

Chanakya Capital Services Private Limited

Registered Office: F-115, Nahar & Seth Industrial Estate, Next to P& G Plaza,

B&D Chakala Road, Andheri (East), Mumbai – 400099.

Tel No: 9930550052 email: contact@chanakyacapital.in, CIN: U67100MH2008PTC181591



Date – November 29, 2022

To,
The Manager,
Securities & Exchange Board of India
Investment & Management Department,
SEBI Bhavan, Plot No. C 4-A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051.

Dear Sir/Madam,

Subject – Submission of Disclosure Document dated November 29th, 2022 for Portfolio Managers registered under SEBI (Portfolio Managers) Regulations, 2020

SEBI Registration No – INP000006040.

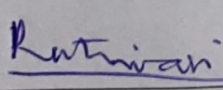
With reference to above enclosed please find the following documents against Portfolio Manager Registration Number **INP000006040** under SEBI (Portfolio Managers) Regulations, 2020.

1. Disclosure Document
2. Form C
3. Disclosure Document Certification from Independent Chartered Accountants

Kindly find the same in order and let us know if any further documents/information is required and the same shall be promptly provided. You may contact Mr. Rajesh Tiwari on Tel No. 9821153503, Email – rajesh.tiwari@chanakyacapital.in for any further requirements.

Kindly take the above on your record and acknowledge the receipt of the same.

For Chanakya Capital Services Private Limited.


Rajesh Kumar Tiwari
Principal Officer



Encl: As above



CERTIFICATE

To,
The Board of Directors,
Chanakya Capital Services Private Limited,
F-115, Nahar & Seth Industrial estate,
Next to P&G Plaza, Chakala,
Andheri (East) Mumbai - 400 099

We, Jakhelia & Associates, Chartered Accountants, Mumbai, have reviewed the Disclosure Document Dated 29th November, 2022, by M/s. Chanakya Capital Services Private Limited. (SEBI Registered Portfolio Manager - INP000006040). Having address, F-115, Nahar & Seth Industrial estate, Next to P&G Plaza, Chakala, Andheri (East) Mumbai - 400 099, in accordance with disclosure document as stated in schedule V of Regulation 22 of Securities & Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020, ('the Regulations').

The Management of the Company is Responsible for preparation of the attached Disclosure Document in accordance with the Regulations.

Our responsibility is to issue the certificate based on our review which is primarily limited to inquiries of the Company's personnel, tracing the financial information from the audited financial statements for the year ended March 31, 2020, March 31, 2021, March 31, 2022, other relevant records, the information, explanations and representations furnished by the Management

We have relied on the representation given by the Management about the penalties or litigation against the Portfolio Manager mentioned in the Disclosure Document.

Based on such review of attached Disclosure Document, we hereby certified that the disclosures made in the Disclosure Document dated 29th November, 2022 are true, fair and adequate to enable the investors to make well inform decisions.

This Certificate has been issued pursuant to Schedule V of Regulation 22 of Securities & Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020, ('the Regulations') and at the request of M/s. Chanakya Capital Services Private Limited for purpose of submitting the same to SEBI and the Portfolio Manager Services Client and should not be used or referred to for any other purpose without our prior written consent.

Place: Mumbai
Dated: 29th November, 2022

For JAKHELIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No.: 128099W

(YASHESH A. JAKHELIA)
PARTNER

Membership No.: 120956
UDIN: 22120956BEXVAR8729



Ref. No. 22-23/84

PORTFOLIO MANAGEMENT SERVICES
DISCLOSURE DOCUMENT OF
CHANAKYA CAPITAL SERVICES PRIVATE LIMITED
(SEBI Registration No. INP000006040)
(AS PER THE REQUIREMENT OF THE FIFTH SCHEDULE UNDER REGULATION 22 OF THE SEBI
(PORTFOLIO MANAGERS) REGULATIONS, 2020

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020, as amended from time to time and filed with Securities and Exchange Board of India (SEBI).

This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

The purpose of the Disclosure Document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the investors in making informed decision for engaging Chanakya Capital Services Private Limited as a Portfolio Manager.

This Disclosure Document sets forth concisely the necessary information about the Portfolio Manager that is required by a prospective investor before investing. Investors should carefully read the Disclosure Document prior to making a decision to avail of Portfolio Management Services and are advised to retain this Disclosure Document for future reference.

This Disclosure Document remains effective until a 'material change' occurs. Material changes will be filed with SEBI and notified to the investors, subject to the applicable regulations.

No person has been authorized to give any information or to make any representations not confirmed in this Disclosure Document in connection with the services provided or proposed to be provided by the Portfolio Manager, and any information or representations not contained herein must not be relied upon as having been authorized by the Portfolio Manager, Chanakya Capital Services Private Limited.

