

**ACEPRO ADVISORS PRIVATE LIMITED**  
**PORTFOLIO MANAGEMENT SERVICES**  
**DISCLOSURE DOCUMENT**

**DISCLOSURE DOCUMENT OF  
PORTFOLIO MANAGEMENT SERVICES  
BEING OFFERED BY  
ACEPRO ADVISORS PRIVATE LIMITED**

**DECLARATION**

- a) The Disclosure Document has been filed with SEBI along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.
- b) The purpose of the Disclosure Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.
- c) The Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and the investors are advised to retain the document for future reference.
- d) This document supersedes the Disclosure Document dated October 11, 2021 filed with SEBI.
- e) The name, phone number, e-mail address of the principal officer designated by us, a portfolio manager, is as follows:

**PRINCIPAL OFFICER:**

**Mr. Iqbal Singh**  
401, 4<sup>th</sup> Floor, Manek Plaza,  
167 Vidyanagri Marg, Kalina, Santacruz (E),  
Mumbai – 400098

Tel no.: +91-22-26528671, 26528672

Email: principal.officer@acepro.in

This disclosure document is dated September 14, 2023

**TABLE OF CONTENTS**

Sr. No.	Particulars	Page No.
1.	Disclaimer clause	4
2.	Definitions	4
3.	Description –History, Business and Background of the Portfolio of the Portfolio Manager, directors and their background	5
4.	Penalties & pending litigation	8
5.	Services Offered	8
	- Investment objectives and policies	8
	- Types of services offered	8
	- Policies including the types of securities in which Portfolio Manager generally invests/ will generally invest	8
	- The policies for investments in associates/ group companies of the Portfolio Manager	12
6.	Risk Factors	12
7.	Client Representation	14
8.	The Financial Performance of the Portfolio Manager	15
9.	Performance of the Portfolio Manager for the last three years	15
10.	Audit Observations	17
11.	Nature of expenses	17
12.	Tax Implications (Portfolio Management Services)	18
13.	Accounting Policies	23
14.	Investor services	24

**1. DISCLAIMER CLAUSE:**

The Disclosure Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020as amended from time to time 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:**

In this Disclosure Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

‘Acepro’ or ‘the Company’	Means Acepro Advisors Private Limited.
Advisory Services	means advisory services that would be provided to the Clients and may include management of the portfolio depending on the Clients’ requirement for an agreed fee structure and for a definite period as described, entirely at the Client’s risk.
Agreement	means the agreement executed between the Portfolio Manager and its clients in terms of Regulation 22and Schedule IV of the Regulations stating therein the terms and conditions on which the Portfolio Manager shall provide portfolio management services to that client.
AUM	Assets Under Management.
Board	means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act.
Client (s) / Investor (s)	means any person/entity that enters into the Agreement with the Portfolio Manager for availing the Portfolio Management Services.
Custodial Services	means Custodial Services as defined in Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996 as amended from time to time.
Custodian	means any entity appointed as Custodian by the Portfolio Manager from time to time and on case to case basis to provide custodial services and to act as a Custodian on the terms and conditions agreed between the Custodian and the Portfolio Manager.
Depository	means depository as defined in the Depositories Act, 1996.
Depository Account	means an account opened with a Depository Participant.
Depository Participant	means any entity registered with the depositories CDSL and/or NSDL for providing depository services.
Disclosure Document	This document issued by Acepro Advisors Private Limited for offering portfolio management services, prepared in terms of Schedule V of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020as amended from time to time.
Discretionary Portfolio Management Services	means Portfolio Management Services provided by the Portfolio Manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the client, as the case may be.
Financial Year	means the year starting from April 1 and ending on March 31 of the following year.
Funds	means the money placed by the Client with the Portfolio Manager and any accretions thereto.
Investment Amount	The money or securities accepted by the Portfolio Manager from the Client in respect of which the portfolio management services are to be rendered by the Portfolio Manager.
Investment Advisory Services	means the services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients and as agreed upon in the Agreement
Non- Discretionary	means Portfolio Management Services where a Portfolio Manager acts

Portfolio Management Services	on the instructions received from the client with regard to investment of the funds of the client under a contract relating to Portfolio Management and will exercise no discretion as to the investment or management of the portfolio of securities or the funds of the client, as the case may be
NRI	Non - Resident Indian
Portfolio	means the total holdings of securities belonging to any person/client/investor.
Portfolio Manager	means who exercises or may exercise, under a contract relating to portfolio management entered into with the client / investor, any degree of discretion, as to the investments or management of the portfolio of securities or the funds of the client / investor, as the case may be.
Portfolio Management Fees	means the fees payable by the Client of the Portfolio Manager as specified in the Agreement of the Portfolio Management Service.
Principal Officer	CEO&CIO of the Portfolio Manager, who is responsible for the activities of portfolio management and has been, designated as Principal Officer of the Portfolio Manager.
Product	means any of the current investment plan or such plans that may be introduced at any time in future designed to suit objectives of various categories of investments according to their risk taking capabilities.
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
Regulations	shall mean Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 read with rules, amendments, circulars, clarifications and guidelines issued by SEBI in relation thereto from time to time.
SEBI	Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992, as amended from time to time.
Securities	shall mean Securities as defined in Securities Contracts (Regulations) Act, 1956 as amended from time to time.

### 3. DESCRIPTION

#### i) History, Business and Background of the Portfolio Manager

**ACEPRO ADVISORS PRIVATE LIMITED** is a private limited company. It was incorporated under the Companies Act, 1956 on June 15, 2010 having its Registered Office at 401,4th Floor, Manek Plaza,167 Vidyanagari Marg, Kalina, Santacruz (E), Mumbai, Pin code: 400098, Maharashtra, India.

Acepro Advisors Private Limited, being a part of Sarthi Group intends to offer/offers Portfolio Management Services to its existing client base and develop new clientele. The objective is to work in the area of wealth maximization of clients while maintaining the basic tenets of Investments i.e. safety, liquidity and returns. The same would be achieved through offering of various capital market products including Equity and Debt through PMS platform, depending upon the understanding of risk appetite and various other factors of clients. The services are offered to each client under a specific agreement entered into between the Portfolio Manager and the client on an exclusive basis.

