject to the aforesaid and subject to applicable laws and regulations, the Portfolio Manager may from time to time:
 - a. Purchase or sell securities inter-se among Clients at the prevailing market price;
 - b. Have business relationships with issuing companies or corporations whose securities



are privately placed and to hold, purchase or sell to the Client's account from such stock of securities.

- c. Deal with any broker and/or dealer in securities, to the extent permitted by applicable law, including entities in the same group. In the case of group affiliate transactions, the terms will be on an arm's length basis and on terms which are no more beneficial to the affiliated entity than in respect of other clients.
- d. Purchase or hold or sell at the prevailing market price for the Clients account any marketable securities inter-se among Client Account even if it enjoys business relation with the other Client.
- cc) The Portfolio Manager may, without consent from the client, if required under any Applicable Laws, disclose the identity of the client to the issuer of Securities acquired by the Portfolio Manager on behalf of the client pursuant to this agreement or to the agents of such issuer upon the request of such issuer/agent, or to any governmental or regulatory body.
- dd) For the purpose of effectively discharging any of the duties and function of the Portfolio Manager, the client hereby empowers the Portfolio Manager to act through any of its Sub-delegates and the Portfolio Manager is empowered to delegate the performance of its duties, discretions, obligations, any powers and authorities hereunder to such sub-delegates.
- ee) The client agrees that the Portfolio Manager shall be entitled to do all acts to invest and manage the Assets including but not limited to investing the Funds in Securities, selling, redeeming or liquidating securities or changing the securities forming part of the Portfolio, appointing intermediaries for the sale and purchase of securities.
- ff) The client agrees to comply with the request of the Portfolio Manager to furnish such information/documentation/declarations as and when deemed necessary by the Portfolio Manager in accordance with the Applicable Laws including any compliances under the Income Tax (11th Amendment) Rules, 2015 notified by the Central Board of Direct Taxes ("FATCA Implementation Rules"). The Portfolio Manager is required under the applicable laws, including without limitation the FATCA Implementation Rules, to provide information regarding the Client to any regulatory authority and/or the Portfolio and/or income therefrom, and the Portfolio Manager complies with such request in good faith, whether or not it was, in fact, enforceable, they shall not be liable to the Client or to any other party as a result of such compliance or in connection with such compliance. The provisions of the FATCA Implementation Rules are relevant not only at the onboarding stage of the Client but also throughout the life cycle of investment of the Agreement. The Client, therefore, should implement intimate to the Portfolio Manager, any change in their stage with respect to any FATCA Implementation Rules related information/documentation/declarations in accordance with the Applicable Laws, the Portfolio Manager reserves the right to report such Clients to the regulatory authority accordingly.
- gg) The Client hereby confirms and agrees that the Portfolio Manager reserves the right to report any suspicious transactions to the Director of Financial Intelligence Unit (FIU-IND), New Delhi or any other competent authority, after applying appropriate due diligence measures and believes that the transactions are suspicious in nature within purview of Applicable Law and/or SEBI Circulars/Guidelines issued from time to time.
- hh) The Portfolio Manager shall avoid any conflict of interest in relation to its decision with regards to investments on behalf of the client and where such a conflict of interest does arise the Portfolio Manager shall ensure fair treatment as on arms-length basis to all clients. The Portfolio Manager shall always keep the interest of the client above its



personal /own interest.

- ii) Any or all annual reports, shareholder information and all other similar or related material received by the Portfolio Manager in relation to the securities or the funds, maybe destroyed or disposed of in any manner at the sole discretion of the Portfolio Manager.
- jj) The Assets of the clients shall not be aggregated with other securities held by the Portfolio Manager for the purpose of "acting in concert" as contemplated under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

14. Taxation

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors / clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor / client is advised to consult his/ her/its own professional tax advisor. The information/data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice.

Income on Investment in Securities is subject to tax in the following manner:

- a) Dividends declared by Indian companies will be taxed at the applicable income slab rate from FY 2020-21 onwards. Further, such dividend received by a recipient will also attract tax deduction at source (TDS) at 10* per cent, if it exceeds INR 5,000 in a financial year Further, dividends declared by all mutual funds are also taxable in the hands of Investors in the same manner.
- b) Interests on Investment are taxable except in certain cases where it is exempted from tax under Income Tax Act 1961.
- c) In case the securities are sold within one year (for listed securities except for units other than units of equity oriented mutual funds) or within two years (for unlisted securities) from the date of purchase, the resultant gains or losses are termed as short-term capital gains or losses. Short term gains arising out of transfer of equity shares if the securities are sold on a recognized stock exchange in India and on which securities transaction tax has been paid are taxed at a concessional rate of 15% (as increased by surcharge plus education cess), in other cases they would be taxed at the slab rate applicable to the respective PMS client type.

In case the securities are sold after one year (for listed securities) or two years (for unlisted securities) and three years for units other than units of equity oriented mutual funds from the date of purchase, the resultant gains or losses are termed as long term capital gains or losses and the gain is arising out of transfer of equity shares which are sold on a recognized stock exchange in



India and on which securities transaction tax has been paid would be taxed at 10% (as increased by surcharge plus education cess) in case of listed securities and 20% (as increased by surcharge plus education cess) in case of unlisted securities and units other than units of equity oriented mutual funds.