This Disclosure Document is dated November 29, 2022. (Audited Financial data of the Portfolio Manager considered up to 31st March 2022)

(i) **Details of Principal Officer**

Name of Principal Officer	:	Mr. Rajesh Kumar Tiwari
Corporate Office Address	:	F – 115, Nahar & Seth Industrial Estate, Next to P & G Plaza, Chakala, Andheri (East). Mumbai- 400 099.
Phone No	:	98211 53503
E-mail address	:	rajesh.tiwari@chanakyacapital.in

(ii) **Corporate Details**

Website	:	www.chanakyacapital.in
SEBI Reg No.	:	INP000006040
CIN No.	:	U67190MH2008PTC181591



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Contents of Disclosure Document**1) Disclaimer clause:**

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations' 2020 as amended till date 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. You are requested to retain the document for future reference.

2) Definitions:

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively: -

- (a) **"Board" or "SEBI"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992 as amended from time to time.
- (b) **"Application"** means the application made by the Client to the Portfolio Manager to place the monies and/or securities mentioned therein with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, 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.
- (c) **"Account" or "Assets of the Account"** shall mean the Securities and other investments and funds entrusted by the Client to the Portfolio Manager.
- (d) **"Assets"** means (i) the Portfolio and/or (ii) the Funds and includes all 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), in relation to or arising out of Assets.
- (e) **"Bank Account"** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or a pool account in the name of Portfolio Manager to keep the Funds of all clients.
- (f) **"Business Day"** means days other than:
- Saturday and Sunday,
 - a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
 - a day on which the Bombay Stock Exchange and the National Stock Exchange are closed,
 - a day on which normal business could not be transacted due to storms, floods, bands, strikes etc.
- (g) **"Client"** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio / funds.



- (h) **"Custodian"** means a custodian registered under the SBI(Custodian of Securities) Regulations, 1996 appointed by the Portfolio manager for maintaining custody of funds and securities of the client
- (i) **"Depository Account"** means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client, with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- (j) **"Discretionary Portfolio Management Services"** means the portfolio management services rendered to the Client, by the portfolio Manager on the terms and conditions contained in this Agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of assets of the Client.
- (k) **"Document"** means Disclosure Document.
- (l) **"Effective Date"** means the date on which the portfolio Management account of the client is activated in the books of Portfolio manager i.e. the day on which the minimum corpus is recognized by the Portfolio Manager.
- (m) **"Financial year"** means the year starting from April 1st and ending on March 31st of the year.
- (n) **"Funds"** means the monies placed by the Client with the Portfolio Manager and any accretions thereto.
- (o) **"High Water Mark"** means value of the highest Closing NAV achieved by the Portfolio in any year or period during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year/period) and net of Portfolio Management Fees, for that year/period.
- (p) **"Investment Advice"** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.
- (q) **"Investment Management Fees"** shall have the meaning attributed thereto in Clause [10] of this Document under the head Fees & Services Charged (To be charged on Actuals).
- (r) **"PMS"** means Portfolio Management Services.
- (s) **"Non-Discretionary Portfolio Management Services"** means the portfolio management services rendered to the client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to assets but does not exercise any discretion with respect to investments or management of the Assets of the Client, and invests and manage the Assets only after seeking and taking approval from the Client, entirely at the Client's risk.
- (t) **"Net Asset Value" (NAV):** Net Asset Value is the market value of assets in portfolio consisting of equity, derivative, debt, mutual funds units, cash, cash equivalents, accrued interest or benefits receivables, if any, etc. less payable, if any.



- (u) **"Parties"** means the Portfolio Manager and the Client; and **"Party"** shall be construed accordingly.
- (v) **"Person"** includes any individual, partners in partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
- (w) **"Portfolio Manager"** means Chanakya Capital Services Private Limited who has obtained certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993.
- (x) **"Plan/Product"** shall mean plans offered by the Portfolio Manager and accepted by the client for the purpose of investments.
- (y) **"Portfolio"** means the Securities and/or fund managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the 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.
- (z) **"Principal Officer"** means an individual who is responsible for the activities of portfolio management and has been designated as principal officer by the portfolio manager.
- (aa) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended from time to time;
- (bb) **"Rules"** means Securities and Exchange Board of India (Portfolio Managers) Rules, 2020, as may be amended from time to time.
- (cc) **"Scheduled Commercial Bank"** means any bank included in the second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).
- (dd) **"Securities"** shall mean and include "Securities" as defined under the Securities Contracts (Regulation) Act, 1956; Shares, scripts, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and/or by any mutual funds, exchange traded funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and any other instruments or investments (including borrowing or lending of securities) as may be permitted by applicable law from time to time.

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 the 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.

3) Description about Portfolio Manager:

i) History, Present business and Background of the Portfolio Manager:

a) History of the Portfolio Manager:

Chanakya Capital Services Private Limited is a company incorporated on April 25, 2008. It is classified as non-government Company and is registered at Registrar of Companies, Mumbai. Mr. Rajesh Kumar Tiwari, Mrs. Gautami Desai, Mr. Rahul Desai and Mrs. Krishna Tiwari are the Directors of the company. The Company received an approval to practice the business of Portfolio Management, as defined by SEBI (Portfolio Managers) Regulation, 2020. The approval was granted on June 26, 2018.