#### ii) Promoters of the Portfolio Manager, Directors and their background

##### **Promoters of the Portfolio Manager:**

Acepro Advisors Private Limited is promoted by Sarthi Capital Advisors Private Limited and Sarthi Financials Services Private Limited (Formerly known as Sarthi Advisors Private Limited). Sarthi Group was formed in year 2009; the Group seeks to be a major catalyst and driver in creating a robust and vibrant entrepreneurial eco system in India through its various initiatives in Investment Banking, Merchant Banking, Advisory Services and Angel Funding Network. Sarthi's vision is to provide the business model the much needed credibility, mentoring and networking access to entrepreneurs through its market reach, multi-disciplinary expertise and strong domain knowledge thereby playing a critical role in fueling growth in the organization and scaling up the businesses. Sarthi Capital Advisors Private Limited is SEBI

registered Grade-I Merchant Banker and Sarthi Financials Services Private Limited (Formerly known as Sarthi Advisors Private Limited) is AMFI registered Mutual Fund Distributor.

Acepro Advisors Private Limited is an associate Company of Sarthi Capital Advisors Private Limited and Sarthi Financials Services Private Limited (Formerly known as Sarthi Advisors Private Limited).

**Directors of Portfolio Manager and their background:**

<b>Name</b>	Mr. Deepak Sharma
<b>Age</b>	53years
<b>Address</b>	Flat No. 1503, Wing – I, 15 <sup>th</sup> Floor, Jade Gardens, Near MIG Club, Gandhinagar, Bandra East, Mumbai, 400051
<b>Experience</b>	28years
<b>Professional Summary</b>	<p>He has over 28 years of experience in Financial Service domains and has rich experience and deep understanding of Capital Markets, Corporate Finance, Investment Banking, Private Equity raising, Business Modelling and Investment Management.</p> <p>In his last assignment he was COO of IL&amp;FS Investsmart Limited. and he was also Principal Officer for Portfolio Management Services in IL&amp;FS Investsmart Limited.</p> <p>He is the Founder and Group Managing Director of Sarthi Group and has worked and headed businesses for reputed organizations like IL&amp;FS, TATAs and has been applauded and awarded for his professional services on various national platforms including CNBC, BSE, Rotary, etc.</p> <p>He has been on panels for the capital markets and SMEs of various professional bodies, chambers and business associations.</p>
<b>Name</b>	Mr. Iqbal Singh
<b>Age</b>	49 years
<b>Address</b>	77 Phase 3B1 Mohali-160059, Punjab
<b>Experience</b>	23 Years
<b>Professional Summary</b>	<p>An entrepreneur with rich experience with more than 20 years of experience with leading Private &amp; Foreign Banks and Financial Markets. He holds the qualification of B.E, MBA, CFA(Domestic), CFA level 2 candidate. He is one of the founding team member of HDFC Private Banking Group. He is the Founder and Managing Director of Innovative Financial Management Private Limited incorporated in 2009 which provides wealth advisory and broking business.</p>

**iii) Top Ten Group companies/ firms of the Portfolio Manager on turnover basis:**

The details of top ten group companies of the Portfolio Manager on audited turnover basis in India for the financial year 2021-22 are as follows:

S. No.	Name of the Company	Registration Number	Business Area
1	Sarthi Capital Advisors Private Limited	U65190DL2012PTC238100	SEBI Registered Merchant Banker
2	Sarthi Financials Services Private Limited	U67190DL2009PTC187401	Investment Banking, Wealth Management, Mergers & Acquisition.
3	SarthiWM Promoters Private Limited	U70200DL2010PTC202787	Property owning and Management
4	Acepro Finance Private Limited.	U67190MH2017PTC302367	NBFC-ND registered with Reserve Bank of India

5	Cotyledon Greens Private Limited	U01100MH2019PTC333596	Business of dealing in all types of agricultural or agro based products and its supplements
6	Sarthi Angels Venture Foundation	U93000DL2013NPL256068	Angel Network
7	Sarthi SCK Advisors LLP	AAM-5694	Advisory services

iv) **Details of the services being offered: Discretionary Services/ Non-Discretionary Services/ Advisory Services/ Structured Products**

**a. Discretionary Services:**

The Portfolio Manager shall be acting in a fiduciary capacity with regard to the Client's account consisting of investments, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value). The Portfolio Manager shall be acting both as an agent as well as a trustee of the Client's account.

The Portfolio Manager will provide Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per executed agreement and make such changes in the investments and invest some or all of the Client's account in such manner and in such markets as it deems fit that would benefit the Client. The 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 ground of malafide, fraud, conflict of interest or gross negligence.

This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and regulations, guidelines and notifications in force from time to time.

**b. Non-Discretionary Services**

The Portfolio Manager will provide Non-discretionary Portfolio Management Services as per express prior Instructions issued by the client from time to time, in the nature of investment consultancy/management and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonds, rights, etc. so as to ensure that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite described period, entirely at the Client's risk. Under nondiscretionary services the Portfolio Manager will subscribe to equity shares, debentures, non-convertible redeemable debentures where coupon payment will be limited to the investors' participation only on the underlying assets.

The deployment of the Client's account by the Portfolio Manager on the Instructions of the Client is absolute and final and can never be called in question or shall not be open to review at any time during the currency of the agreement or any time thereafter. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.

**c. Advisory Services**

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations 2020, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy and investment and divestment of individual securities on the client's portfolio, for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk; to all eligible category of investors who can invest in Indian market including NRIs, FIIs, etc.

The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the investments / divestments of securities and / or administrative activities on the client's portfolio. The Portfolio Manager shall, provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the Client, from time to time, in this regard.