From A.Y. 2019-20, Long Term capital gain (where STT is paid) in excess of Rs. 1 Lakh will be chargeable at the rate of 10% and on the balance amount of the total income, the tax will be computed as if it were the total income of the assessee.

Note: "Listed Securities" as defined under the explanation to section 112(1) of Income Tax Act, means the securities as defined in clause 2(h) of Securities Contract (Regulations) Act, 1956 and listed on any recognized stock exchange in India.

"Unlisted Securities" means securities other than listed securities.

"Units" shall have the meaning assigned to it in clause (b) of explanation to section 115AB of Income Tax Act, 1961.

The following are the tax provisions presently applicable to clients investing in the Portfolio Management Products under the Income Tax Act, 1961.

Tax on Long Term Capital Gain:

If the capital asset, which is transferred, is equity share or units of equity oriented mutual funds and the transaction is subject to Securities Transaction Tax, the Long-Term Capital Gain in excess of Rs. 1 Lakh is chargeable to tax @ 10%.

In other cases, the tax will be calculated as follows:

Capital Asset	If it is not subject to Securities Transaction Tax		
	Long Term		Short Term
	Without Indexation	With Indexation	
1. Debenture Listed	10 %	Not Applicable	Normal
2. Debenture Non-Listed	20 %	Not Applicable	Normal
3. Government Securities	10 %	20 %	Normal
4. Bonds Listed	10%	Not Applicable	Normal
5. Bonds Non-Listed	20%	Not Applicable	Normal

TDS



: 25 :

For PCS SECURITIES LIMITED

Sealasthemal
Authorised Signatory

If any tax is required to be withheld on account of any future legislation, the portfolio manager shall be obliged to act in accordance with the regulatory requirements in this regard. Interest would be subject to tax as per prevailing provisions of the Income Tax Act, 1961.

Advance Tax Obligations

It shall be the client's responsibility to meet the advance tax obligations payable on the due dates as per the Income Tax Act, 1961.

Provisions of Income Tax Act 1961, undergoes change frequently and is also based on the status of the client, thus the client is advised to consult his/her tax consultant for appropriate advice on the tax treatment of income indicated herein.

The fees charged to the client for PMS come under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961("the Act"). As the section calls for withholding tax, the client is required to withhold tax @ 10 % excluding service tax, on the fees that the client pays to the Portfolio Manager if he/she falls under the following two categories:

- a) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.

In respect to the above TDS provision please note that in the Act No 23 of Finance Act, 2019 a new section i.e 194M has been inserted with effect from 01.09.2019 which specifies that:

Any Person being individual or a Hindu undivided family other those required to deduct income tax as per the provision of section 194J mentioned in (a) above shall at the time of credit of such sum or at the time of payment of such sum in cash or by issue of cheque or draft or by any other mode whichever is earlier, deduct an amount equal to five percent of such sum as income tax thereon if aggregate of sum, credited or paid to a resident during the financial year exceeds fifty lakh rupees.

- b) Corporate/ Partnership Firms / LLP

This implies the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility



For PCS SECURITIES LIMITED

[Signature]
Authorised Signatory

and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the clients.

Disclaimer:-

In view of the individual nature of tax consequences, each client is advised to consult his/her/its tax advisor with respect to the specific tax consequences to him/her/it of participation in the products.

The portfolio manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

Note: Provisions of Income Tax Act, 1961 undergoes changes frequently thus the client is advised to consult his / her / its tax consultant for appropriate advice on tax treatment of income indicated herein.

15. Accounting Policies

15.1. Following are the key accounting policies.

- a) All Investments will be marked to market.
- b) Investment in shares will be valued on the basis of closing market prices of the National Stock Exchange Ltd. If securities are not listed on the National Stock Exchange Ltd., then the closing market values on the Bombay Stock Exchange Ltd or on any other exchange on which the securities are listed will be considered for valuation.
- c) Investment in units of Mutual Funds will be valued on the basis of closing NAV declared by the respective Mutual Funds.
- d) All debt instruments will be valued using CRISIL Bond Valuer and Government Securities will be valued based on FIMDA Yield.
- e) Realized gains/losses will be on the basis of FIFO (First in First out) principle. For example, the earliest purchased quantity will be reckoned for the current / most recent sale at the respective prices at both points in time.
- f) The equity shares of Private Limited Companies will be valued on the fair value at the year / period end based on the valuation certificates of qualified Chartered Accountants.
- g) Transactions relating to equity instruments will be recognized as of the trade date and not as of the settlement date so that the effect of all investments traded during the year are recorded and reflected in the financial statement for that year.
- h) The costs of investments acquired or purchased would include brokerage, service tax, transaction charges, stamp charges and any charge customarily included in the brokers' contract note / trade confirmation or levied by any statute.
- i) For derivative transactions (if any) unrealized gains and losses on open positions will be calculated by the mark to market method.
- j) For Corporate Actions Ex date accounting will be followed. Dividend income earned on Equity by the Portfolio shall be recognized on the date intimation is received from the Custodian. In case of Mutual Funds declares dividend then the same would be



[Handwritten Signature]
Authorised Signatory

accounted on the day Funds Accounting team receives the intimation from the respective Mutual Funds. Same procedure will be followed for bonus and Split.

k) Interest (if any) shall be accounted on accrual basis.