Mr. Rajesh Kumar Tiwari has pursued PGDM (IIMA) and Ph. D. in Finance from University of North Texas. Since August 2007, he has been managing personal equity and debt portfolios of himself and his family members. He also has acted as consultant in providing strategic inputs to the ACACIA Partners of Ruane, Cunniff & Goldfarb Inc., a New York Investment Institution managing around US dollar 26 billion regarding businesses in India, Bangladesh and Mexico.

b) Present Business and Background:

Chanakya Capital Services Private Limited is a company which has been given a PMS license for catering to HNI, Corporate and FII clients.

The company has always aimed at providing value added services to its clients which align with the client's long term goals of wealth creation. In pursuance of this goal, the company now wishes to leverage its research capabilities to provide Portfolio Management Services with an aim to generate long term returns based on detailed fundamental research.

ii) Directors and Promoters of the Portfolio Manager:

Mr. Rajesh Kumar Tiwari and Mrs. Krishna Tiwari are the Promoters of Chanakya Capital Services Private Limited.

a. Directors:

The Directors of the company are as below:

- Mr. Rajesh Kumar Tiwari
- Mrs. Krishna Tiwari
- Mrs. Gautami Desai
- Mr. Rahul Desai



Director's Background**➤ Mr. Rajesh Kumar Tiwari**

Mr. Rajesh Kumar Tiwari has pursued PGDM (IIMA) and Ph.D. in Finance from University of North Texas. Since August 2007, he has been managing personal equity and debt portfolios of himself and his family members. He has also acted as consultant in providing strategic inputs to the ACACIA Partners of Ruane, Cunniff & Goldfarb Inc., a New York Investment Institution managing around US dollar 26 billion, regarding businesses in India, Bangladesh and Mexico.

During the period from August 1992 to January 2001, he created and headed the Equity Research Cell of the Unit Trust of India. Prior to that, he had managed and turned – around India Fund, the first offshore mutual fund of India. As the Head of the Product Management Team, he turned-around investors' servicing and marketing of Mastergain 92.

➤ Mrs. Krishna Tiwari

Mrs. Krishna Tiwari is a Master of Commerce from University of Patna. She has overall 9 years of work experience in General Management, with 6 years in De-Addiction Centre, Patna as an Account officer. Currently she is supervising the Accounts Department of Chanakya Capital Services Private Limited.

➤ Mrs. Gautami Desai

Mrs. Gautami Desai is a post graduate in finance management and graduated in electronics engineering. She has overall 19 years of work experience in Finance, with 10 years in UTI Mutual Fund, first 3 years in credit research, 4 years as Assistant Fund Manager and 3 years as Fund manager managing equity funds totaling to Rs. 3,500 crores. The three of the funds managed by her were rated among best performing funds by Crisil / Lipper / Value research.

Since past nine years, she has been working as Executive Director for Chanakya Capital Services Private Limited and a strategic advisor to reputed New York based investment institution, Ruane, Cunniff & Goldfarb Inc. in her personal capacity.

➤ Mr. Rahul Desai

Mr. Rahul Desai is as Software Engineer, He has worked for 7 years in software industry with companies like Phonein Serviecs, one of the earliest call centers of India by the Hinduja Group, Silverline Industry and Trigyn Technology for customer service, media, telecom industry application. Set up and ran HR services company, Single Point HR Solutions Pvt. Ltd. for 11 years which provided various services in HR like executive search, HR process consulting, training and automation.

Forayed in education by setting up a division, RishCool that focused into helping children close campus to corporate gap by coaching them and getting companies to colleges of 2-3 tier cities. Eventually found the purpose of life and got in K12 education. Rahul set-up an alternative education K12 school using a innovative method of teaching QuadSeek in Vapi, South Gujarat in 2012 and have grown well to have more than 550 children and being one of the most sought after school in the area. The next



challenge he has set is to make this revolutionary method of teaching reach more children of India.

iii) **Top 10 Group Companies under the same Management:**

Sr. No.	Name of the Group Company
1.	Micasa Education Private Limited

iv) **Details of Services being offered:**

The Portfolio Manager currently offers Discretionary, Non-discretionary Portfolio Management Services and Advisory Services. For more details, please refer section 5 below.

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 against the Portfolio Manager	None
2	The nature of the penalty / direction against the Portfolio Manager	None
3	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	None
4	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency:	None
5	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:	Yes*
6	Penalties imposed for any economic offence and/or violation of any securities laws	None

* Adjudication proceedings was initiated by the Board against the Director, Mrs. Gautami Desai in her personal capacity under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties), Rules, 1995 in the matter of dealings in Illiquid Stock Options(IPO) at BSE, order dated 4th August,2022 via SEBI/HO/EAD/EAD9/P/OW/2022/37059/1. The matter is settled and penalty of Rs.1,00,000 has been paid by the Director.