**Minimum Investment Amount:**

Pursuant to SEBI notification dated January 16, 2020, the minimum amount to be invested under the portfolio is Rs. 50,00,000/- (Rupees Fifty lakhs only) unless specified otherwise. The minimum investment amount for different portfolios / products shall be communicated by the Portfolio Manager from time to time. The minimum investment amount per client shall be applicable for new clients and fresh investments by existing clients.

**4. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS, FINDING OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY**

(i)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder	Nil
(ii)	The nature of the penalty/direction.	Not Applicable
(iii)	Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.	Nil
(iv)	Any pending material litigation/legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any.	Nil
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency.	Nil
(vi)	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.	Nil

**5. SERVICES OFFERED**

The following services will be offered by the Portfolio Manager:

- ✓ **Discretionary Services**
- ✓ **Non-Discretionary Services**
- ✓ **Advisory Services**

Under the Discretionary Portfolio Management Services Acepro offers the following investment strategies to the Client:





## **I. Acepro Midcap & Small Cap Strategy**

### **Investment Approach**

**Performance Benchmark:** CNX Midcap Index, NIFTY Midcap 100, NIFTY Smallcap 100

**Investment Objective:** The aim is to predominantly invest in Mid-Cap and Small- Cap equity stock.

### **Investment Philosophy**

The portfolio typically invests in Mid Cap and Small cap Stocks with reasonable valuations based on our analysis of fair value. The strategy is designed for investors who actively seek a high growth approach stocks that exhibit high growth characteristics.

### **Portfolio Composition:**

Portfolio will be sector agonistic and will invest across the sectors. Selection of sectors will be in the basis of growth expectation and valuation optimization. Sector exposure will keep rotating based on changing fundamental and valuation factors

-Stock/ Sector exposure limit criteria:

- Sector exposure limit –40%
- Stock exposure limit –20%

### **Client Suitability**

Investors who like to invest with a Long-term wealth creation view with investment horizon of more than 3 years.

## **II. Acepro Emerging Businesses Strategy**

### **Investment Approach**

**Performance Benchmark:**S&P BSE Small CapIndex

**Investment Objective:** The Portfolio objective is to generate capital appreciation across market cycles by investing in concentrated set of emerging business stocks.

### **Investment Philosophy**

The portfolio typically invests in stocks of emerging businesses entities listed on SME Exchange as well as on Main Board including IPOs with reasonable valuations based on our analysis of fair value. The strategy is designed for investors who actively seek a high growth approach with a concentrated set of emerging business stocks that exhibit high growth characteristics.

### **Portfolio Composition**

- Portfolio shall typically comprise of up to 15 stocks with appropriate diversification.
- 0-100% of the portfolio would be invested in stocks of emerging small business listed on the SME Exchange and/or Main Board including IPOs.
- Stock/ Sector exposure limit criteria:
  - Stock exposure limit <=25%

### **Client Suitability**

Investors with an investment horizon of 4-5 years seeking steady moderate market returns with moderate to high risk appetite.

### **III. Acepro Wealth Builder Strategy**

#### **Investment Approach**

**Performance Benchmark:** NIFTY 500Index

**Investment Objective:** The Portfolio objective is to generate capital appreciation across market cycles by investing in growing, fundamentally strong and reliable businesses.

#### **Investment Philosophy**

Investing in a universe consisting of non-cyclical companies

- Which are likely to grow at 1.5x to 3x volume growth consistently across all cycles
- Which are debt free/ have a very low debt
- Having low drawdowns and faster recovery

#### **Portfolio Composition**

Portfolio shall typically comprise of 6 to 10 stocks with appropriate sectoral diversification.

- 0-100% of the portfolio would be invested in NIFTY 500 Index stocks
- No Stock/ Sector exposure limit criteria

#### **Client Suitability**

Investors with an investment horizon of 4-5 years seeking steady moderate market returns with moderate to high risk appetite.

### **IV. Acepro Galaxy Strategy**

#### **Investment Approach**

**Performance Benchmark:** NIFTY50&NIFTY MIDCAP 100

**Investment Objective:** The Portfolio objective is to generate capital appreciation over a period of time by investing in listed equities.

**Investment Philosophy:** The portfolio typically invests in stocks of companies from across the sectors. Companies should either be having good historical financials or there should be expectation of improvement in financials in future. The strategy is designed for investors who have a longer horizon to invest and wants to invest in listed equity shares/securities.

#### **Portfolio Composition:**

Portfolio shall typically comprise around 20 stocks across market cap. The number of stocks can be higher or lower than this depending upon investment opportunities and market conditions.

#### **Indicative Market Cap Composition**

The portfolio will have following indicative market cap composition

- Large Cap – up to 50%
- Mid-Caps – up to 50%
- Small Caps – up to 60%

### **Indicative Sectoral Composition**

Portfolio will be sector agonistic and will invest across the sectors. Selection of sectors will be in the basis of growth expectation and valuation optimization. Sector exposure will keep rotating based on changing fundamental and valuation factors.

#### **Client Suitability:**

Investors with an investment horizon of 4-5 years seeking steady moderate market returns with moderate to high risk appetite.

### **V. Acepro C3BStrategy (Consumption Theme)**

#### **Investment Approach**

**Performance Benchmark:** BSE FMCG, BSE CD, Nifty FMCG and Nifty Consumption Index

**Investment Objective:** The Portfolio objective is to generate capital appreciation over a period of time by investing in listed equities.

**Investment Philosophy:** The portfolio will invest in stocks of companies from consumption themes. Companies should either be having good historical financials or there should be expectation of improvement in financials in future. The strategy is designed for investors who have a longer horizon to invest and wants to invest in listed equity shares/securities.

**Portfolio Composition:** Portfolio shall typically comprise of up to 20 stocks across market cap.

Portfolio will invest in companies from Consumption theme. The consumption could be from consumer goods, durables, household items, food, personal products, white goods, electrical and electronic appliances, pipes, furniture and fixtures, fittings, kitchen appliances etc. These are illustrative examples and not an exhaustive list. Any other stock whose business model is deemed to be catering to consumption theme in the opinion of Portfolio manager can become a part of this portfolio.