15.2. Basis of accounting

- a. Books and Records for each product will be separately maintained in the Back-office software (with Fund Accountant) in the name of the client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Management) Regulations, 2020, and SEBI (Investment Advisers) Regulations, 2013 as amended from time to time.
- b. Accounting under the respective portfolios will be done in accordance with Generally Accepted Accounting Principles except with Point (a) of Income/Expenses.
- c. Transactions for purchase and sale of investments are recognized as of the trade date. In determining the holding cost of investments and the gain or loss on sale of investment, the first-in-first-out method is followed. The same is done at the product level. The cost of the investments acquired or purchased would include brokerage, stamp charges, and any charges customarily included in the broker's contract note or levy by any statute except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account.
- d. Realized Gains/Losses are calculated by applying the First in/ First Out method.
- e. Where eligible securities have been received from the client towards corpus, the closing market value of the previous day of activation of account/receipt of securities (in case of the additional corpus) is considered as a capital contribution and deemed to be the cost of investments for the purpose of tracking performance.
- f. Unrealized gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.

15.3. Income/expenses

- a. All investment income and Expenses are accounted on accrual basis except Custodian, Fund Accounting, audit fees & Depository charges which are accounted on cash basis.
- b. The dividend is accrued on the Ex-date of the securities and the same is reflected in the clients' books on the ex-date.
- c. Similarly, bonus shares are accrued on the ex-date of the securities and the same are reflected in the clients' books on ex-date.
- d. In case of fixed income instruments, purchased/sold at Cum-interest rates, the interest component up to the date of purchase/sale is taken to interest receivable/payable account.
- e. Further, Mutual Fund dividend shall be accounted on receipt basis.

15.4. Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

15.5. Audit

- a. The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.
- b. The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such chartered accountant in course of the audit.

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

16. Disclaimer by Portfolio Manager

Prospective investors should review / study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained



[Signature]
Authorised Signatory

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.

17. **Investor Services**

Name, address and telephone number of the investor relations officer who shall attend to the client's queries and complaints.

Name : Mr. B. Siddharth
Address : 6-3-1090/B/2 Mayank Towers
5th Floor, Raj Bhavan Raod,
Somajiguda, Hyderabad 500082
-040 67807784
Email address : siddharth@pcssecurities.co.in

The official mentioned above will ensure prompt investor services. The portfolio manager will ensure that this official is vested with the necessary authority, independence and the means to handle investor complaints.

18. **Grievance redressal and dispute handling mechanism**

The portfolio manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable, amicable manner and within 30 days time. If the client remains dissatisfied with the remedies offered, the client and the portfolio manager shall abide by the following mechanisms:

All disputes, differences, claims and questions whatsoever arising between the client and the portfolio manager and/or their respective representatives shall be settled in accordance with the provisions of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modifications or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at **HYDERABAD** or such other place as the portfolio manager thinks fit.

There will be occasions when investors have a complaint against intermediary registered with **SEBI**. In the event of such complaint investor should first approach the concerned intermediary against whom investor has a complaint. However, if investor may not be satisfied with their response, then investor may lodge their complaint online with SEBI in SCORES. The following is the link of the same: <http://scores.gov.in/>

SCORES facilitates investors to lodge their complaint online with **SEBI** and subsequently view its status.

19. **List of Approved Share Brokers, involved for Portfolio Management activities**
19.1. **KOTAK SECURITIES LIMITED - SEBI Registration No : IN2000200137**



: 29 :

For PCS SECURITIES LIMITED
[Signature]
Authorised Signatory

20. **Details of investments in the securities of related parties of the Portfolio Manager**

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

21. **Details of Diversification Policy of Portfolio Manager**

The Portfolio Manager invests the funds of the clients in accordance with the stated investment objectives of the respective strategy. Further, the no investments are made into associate/related parties of the Portfolio Manager. Hence, the Portfolio Manager has not instituted Diversification policy for investments in securities of associate/related parties.

22. **General**

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

For PCS Securities Ltd.

Authorized Signatory.



Place: Hyderabad
Date: 13/09/2023

FORM C

**SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020
(Regulation 22)**

We confirm that:

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

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

The Disclosure Document has been duly certified by Nalin Shah & Co, Chartered Accountants represented by partner Mr. Nalin Shah (Membership No.: 202851) having office at 4-3-41/1 1st Floor, Hill Street, Ranigunj, Secunderabad- 500003 Tel No. +91 9848299927 on 13/09/2023.

Date : 13/09/2023
Officer

Place : Hyderabad



Signature of the Principal

Name : **Mr. Prashant Shrima**

Address: No. 6-3-1090/B/1&2, 5th Floor,
Rajbhavan Road, Somajiguda,
Hyderabad - 500082