5) **Details of Services Offered**

1. **Services offered**

The Portfolio Manager offers Portfolio Management services under Discretionary, Non-Discretionary, and Advisory categories to its prospective clients.



a. **Discretionary Portfolio Management –**

Under the Discretionary Portfolio Management Services, the Portfolio Manager will have the sole and absolute discretion with regard to selection of the type of securities traded on behalf of the clients and held in the portfolio, based on the executed agreement. The Portfolio Manager has the discretion as regards the choice and timing of the investment decisions, to make changes in the investment and to invest some or all of the funds of the Client in such manner and in such industries/sectors/securities as the Portfolio manager discretion. The Securities invested / disinvested by the Portfolio Manager for clients may differ from client to client. The Portfolio Manager's decision (taken in good faith) in deployment of the clients' funds is absolute and final and cannot be called in question or be open for review at any time during the course of the Agreement or any time thereafter except on the ground of malafide intent, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines and notifications in force from time to time.

b. **Non-discretionary Portfolio Management –**

In the case of non-discretionary services, the investment objectives and the securities to be invested would be entirely decided by the client. The same could vary widely from client to client. However, the execution would be carried out only after getting the approval from the client.

Under Non-Discretionary category, the investment decisions of the Portfolio Manager are guided by the instructions received from the client. The deployment of funds is the sole discretion of the client and is to be exercised by the portfolio manager in a manner strictly complies with the client's instruction. The decision of the client in deployment of funds and the handling of his / her / its portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to investments or divestments upon instructions of the client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the client to take appropriate investment decisions. For the purpose of acting on client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as email, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling of 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 described period, entirely at the client's risk.

c. **Advisory Services –**

The Portfolio client is to be given purely advisory services as stipulated under SEBI PMS Regulations and in accordance with the requirement of the client. 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. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment advice and may include advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client. Investment advice shall be for



an agreed fee structure and for a period agreed and entirely at the client's risk. The Portfolio Manager shall act in a fiduciary capacity towards its client.

2. Investment objective

The funds of the clients shall be invested in such capital and money market instruments, including securities as defined under the Securities Contract (Regulation) Act, 1956, and shall include any securities, derivatives and other instruments which are tradable on any of Exchanges as well as such units of Unit Trust of India and / or other mutual funds (whether listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, securitized debt instruments, investments in company deposits, bank deposits, treasury bills and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

The Portfolio Manager may however, enter into futures contracts, options in securities, options on indices and other similar types of investment, which may result in the client having to provide initial margin payments and which would be deemed. The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the client's account. The investment in the securities mentioned in the above point will be in accordance with the objectives as given in the agreement and also any of the product / plan categories accepted by the client.

The investment objectives would be one or more of the following or combination thereof:

- a. To provide investment flexibility to client across various market segments.
- b. To generate good return on investments.
- c. To generate short term and/ or long term capital appreciation.

The Portfolio Manager offers various investment strategies based portfolios to allow for standardized customization in sync with investor profile and also customized portfolio as per suitability and specific requirements of the client. The general objective is to formulate and device the investment philosophy to achieve long term growth of capital.

Objective of the Derivative Exposure: The objective to use derivatives is purely to protect the portfolio in case of a severe market correction. We seek to use derivatives purely to protect client's portfolio in case of sharp drawdowns of the aggregate market. The Derivatives will only be used for hedging and/or portfolio rebalancing.

3. Types of Securities

The portfolio manager/fund manager shall invest in all such types of securities as defined above (please refer to definitions) and in all such securities as permissible from time to time.

Consistent with the investment objective and subject to Regulations, the corpus will be invested in any of (but not exclusively) the following securities:

- i. Equity and equity related securities including convertible bonds (including equity linked debentures) and debentures and warrants carrying the right to obtain equity shares;



- ii. Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- iii. Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
- iv. Money Market instruments permitted by SEBI/RBI;
- v. Certificate of Deposits (CDs);
- vi. Commercial Paper (CPs);
- vii. Mutual Fund units, Fixed deposits, Bonds, debentures etc.;
- viii. Units of venture funds;
- ix. Securitisation instruments;
- x. Foreign securities as permissible by Regulations from time to time;
- xi. Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

4. Minimum Investment Amount

The Portfolio Manager will not accept a corpus of less than Rs.50 lakhs or such minimum amount as specified by SEBI from time to time. The client may on one or more instances or on a continual basis, make further placements of funds / securities under the services. In case of accounts opened on or before January 16, 2020, the minimum corpus would continue to be Rs. 25 lakhs.

5. Details of PMS Plans for Discretionary Services-

1. Chanakya Capital Growth Plan:

Chanakya Capital Growth Plan is an Equity investment scheme, which aims to achieve capital appreciation over a long period of time. The emphasis is to invest in companies which are led by quality management, having sustainable competitive advantage leading to good returns. This long term trend in the stock price is a function of steady EPS growth and PE expansion.

Portfolio will be adopting a proactive approach to recognize trends, themes and triggers in a rapidly evolving macroeconomic and business scenario in the long term.