Stock/ Sector exposure limit criteria:

- Sector exposure limit - nil
- Stock exposure limit - 10%

#### **Client Suitability:**

Investors with an investment horizon of 4-5 years seeking steady moderate market returns with moderate to high risk appetite.

### **VI. Acepro Large Cap Strategy**

#### **Investment Approach**

**Performance benchmark:** Nifty and Sensex

**Investment Objective:** The Portfolio objective is to generate capital appreciation over a period of time by investing in listed equities.

**Investment Philosophy:** The portfolio will mainly invest in stocks of large cap companies though there could be some exposure to mid and small caps as well. Companies should either be having good historical financials or there should be expectation of improvement in financials in future. The strategy is designed for investors who have a longer horizon to invest and wants to invest in listed equity shares/securities.

**Portfolio Composition:** Portfolio shall typically comprise up to 50 stocks mainly across larger market cap.

Portfolio will invest in companies from across the sectors. As mentioned, majority exposure will be to large cap companies. Traditionally speaking, some of these companies are also called blue-chips. The features of such companies are long track record of performance, most of which is good across the years. Some of these companies might have been intermittently affected by cyclical slowdowns. Otherwise, most of them have shown a reasonably good performance track record.

-Stock/ Sector exposure limit criteria:

- Sector exposure limit - nil
- Stock exposure limit - 20%

**Client Suitability:**

Investors with an investment horizon of 3-4 years seeking steady moderate market returns with low to moderate risk appetite.

**POLICY FOR INVESTMENT IN ASSOCIATE/ GROUP COMPANIES**

The portfolio manager will not invest in the securities of any associate/ group companies

**LIST OF BROKERS INVOLVED IN PMS ACTIVITIES**

1. Choice Equity Broking Private Limited.
2. Innovative Consultants.

**CUSTODIAN AND FUND ACCOUNTING SERVICES**

Acepro has outsourced custody, trade settlement, portfolio accounting, reporting and allied services presently to Orbis Financial Corporation Limited under a comprehensive arrangement with a view to extend a high standard of service to portfolio clients.

**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 Portfolio:

**General Risk Factors applicable to all portfolios:**

- i. Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Portfolio will be achieved.
- ii. Past performance of the Portfolio Manager or any of its Group Companies do not indicate the future performance of the portfolio.
- iii. Investors are not being offered any guaranteed or assured return/s i.e. either of principal or appreciation on the portfolio.
- iv. Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.
- v. The liquidity of the Portfolio's investment is inherently restricted by trading volumes in the securities in which the Portfolio invests.
- vi. The valuation of the Portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on the individual securities, a specific sector or all sectors including equity and debt markets. There may be no prior intimation or prior indication given to the clients when the composition/ asset allocation pattern changes.

- vii. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Portfolio. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well- developed and liquid secondary market for debt securities would result, at times, in potential losses to the Portfolio which may result in decline in the value of securities held in the Portfolio.
- viii. The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated securities offering higher yields. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- ix. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- x. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities & fixed income securities lack a well-developed secondary market, which may restrict the selling ability of the Portfolio and may lead to the investment incurring losses till the security is finally sold.
- xi. **Interest Rate Risk:** As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rate rise. Prices of long term securities generally fluctuate more in response to interest rate changes than prices of short term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.
- xii. **Liquidity or Marketability Risk:** This refers to ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- xiii. **Credit Risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security or honor its contractual obligations). Because of this risk corporate debentures are sold at higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.
- xiv. **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- xv. The Portfolio Manager may change the Fund Manager in the interest of the product(s) at any time without any reason assigning to it and / or without any information to the investors.
- xvi. The Employee of the Portfolio Manager may also subscribe to any of the product(s) offered by the Portfolio Manager.
- xvii. Investment decisions made by the Portfolio Manager are subject to the risks arising from the investment approach, investment objective, investment strategy and asset allocation. The investment approach, investment objective, investment strategy and asset allocation may differ from client to client.

- xviii. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- xix. The portfolio manager shall disclose a conflict of interest related to services offered by group companies of the portfolio manager, if any.
- xx. **Non Diversification Risk:** This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments, The Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.

## 7. CLIENT REPRESENTATION

Category of Clients	Total No. of Clients	Funds managed* (Rs. Crore)	Discretionary/ Non-Discretionary
Associates / group companies (As on March 31, 2023)	0	0	Discretionary
Associates / group companies (As on March 31, 2022)	2	1.70	Discretionary
Associates / group companies (As on March 31, 2021)	2	1.37	Discretionary
Others: (As on March 31, 2023)	69	66.08	Discretionary
Others: (As on March 31, 2022)	63	62.67	Discretionary
Others: (As on March 31, 2021)	57	47.88	Discretionary

**(i) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.**

Below is the list of transactions that has taken place with the related parties:

Particulars	(Amount in 000 rupees)	
	F.Y 2021-22	F.Y 2020-21
<b>Rent Expenses Paid</b>		
SarthiWM Promoters Private Limited	120	131
<b>Receipt of Management Fees</b>		
Sarthi Capital Advisors Private Limited	351	225
Deepali Sharma	138	87
<b>Commission Paid</b>		
Innovative Financial Management Private Limited	6754	10,347
<b>Professional Fees Paid</b>		
Kunj Behari Bansal	-	200
<b>Balance Receivable/(Payable)</b>		
Deepali Sharma	12	10
SarthiWM Promoters Private Limited	2,223	2,223
Sarthi Capital Advisors Private Limited	43	(182)
Innovative Financial Management Private Limited	(5,985)	(9,009)

**8. THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (BASED ON AUDITED FINANCIAL STATEMENTS)**

(Amount in 000 Rs.)