There would be 3 characteristics of this plan –

- (a) It will adopt a buy and hold strategy and trading will be minimal,
- (b) The plan will be diversified in terms of sectors as well as stocks to minimize risk to client portfolio from excessive concentration and
- (c) While liquidity is important, the plan will be willing to make investments in illiquid stocks if valuations and growth prospects appear attractive. Hence, the plan is focused on long term investors with a 3-5 year plus time horizon.



The primary objective of this plan is to invest entirely in equities. However, considering the view on the equity markets, the plan may invest in one or more debt and money market instruments.

Our investment philosophy revolves around the using an overlay of the macro-business environment to drill down on themes and specific companies that will perform well in the future. We use these themes to look for under-valued stock opportunities.

The Portfolio Manager will combine a top down macro approach with bottoms up micro stock picking research to identify the best investment ideas and generate superior risk adjusted returns.

Our valuations for a company combine both qualitative and quantitative factors to enable us to determine the risk: reward potential in stocks. We pay strong emphasis to the management team as well as the sustainable competitive advantage of the company within the business environment they operate in. This is combined with the assessment of the future earnings and cash flows of the company, its balance sheet strength as well as valuation parameters like discounted cash flow to decide on the return potential of the stock.

Benchmark: NIFTY 50

2. Chanakya Capital Income Plan:

Chanakya Capital Income Plan is a Debt investment scheme, which aims to achieve good returns over a long period of time by investment in debt papers and/or mutual fund schemes. The emphasis is to invest in debt issued by companies or other issuers like government-related entities which have a higher level of returns and also likely to offer good returns.

Portfolio will be adopting a proactive approach to recognize trends, themes and triggers in a rapidly evolving macroeconomic and business scenario in the long term.

While liquidity is important, the plan will be willing to make investments in illiquid debt instruments if risk and return prospects appear attractive. Hence, the plan is focused on long term investors with a 3-5 year plus time horizon.

Our investment philosophy revolves around the using an overlay of the macro-business environment to drill down on themes and specific companies that will perform well in the future. We use these themes to look for under-valued stock opportunities.

The Portfolio Manager will combine a top down macro approach with bottoms up micro debt securities picking research to identify the best investment ideas and generate superior risk adjusted returns.

Our valuations for a company combine both qualitative and quantitative factors to enable us to determine the risk: reward potential in debt securities. In case of debt securities issued by corporates, we pay strong emphasis to the management team as well as the sustainable competitive advantage of the company within the business environment they operate in. This is combined with the assessment of the future earnings and cash flows of the company, its balance sheet strength as well as valuation parameters like discounted cash flow to decide on the return potential of the stock.

In case of debt securities issued by other issuers, e.g. government related entities, we pay strong emphasis on safety and commensurate returns likely overtime.

Benchmark: CRISIL 10 year Gilt Index

6) Risk Factors:

- 1) Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
- 2) The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of stocks accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- 3) The past performance of the Portfolio Manager is not indicative of the future performance. Investors are not being offered any guaranteed or indicative returns.
- 4) 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.
- 5) Investment decisions made by the Portfolio Manager may not always be profitable.
- 6) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- 7) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
- 8) Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- 9) Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- 10) Liquidity Risk: Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that



are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the plan are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

- 11) Credit Risk: Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.
- 12) Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rate rise, the value of a portfolio of fixed income securities can be expected to decline.
- 13) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- 14) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.
- 15) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- 16) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
- 17) Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.



- 18) Prospective clients should review / study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalisation, 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.
- 19) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- 20) Clients are not being offered any guarantee / assured returns.
- 21) The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or few sectors and hence shall be affected by risks associated with those sectors.
- 22) 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 Portfolio/Product.
- 23) The arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-Tax Act, 1961 and taxed accordingly.
- 24) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
- 25) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.
- 26) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
- 27) In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that were negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.



- 28) Changes in Applicable Law may impact the performance of the Portfolio.
- 29) Risks pertaining to stock lending: In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks.
- 30) Risk arising out of non-diversification, if any.
- 31) Specific Risk Disclosures associated with investments in Securitised Debt Instruments
- a) Presently, secondary market for such securitised papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
 - b) Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.
- 32) Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures
- a) The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.
 - b) The Issuer of Equity index linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in indices, futures and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
 - c) The Structured Products, even after being listed, may not have a market at all;
 - d) The returns on the Structured Products, including those linked to the may be lower than prevalent market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures or less income/return than the Debenture holder may have expected, or obtained by investing elsewhere or in similar investments.
 - e) In the case of Equity Index Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.



- f) At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
- g) The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.

7) **Client Representation:**

a) **Details of client's accounts active:**

Details are as on October 31, 2022.