Financial Statement –Balance Sheet	As at March 31		
	2022	2021	2020
<b>Equity &amp; Liabilities</b>			
Shareholders' Fund	21,042	20,481	24,470
Current liabilities	784	10679	858
<b>Total</b>	<b>28,525</b>	<b>31,160</b>	<b>25,328</b>
<b>Assets</b>			
Non-current Assets	8223	8223	13623
Current Assets	20302	22937	11705
<b>Total</b>	<b>28,525</b>	<b>31,160</b>	<b>25,328</b>
<b>Statement of P&amp;L</b>			
Total Revenue	9,055	13,677	6005
Total Expenses	8,285	17,187	4439
Profit Before Tax	770	(3,510)	1566
Provision for Tax	209	479	604
Profit After Tax	561	(3,989)	962

**9. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER FOR THE LAST THREE YEARS, AND IN CASE OF DISCRETIONARY PORTFOLIO MANAGER DISCLOSURE OF PERFORMANCE INDICATORS CALCULATED USING TIME WEIGHTED RATE OF RETURN IN TERMS OF REGULATION 22 OF THE SEBI (PORTFOLIO MANAGERS) REGULATIONS, 2020, AS AMENDED FROM TIME TO TIME.**

Performance as on the date given of Acepro Midcap & Small cap Strategy:

	Mar-21		Mar-22		Mar-23	
	For FY 2020-21	Since Inception	For FY 2021-22	Since Inception	For FY 2022-23	Since Inception
% Returns (Absolute) on Capital	-	-	-	-	-	-
% Returns (Absolute) Nifty 50 TRI (Benchmark)	-	-	-	-	-	-
%XIRR Returns (Annualized) on Capital	-	-	-	-	-	-
%XIRR Returns (Annualized) Nifty 50 TRI (Benchmark)	-	-	-	-	-	-

Inception Date 24.12.2015

No clients in the strategy

Performance as on the date given of Acepro Emerging Businesses Strategy:

	Mar-21		Mar-22		Mar-23	
	For FY 2020-21	Since Inception	For FY 2021-22	Since Inception	For FY 2022-23	Since Inception
% Returns (Absolute) on Capital	95.27	-9.34	84.89	-6.58	-	-

% Returns (Absolute): <b>BESMALLCAP (Benchmark)</b>	114.90	42.58	33.32	94.56	-	-
% XIRR Returns (Annualized) on Capital	177.90	-6.18	289.93	-4.09	-	-
%XIRR Returns (Annualized) <b>BESMALLCAP (Benchmark)</b>	149.82	4.26	125.58	6.86	-	-

*Inception Date – 27.6.2016*

**Performance as on the date given of Acepro Wealth Builder Strategy:**

	Mar-21		Mar-22		Mar-23	
	<i>For FY 2020-21</i>	<i>Since Inception</i>	<i>For FY 2021-22</i>	<i>Since Inception</i>	<i>For FY 2022-23</i>	<i>Since Inception</i>
% Returns (Absolute) on Capital	-	-	-	-	-	-
% Returns (Absolute) : <b>NIFTY (Benchmark)</b>	-	-	-	-	-	-
% Returns (Absolute) : <b>SENSEX (Benchmark)</b>	-	-	-	-	-	-
% XIRR Returns (Annualized) on Capital	-	-	-	-	-	-
%XIRR Returns (Annualized) <b>NIFTY(Benchmark)</b>	-	-	-	-	-	-
%XIRR Returns (Annualized) <b>SENSEX (Benchmark)</b>	-	-	-	-	-	-

*Inception Date – 29.9.2016*

*No clients in the strategy*

**Performance as on the date given of Acepro Galaxy Strategy:**

	Mar-21		Mar-22		Mar-23	
	<i>For FY 2020-21</i>	<i>Since Inception</i>	<i>For FY 2021-22</i>	<i>Since Inception</i>	<i>For FY 2022-23</i>	<i>Since Inception</i>
% Returns on Capital (Absolute)	38.69	21.03	12.46	28.68	-0.86	23.18



% XIRR Returns on Capital	57.28	17.47	16.51	17.03	-0.96	10.39
% XIRR Returns on Capital	74.96	20.32	18.37	20.00	0.43	12.88
<b>Nifty 50 Total Return Index(XIRR)</b>	61.97	37.21	17.24	60.86	-1.01	59.24
% Returns (Absolute) on NAV (TWRR)	38.69	21.03	12.46	28.68	-0.86	23.18

*Inception Date – 13.7.2018*

**Performance as on the date given of Acepro Galaxy Strategy:**

	Mar-21		Mar-22		Mar-23	
	<i>For FY 2020-21</i>	<i>Since Inception</i>	<i>For FY 2021-22</i>	<i>Since Inception</i>	<i>For FY 2022-23</i>	<i>Since Inception</i>
% Returns on Capital (Absolute)	16.25	-3.82	25.90	8.27	-4.27	6.08
<b>Nifty 50 Total Return Index(TWRR)</b>	59.02	34.51	20.26	61.76	0.57	62.62
% XIRR Returns on Capital (Annualized)	24.29	-2.52	26.68	3.84	-5.75	2.47
<b>Nifty 50 Total ReturnINDEX(XIRR)</b>	80.54	13.16	19.30	14.95	4.52	12.91
% Returns (Absolute) on NAV (TWRR)	23.82	-5.54	26.43	19.42	-6.96	11.11

*Inception Date – 15.2.2019*

The above figures are taken from the performance report of the respective PMS strategies generated from the software deployed by ORBIS Financial Corporation Limited. (Custodian of the company).

**10. AUDIT OBSERVATIONS**

There are no audit observations during preceding 3 years.

**11. NATURE OF EXPENSES**

The Portfolio Manager may charge fees and expenses connected with managing the portfolios. The exact nature of these fees and expenses would form part of the Client Agreement. The fees and expenses could vary depending on the asset class / type of portfolio and not all these fees may apply to all portfolios.

**(i) Investment management fees:**

This fees relates to the portfolio management services offered by portfolio manager where the clients are charged a percentage based investment management fee ranging from Nil to 2.5% per annum on average daily assets under management charged annually and billed monthly. Taxes including GST are charged on the fees as applicable.

**(ii) Performance Fee:**

The portfolio manager shall charge performance based fee ranging from 5% to 20% only on increase in portfolio value in excess of the previously achieved highest value and hurdle rate ranging from 5% to 20%. Taxes including GST are charged on the fees as applicable.

**(iii) Exit Fees/ Load**

If the redemption is done prematurely (within 18 months of account opening) at the option of the client, the portfolio manager may levy Exit Charges ranging from Nil to 2% of the client corpus.

**(iv) Custodian fee / Depository fee:**

The charges relating to opening and operation of demat accounts, custody and transfer charges of shares, bonds and units custodian charges, etc. will not be exceeding 6 bps of the average daily assets under management of the client. Taxes including GST are charged on the fees as applicable.

**(v) Registrar and Transfer agent fee:**

Charges payable to registrar and share transfer agents in connection with effecting transfer of securities and bonds, units, etc. including stamp charges cost of affidavits, notary charges, postage stamp and courier charges and other related charges will be recovered on actual..

**(vi) Brokerage and transaction costs:**

The Brokerage and other charges like Stamp Duty, Security Transaction tax, SEBI fees, Exchange fees, Settlement charges, Bank Charges, Turnover Tax, Foreign Tax, GST and other charges (if any), as per the rates existing from time to time will be charged on actual. The Investment by portfolio Manager will be done by any SEBI Registered stock broker only and would be as per the rates negotiated between portfolio Manager and the broker. The charges relating to brokerage will be recovered on actual by Portfolio Manager.

**(vii) Certification charges and Professional fees**

Any charges payable for outsourced professional services like taxation, auditing, and any legal services, franking charges and notarizations, etc. incurred on behalf of the client by the Portfolio Manager, will be charged to the client on actual.

**(viii) Out of Pocket and other Incidental Expenses**

Charges in connection with day to day operations like courier expenses, stamp duty, document franking charges, notary charges, other statutory levies, opening of bank, trading and demat accounts and any other out of pocket expenses incurred by the Portfolio Manager, on behalf of client, would be recovered from the client. Any other charges and levies by the Government or other regulatory authorities, such as GST and other charges levied by third parties in connection with transactions executed by the Portfolio Manager on behalf of the Client. All aforementioned expenses would be to the account of the client on the basis of actual expenses.

## **12. TAX IMPLICATIONS (PORTFOLIO MANAGEMENT SERVICES)**

### **Taxation Direct (Based on Finance Act, 2023)**

The following information is based on the law in force in India at the date hereof. The information set forth below is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. The client should seek advice from his/her/its own professional advisor if he/she/it is in any doubt regarding the taxation consequences of investing in the Products offered under Portfolio Management Services.

The maximum tax rates applicable to different categories of assesses are as follows:

1.	Resident individual or HUF or AOP or BOI or any other artificial juridical person (Refer Note:1)	30%*+surcharge & cess
2.	Foreign Companies	40%+surcharge & cess
3.	Partnership Firms	30%+surcharge & cess
4.	Domestic Company i) Where its total turnover or gross receipt during the previous year 2018-19 does not exceed Rs.400 crore ii) Where it opted for Section 115BA iii) Where it opted for Section 115BAA iv) Where it opted for Section 115BAB (Set up and registered after 1 <sup>st</sup> Oct 2019) v) Any other domestic company	25%+surcharge & cess 25%+surcharge & cess 22%+surcharge & cess 15%+surcharge & cess 30%+surcharge & cess
5.	Non-resident Indians	30% <sup>1</sup> + surcharge & cess
6.	Foreign companies	40% + surcharge & cess
7.	Co-Operative Society (Refer Note:1)	30%*+surcharge & cess

\*Maximum slab rate is 30%, although generally taxed @ slab Rate for income other than Capital Gain.

Note 1: Union budget 2020, have proposed new section 115BAC to give an option to Individual and HUF to opt for concessional rate of tax provided they do not claim certain exemptions and deductions. Union budget 2023 expanded scope of section 115BAC to Association of Persons (AOP) other than co-operative society, body of individual and artificial juridical person

**Resident individual or HUF or AOP or BOI or any other artificial juridical person**

Income Tax slabs under old tax regime	Income Tax rates under old tax regime
0 to Rs 2.5 lakh	0
Rs 2.5 lakh to Rs 5 lakh	5%
Rs 5 lakh to Rs 10 lakh	20%
Income above Rs 10 lakh	30%

Income Tax slabs under new tax regime	Income Tax rates under new tax regime
0 to Rs 3 lakh	0
Rs 3 lakh to Rs 6 lakh	5%
Rs 6 lakh to Rs 9 lakh	10%
Rs 9 lakh to Rs 12 lakh	15%
Rs 12 lakh to Rs 15 lakh	20%
Income above Rs 15 lakh	30%

**Co-Operative Society**

Income Tax slabs under old tax regime	Income Tax rates under old tax regime
Upto Rs. 10,000	10%
Rs. 10,000 to Rs. 20,000	20%
Above 20,000	30%

Union budget 2020, have proposed new section 115BAD to give an option to Co-operative society to opt for special tax at the rate of 20%+10% surcharge+4% cess subject to fulfilling certain conditions.

Union budget 2023, have proposed new section 115BAE to give an option to new manufacturing Co-operative society to opt for tax at the rate of 15% plus surcharge plus cess subject to fulfilling certain conditions.