Sr. No.	Category of clients	No. of clients	Funds managed (Amt in Rs. lakhs)	Discretionary/ Non-Discretionary(if available)
i)	Associates/group companies			
	- Individual	04	14,340.98	Discretionary
	- Corporate	01	72.87	Discretionary
	Subtotal (i)	03	14,413.85	
ii)	Others:			
	- Individual	20	1,784.01	Discretionary
	- Corporate	01	575.90	Discretionary
	Subtotal (ii)	21	2,359.91	
	TOTAL (i) + (ii)	24	16,773.76	

Sr. No.	Category of clients	No. of clients	Funds managed (Amt in Rs. lakhs)	Discretionary/ Non-Discretionary(if available)
i)	Associates/group companies			
	As on March 31, 2020	07	5,082.21	Discretionary
	As on March 31, 2021	06	9,892.55	Discretionary
	As on March 31, 2022	05	12,375.70	Discretionary
ii)	Others:			
	As on March 31, 2020	08	398.81	Discretionary
	As on March 31, 2021	10	712.67	Discretionary
	As on March 31, 2022	15	1,419.27	Discretionary

b) **Complete Disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India:**



(Rs. In lakhs)

Sr. No.	Name of the person	Relation	Nature of transaction	Amount outstanding as on March 31, 2022
1.	Rajesh Tiwari & Krishna Tiwari	Director	Unsecured Loan outstanding	0.77
2.	Siddharth Desai Kinjal Desai	Relative of Directors	Receipt of Portfolio Management Fees	102.38

8) The financial Performance of Portfolio Manager

8.1 Capital Structure

(Rs. In lakhs)

Particulars	As on 31-Mar-2020	As on 31-Mar-2021	As on 31-Mar-2022
a) Paid-up capital	22.50	22.50	22.50
b) Free reserves (excluding re-valuation reserves)	192.44	178.59	241.01
c) Total (a) + (b)	214.94	201.09	263.51

8.2 Sources of Funds

(Rs. In lakhs)

Particulars	As on 31-Mar-2020	As on 31-Mar-2021	As on 31-Mar-2022
(a) Provisions	3.27	2.71	4.40
(b) Other Liabilities	0.61	1.78	25.39
c) Total (a) + (b)	3.88	4.49	29.79

8.3 Deployment of Resources

(Rs. In lakhs)

Particulars	As on 31-Mar-2020	As on 31-Mar-2021	As on 31-Mar-2022
(a) Fixed Assets	1.75	1.13	7.04
(b) Investments	185.03	190.7	166.87
(c) Cash & Cash Equivalents	10.77	0.6	0.26
(d) Other Assets	18.39	12.92	119.18
(e) Deferred Tax Assets (Net)	2.89	0.22	(0.04)
(f) Totals (a) + (b) + (c) + (d) + (e)	218.83	205.57	293.31



8.4 Major Sources of Income:

(Rs. in lakhs)

Particulars	As on 31-Mar-2020	As on 31-Mar-2021	As on 31-Mar-2022
• Income			
PMS Fees	29.98	36.25	121.78
• Other Income			
Interest on IT Refund	NIL	NIL	NIL
Interest Income	0.61	NIL	NIL
Dividend	2.57	2.23	1.35
Total	33.17	38.48	123.13

8.5 Net Profit

(Rs. In lakhs)

Particulars	As on 31-Mar-2020	As on 31-Mar-2021	As on 31-Mar-2022
Profit before Tax	(16.62)	(11.19)	62.69
Profit after Tax	(13.80)	(13.85)	62.42

9) Performance of the Portfolio Manager for the last 3 years:

Particulars	April 01, 2019 to Mar 31, 2020	April 01, 2020 to Mar 31, 2021	April 01, 2021 to March 31, 2022	April 01, 2022 to Sept 30, 2022
- Chanakya Capital Growth Plan	-38.06%	87.90%	23.19%	8.63%
Benchmark Performance - NIFTY 50 (%)	-26.03%	70.87%	18.88%	-2.12%

10) Audit Observation:

We initiated our PMS Services from August 13, 2018. Below are the audit observations –
 Financial year 2019 - There are no audit observations.
 Financial year 2020 - There are no audit observations.
 Financial year 2021 - There are no audit observations.
 Financial year 2022 - There are no audit observations.

11) Fees and Services Charged (To be based on actuals):

- Investment management fee: i.e. Fixed Fees charged as agreed with the client wide terms and conditions mentioned in the agreement relating to the Portfolio Management Services offered to the Clients. It ranges between 0.10% - 2.00% p.a.
- Performance management fee i.e. a performance fee based on profit slabs provided in the portfolio agreement is charged as agreed with the client wide terms and conditions mentioned in the agreement. Maximum charge is 20%