<b>Assessee</b>	<b>Rate of Surcharge &amp; Cess Applicable</b>
Individuals (including NRIs/PIOs), HUFs, Non-Corporate FIIs	<p>at the rate of 10% on income tax if income is above Rs 50 lakh but below Rs 1 crore</p> <p>at the rate of 15% on income tax if income is above Rs 1 crore but below Rs 2 crore</p> <p>at the rate of 25% on income tax if income is above Rs 2 crore but below Rs 5 crore</p> <p>at the rate of 37% on income tax if income is above Rs 5 crore.</p> <p>Health &amp; Education cess of 4% is payable on the total amount of tax including surcharge.</p> <p>The Finance (No. 2) Act, 2019 has been amended to withdraw the enhanced surcharge, i.e., 25% or 37%, as the case may be, from income chargeable to tax under section 111A and 112A. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%. However, where other income of a person does not exceed Rs. 2 crores but after including the incomes as referred to in section 111A and 112A, the total income exceeds Rs. 2 crores then irrespective of the amount of other income, surcharge shall be levied at the rate of 15% on the amount of tax payable on both normal income as well as income referred to in section 111A and 112A.</p>
Individual, HUF, Association of Persons(AOP) other than co-operative society, body of individual and artificial judicial person opting for section 115BAC (not having income section 115BAD)	<p>at the rate of 10% on income tax if income is above Rs.50 lakh but below Rs 1 crore</p> <p>at the rate of 15% on income tax if income is above Rs. 1 crore but below Rs. 2 crore</p> <p>at the rate of 25% on income tax if income is above Rs 2 crore</p>
Firms/ Co-operative society/ local authority	A surcharge of 12% on income tax if income is above Rs. 1 crore. Health & Education cess of 4% is payable on the total amount of tax including surcharge.
<b>Companies of following categories:</b>  Where its total turnover or gross receipt during the previous year 2018-19 does not exceed Rs. 400 crore Where it opted for Section 115BA Any other company other than section 115BAA	<p>Taxable income more than Rs. 1 crores and up to Rs. 10 crore:</p> <p>A surcharge of 7% on income tax and Health &amp; Education cess of 4% is payable on the total amount of tax including surcharge. (A surcharge of 2% in case of foreign companies)</p>

and 115BAB	<p>Companies where the taxable income is more than Rs. 10 Crore:</p> <p>A surcharge of 12% on income tax and Health &amp; Education cess of 4% is payable on the total amount of tax including surcharge (a surcharge of 5% in case of foreign companies).</p>
Companies option for Section 115BAA and 115BAB	<p>Surcharge rate shall be 10% irrespective of amount of Income and Health &amp; Education cess of 4% is payable on the total amount of tax including surcharge.</p>

## Capital Gains Tax

### Long Term

#### For Individuals, HUF, Partnerships Firm and Indian Companies

In case of listed equity shares and securities and units of equity-oriented schemes sold on a recognized stock exchange, which are subject to Securities Transaction Tax (currently 0.001% for units of equity-oriented scheme and 0.1% on equity shares), the tax on Long Term Capital Gain would be 10% if Capital gain is more than Rs.1 Lac with a grandfathering clause. Long term capital gains in respect of other than listed securities or units would be subject to tax at the lower of 20% (plus surcharge and education cess) of the gains computed after cost indexation, or 10% (plus surcharge and education cess) of the gains computed without cost indexation whichever is lower

From April 1, 2023, the indexation benefits on Long Term Capital Gains (LTCG) on debt mutual funds will be eliminated. Debt mutual funds will be taxed at the individual's marginal tax rate.

### Short Term

#### For Resident Individuals, HUF, Partnerships Firm and Indian Companies

Short-term Capital Gains (other than shares or units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax) is added to the total income. Total income including short-term capital gain is chargeable to tax as per the relevant slab rates. However, tax on short term capital gains on sale of shares and units of equity-oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax, would be @ 15% (plus applicable surcharge and an education cess).

Union budget 2023 introduced new section 50AA for taxation of market linked debentures. The full value of the consideration received or accruing as a result of transfer or redemption or maturity of such instrument shall deem to be short term capital gains and taxable at applicable slab rates.

#### Provisions regarding Dividend income and Bonus

According to the provisions of Section 94(7) of the Act, losses arising from the sale/redemption of securities or units purchased within 3 months prior to the record date (for entitlement of dividend or income) and sold within 9 months (3 months in case of securities) after such date, is disallowed to the extent of income on such units (claimed as tax exempt).

According to the provisions of Section 94(8) of the Act, if an investor purchases units within 3 months before the record date (for entitlement of bonus) and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus units.

#### Switching from one scheme to another

As stated in the respective Scheme Information Documents, switching from one Scheme / option to another Scheme / option will be effected by way of redemption of units of the relevant Scheme / option

and reinvestment of the redemption proceeds in the other Scheme / option selected by the unit holder. Hence, switching will attract the same implications as applicable on transfer of such units.

### **Consolidation of Schemes**

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of mutual fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. Further, transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. Provided that consolidation is of two or more schemes of equity oriented fund or of two or more schemes of funds other than equity oriented fund.

### **Segregation of Portfolio**

No Capital gain shall arise on transfer of units from total portfolio to segregated portfolio as there is no sale of units from the total portfolio. However, if there is sale of units of segregated portfolio then the resultant gain or loss will be considered as short term or long term capital gain depending on the holding period. Holding period of less than 36 months is treated as short term capital gain and the gains will be taxed as per slab rate whereas any holding for more than 36 months will be considered as long term capital gain and the gain will be taxed at the rate of 20% with indexation benefit. Period of holding in the segregated portfolio shall be reckoned from the date when the units were originally allotted to the assessee in the main portfolio and not from the date when such segregated portfolio was created.

### **Tax withholding:**

#### **Resident Investors**

As per Circular no. 715 dated August 8, 1995 issued by the CBDT in case of resident Unit holders, no tax is required to be deducted at source from capital gains arising at the time of repurchase or redemption of the units. However, income (other than above) received from Mutual fund specified under section 10(23), units from the administrator of the specified undertaking or units from the specified company will be liable for tax deduction at the rate of 10% if the said amount payable to a person exceeds rupees five thousand during a financial year.

Union Budget 2023 has removed the exemption provided to deduct tax on the interest payable on listed securities in dematerialized form from the ambit of section 193. So, the interest on such securities will be liable to tax deduction at the rate of 10%.