3. The fees charged to the client for PMS Service comes under "Fees for technical services" under Sec 194J of the Income Tax Act 1961. This section calls for withholding tax on the fees that the client pays to the portfolio manager if he or she falls under
 - 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.
 - Corporates.
4. Custodian fee / Depository Charges & Fund Accounting Charges: Charges relating to custody and transfer of shares, bonds and units, opening and operation of demat account, dematerialisation and rematerialisation, and / or any other charges in respect of the investment etc. The actual fees levied by the custodian for custody 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.
5. 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.
6. 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.
7. Fees and charges in respect of investment in mutual funds: Mutual Funds shall be recovering expenses or management fees and other incidental expenses and such fees and charges shall be paid to the Asset Management Company of the Mutual Funds on behalf of the Client. Such fees and charges are in addition to the portfolio Management fees described above.
8. Certification charges or professional charges:
The charges payable to professional services like accounting, taxation, certification and any other legal services, etc.
9. Securities lending and borrowing charges: The charges pertaining to the lending of securities, costs of borrowings and costs associated with transfer of securities connected with the lending and borrowing transfer operations.
10. Any incidental and ancillary out of pocket expenses:
All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the client shall be charged to the Client.
11. The portfolio manager shall deduct 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. The fee so charged may be a fixed fee or a performance return based fee or a combination of both as agreed in the agreement.
13. We don't charge any exit load.



11) Taxation:

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

a) Dividend

Dividends declared, distributed or paid on or after April 1, 2003 by domestic companies will be exempt in the hands of the shareholder recipient but tax on distributed profits at applicable rates will be payable by the domestic company. However, as per Finance Act 2016, sanctioned by the parliament, from Assessment year 2017-18 in addition to DDT paid by the companies, tax at the rate of 10% of gross amount of dividend will be payable by the recipients i.e. shareholders being individuals, HUFs and firms receiving dividend in excess of Rs 10 lakh per annum.

b) Interests on Investment are taxable except in case of notified securities as per Government of India gazette 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 three 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 three 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, 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 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, 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

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 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 Goods and Services tax, on the fees that the client pays to the Portfolio Manager, if he / she fall 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
- b) Corporate

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 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.

12) Accounting Policies:

1. Basis of accounting



- a. Books and Records for each product is 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 is done in accordance with Generally Accepted Accounting Principles.
 - 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 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 levied 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 additional corpus) is considered as capital contribution and deemed to be the cost of investments for the purpose of tracking performance.
2. **Income/expenses**
- a. All investment income and Expenses is accounted on accrual basis except Custodian, Fund Accounting, audit fees & Depository charges which are accounted on cash basis.
 - b. 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.
3. 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, 1993.
4. **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 cooperate with such chartered accountant in course of the audit.



13) Agreement:

1. The Portfolio Manager before taking up an assignment of management of funds or portfolio of securities on behalf of the client, enters into an agreement in writing with such client clearly defining the inter se relationship and setting out their mutual rights liabilities and obligations relating to the management of funds or portfolio of securities, containing such details as per the regulations.
2. The money or securities accepted by the portfolio Manager shall not be invested or managed by the Portfolio Manager except as mentioned in terms of the agreement between the Portfolio Manager and the client.
3. The Portfolio Manager shall not change any terms of the agreement without prior written consent of the client.
4. Generally, the term of the PMS Agreement shall commence from the date of execution of the agreement and shall continue on the same terms and conditions set out in this agreement unless terminated.

14) Termination of Agreement:

1. This agreement shall commence from the date of execution of this agreement and shall continue on the same terms and conditions set out in the agreement unless terminated as given in following clauses. Voluntary or compulsory termination of portfolio management services by the Portfolio Manager or the client.
2. This agreement may be terminated by the client by giving a prior written notice of termination of minimum 30(thirty) days to the Portfolio Manager, thereupon, the Agreement shall stand terminated on the expiry of the period on the same date as stipulated by the client in the notice of termination.
3. The portfolio funds or securities can be withdrawn or taken back by the Client at his sole risk before the expiry of the agreement under the following circumstances: (i) Voluntary or compulsory termination of the services by the Portfolio Manager or the Client, (ii) Suspension or cancellation of the certificate of the registration of the Portfolio Manager by SEBI, (iii) Bankruptcy or liquidation of the Portfolio Manager.
4. In the event that this agreement is terminated for any reasons stated above, the client shall take or cause to be taken, all necessary steps to close and/or transfer all accounts maintained by the client with the Portfolio Manager and/or any agents or sub-agents in relation to services provided under this agreement, within a period of such number of days from the date of termination as may be determined by the Portfolio manager based on the feasibility.
5. Notwithstanding what is stated herein, the Portfolio manager reserves the absolute discretion independently to terminate this agreement at any time by giving written notice of not less than 30(thirty) days , without assigning any reasons, and cause the client to transfer its portfolio / account to other intermediaries.
6. The Portfolio Manager may at its own discretion terminate any existing plan by giving a written notice of not less than 30 days to the client and the client may withdraw his portfolio or with the approval of the portfolio Manager to transfer his portfolio to the other portfolio management plans of the Portfolio Manager.
7. The termination of this agreement shall not, in any manner whatsoever, affect or preclude the consummation or any transaction initiated by the Portfolio Manager prior to its receipt or transmission of the notice of termination (or, if the Portfolio Manager continues to act until selection of the successor by the client, any transaction initiated during the period during which the portfolio Manager continues to act), in which case all of the terms and conditions of this agreement shall apply to such transactions.
8. In the event of termination of this agreement, the client shall pay to the portfolio manager its portfolio Management fees, costs and dues payable under this agreement and the



portfolio manager shall have the right to lien on any and all securities in respect of the extent of the outstanding dues.