#### **Foreign Portfolio Investors**

Under section 196D of the Act, tax is required to be deducted at source at the rate of 20% on dividend income earned by a FPI. No Tax is required to be deducted on capital gain earned by FPI. The remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

#### **Non-resident Investors other than FPI's**

Under Section 195 of the Act, tax is required to be deducted at source at the rate of 20% /10% (without indexation) on any long-term capital gains arising to non-resident investors from units other than units of an equity oriented scheme. Long term capital gains from equity oriented schemes & listed equity shares are liable to be withheld @10% if the capital gain exceed Rs.1 Lakh during the financial year starting from April 1, 2018.

In respect to short-term capital gains from units other than units of an equity oriented scheme, tax is required to be deducted at source at the rate of 30% (Assuming Highest tax bracket for investor) if the payee unit holder is a non-resident non-corporate and at the rate of 40% if the payee unit holder is a foreign company. In case of equity oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non-corporate non-resident unit holders.

Further, the aforesaid tax to be deducted is required to be increased by surcharge and Health & Education Cess, as applicable.

As per circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

**Please note:**

The tax incidence to investors could vary materially based on residential status, characterization of income (i.e. capital gains versus business profits) accruing to them. The Information provided here is general in nature. Please consult your financial planner/tax advisor before taking decision based on above information.

**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 residential status, 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 income or loss and the expenses incurred by him as a result of his investment in the PMS offered by the Portfolio Manager.**

### 13. ACCOUNTING POLICIES

The accounting Policies to be followed by the Portfolio Manager should be in line with the generally accepted principal followed in the similar kind of industry segment. PMS should allocate the securities of the client at the end of the day & no positions shall be carried over in the pool account overnight.

In general, following Accounting Policies are to be followed for the purpose of maintaining books of accounts & records of the Client.

**a. Basis of Accounting**

Financial statement of the Client under Portfolio Management Services shall be prepared and maintained as per the accrual basis of accounting.

**b. Income Recognition**

- Dividend income shall be recognized on the ex-dividend date.
- Interest income on investments shall be accounted on accrual basis.
- Gains or loss on sale of investments shall be recognized on the trade dates on the basis of first-in-first-out basis.

**c. Recognition of fees and other expenses**

Investment Management fees/advisory fee and other charges shall be accrued and charged as agreed in the agreement between the Portfolio Manager and the Client.

**d. Investments**

Investments are stated at cost of acquisition by the Portfolio Manager.

Securities shall be marked to market on a daily basis. Securities brought in by the Client shall be valued at the closing price of the Security at NSE. If closing price on NSE is not available, BSE price would be considered. Mutual fund units brought in shall be valued at the NAV for the date on which the corpus is fully credited to the account of the Portfolio Manager.

Secondary market transactions shall be recognized as investments on the trade dates at cost including brokerage, Goods & service tax and stamp fees and other applicable transaction charges. Subscriptions

to primary market issues shall be recognized as investments on allotment.

Bonus entitlements shall be recognized on ex-bonus dates.

**e. Valuation of Investments**

- i) Traded Securities: Shall be valued on the basis of closing market prices on the National Stock Exchange ("NSE") as on the relevant valuation date. If the Security is not listed on the NSE, if closing price on NSE is not available or security is not listed on NSE, then BSE price would be considered. In the event of this date being a holiday at the exchange, the rates as on the immediately preceding trading day shall be adopted. Unlisted, non- traded and all other securities where value cannot be ascertained shall be valued in good faith.
- ii) Mutual Fund units: Investments in units of Mutual Funds shall be valued at the Net Asset Value of the previous day declared for the relevant Scheme on the date of the report. Where no NAV is published for a particular day, the previous working day's published NAV will be taken for the valuation purpose. Investments in units of close-ended schemes of mutual funds, which are listed on Stock Exchange, will be valued at the closing market price on respective Stock Exchange.
- iii) Government securities shall be valued at the prices released by an agency recommended by AMFI. Government securities, where prices are not available, shall be valued at yield to maturity based on the prevailing interest rates.
- iv) Rights entitlements for shares shall be valued at the market price of the share, reduced by the exercise price payable, and further discounted for dividend element, wherever applicable.
- v) Rights entitlements pending formal allotment to be accounted as investments at issue price plus cost, if any.
- vi) Derivatives shall be valued at settlement price declared by NSE on the valuation date.
- vii) Gains / loss on derivatives shall be marked to market on daily basis.

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.

**14. INVESTOR SERVICES**

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

**Name** : Mr. Navisha Palan  
**Address** : 401, 4<sup>th</sup> Floor, Manek Plaza, 167, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai – 400098  
**Tel no.** : + 91-22-26528671, 26528672  
**Email ID** : navisha.p@acepro.in

**Grievance redressal and dispute settlement mechanism.**

The aforesaid personnel of the Portfolio Manager shall attend to and address any query or concern of the Client as soon as practicably possible.

- a. All Clients' complaints are escalated to the Compliance Department immediately on receipt of complaint.
- b. The Compliance Department reviews and monitors the status of Clients' complaints and take necessary action for quick resolution of the same.
- c. If during the review of complaints, it is noticed that the complaint is due to same procedural lapses or due to any other identifiable reasons, then necessary corrective steps shall be taken immediately.
- d. Complaints shall be generally resolved within 30 days from the date of receipt and any complaint which is pending for more than 30 days is escalated to Senior Management for discussion and resolution.



**SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

Investor may also register/ lodge their complaints to SEBI through its online portal SCORES (SEBI COMPLAINTS REDRESS SYSTEM). The link to access SCORES is <http://scores.gov.in> and investors can file complaints by clicking “Complaint Registration” under “Investor Corner”.

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

**Approved by the Directors of Acepro Advisors Private Limited:**

<b>Name of Director</b>	<b>Signature</b>
Mr. Deepak Sharma (DIN 01976751)	Sd/-
Mr. Iqbal Singh (DIN 02776893)	Sd/-

**Place: Mumbai**

**Date: September 14, 2023**