9. In the event of termination of this agreement such termination shall have no effect on transactions executed before such termination and the parties shall have the same rights and obligations in respect of such transitions.

15) 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 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.

16) Investor Services:

- (i) The details of investor relation officer who shall attend to the investor queries and complaints are mentioned here below:

Name of the person	Mr. Aditya Doshi
Designation	Compliance Officer
Address	F-115, Nahar & Seth Industrial Estate, Besides P & G Plaza, Chakala, Andheri (E), Mumbai – 400 099
Email	aditya.doshi@chanakyacapital.in
Investor Grievance Email ID	contact@chanakyacapital.in
Telephone	+91- 99305-50052

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.

(ii) Grievances redressal and Dispute settlement mechanism.

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 1993 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of court in Mumbai only and are governed by Indian laws. The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor 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 provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification



or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

Alternatively, with effect from September 2011, SEBI has launched a new web based centralized grievance system called SCORES i.e. SEBI Complaints Redressal System, for online filing, forwarding and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the company.

<https://scores.gov.in/scores/complaintRegister.html>

SEBI vide press release PR No. 80/2012 dated 30th August' 2012 has extended its toll free helpline service for Investors (1800 22 7575 / 1800 266 7575) to Saturday and Sunday from the existing Monday to Friday. The service on Saturday and Sunday would be available initially to investors from all over India in English, Hindi, Marathi and Gujarati from 9:30 a.m. to 5:30 p.m. For any queries/ feedback or assistance, the Client may also e-mail to sebi@sebi.gov.in

The agreement with the client shall be governed by construed and enforced in accordance with the laws of India. Any dispute with the client shall at first be settled by mutual discussion, failing which the same will be referred to and settled by arbitration in accordance subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification / enactment thereof for the time being in force. A sole arbitrator will be appointed by mutual consent of the portfolio manager and the client. The arbitration shall be held in Mumbai and be conducted in English language. Any action or suit involving the agreement with a client or the performance of the agreement by the either party of its obligations will be exclusively in courts located at any place in India subject to the jurisdiction clause in the portfolio agreement.

17) Anti-Money Laundering Compliances:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Director, FIU-IND and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that all registered intermediaries to formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' (KYC) norms.

Further, SEBI vide Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated July 04, 2018 (which supersedes all the earlier circular) issued a 'Master Circular for Guidelines on Anti Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules frame thereunder' consolidating all the requirements/instructions/obligations of Securities Market Intermediaries.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the 23 purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti money laundering laws and regulations in all of its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client doesn't comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.



The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account / rejection or refund of the application etc. due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

Investors are requested to note that KYC is mandatory for all investors. SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011 and CIR/MIRSD/ 11/2012 dated September 5, 2012 has mandated that the uniform KYC form and supporting documents shall be used by all SEBI registered intermediaries in respect of all new clients from January 1, 2012. Further, SEBI vide circular no. MIRSD/Cir-23/2011 dated December 2, 2011, has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets. Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (the rules), every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the Rules, as per the KYC template for 'Individuals' finalised by CERSAI. Accordingly, the KYC template finalised by CERSAI shall be used by the registered intermediaries as Part I of AOF for individuals.

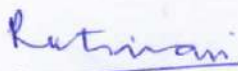
18) List of Approved Share Brokers involved for Portfolio Management activities:

Sr. No.	Name of the Brokers	SEBI Registration No
1.	HDFC Securities Limited	INZ000186937
2.	Edelweiss Securities Limited	INZ000166136
3.	ICICI Securities Limited	INZ000183631
4.	Ambit Capital limited	INZ000259334

19) 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. The Portfolio Manager has outsourced Fund accounting and Custodian activity to HDFC Bank.

For Chanakya Capital Services Private Limited.



Rajesh Kumar Tiwari
Director



Gautami Desai
Director



FORM C

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

CHANAKYA CAPITAL SERVICES PRIVATE LIMITED
(SEBI Registration No. INP000006040)

We confirm that:

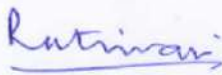
- 1.The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- 2.The disclosures made in this Disclosure Document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager;
- 3.The Disclosure Document has been duly certified by an independent Chartered Accountant as on 29-11-2022

The details of the Chartered Accountant are as follows :-

Name of the Firm : Jakhelia & Associates
Partner : Yashesh Jakhelia
Membership No. : 120956
Address : C/28, Sahyadri Apt, LT Road, Borivali (W), Mumbai- 400 092
Contact No. : +91 9967586811
Email Id : jyashesh@gmail.com

The copy of the certificate is enclosed herewith.

For Chanakya Capital Services Private Limited.



Rajesh Kumar Tiwari
Principal Officer



Place: Mumbai

Date: November 29, 2022