



## **Disclosure Document**

**Portfolio Management Services  
JM Financial Limited**

## **JM FINANCIAL LIMITED**

### **DISCLOSURE DOCUMENT**

(As per Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)

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#### **I. DECLARATION :**

- a) This Disclosure Document has been filed with Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020
- b) The purpose of this Disclosure Document is to provide essential information about the Portfolio Management Services in order to assist and enable the investors in making informed decisions for engaging the Portfolio Manager.
- c) This Disclosure Document contains the necessary information about the Portfolio Manager required by an investor before investing. The investor is advised to carefully read this entire document before making a decision of investing with the Portfolio Manager and also retain it for future reference.
- d) This document supersedes the Disclosure Document dated May 07, 2024 filed with SEBI by JM Financial Ltd.
- e) The Principal Officer designated by the Portfolio Manager is:

Mr. Ashish Chaturmohta  
Executive Director - Portfolio Management Services  
Tel No: 022-30243858  
E mail: Ashish.Chaturmohta@jmfl.com

## II. INDEX

<b>Sr. No.</b>	<b>Table of Contents</b>	<b>Page No.</b>
1.	Disclaimer Clause	2
2.	Definitions	2-4
3.	Description I. History, Present Business and background of the Portfolio Manager II. Promoters, Directors & their background III. Top 10 Group companies on turnover basis (as per latest audited financial statement) IV. Details of the services being offered	5-12
4.	Penalties, Pending Litigations, etc.	12-18
5.	Services Offered– Discretionary/Non-Discretionary/Advisory Portfolio Management Services	19-52
6.	Risk Factors	52-60
7.	Client Representation	61-73
8.	Financial Performance	74-76
9.	Portfolio Management Performance	76-78
10	Audit Observations	78
11.	Nature of expenses	79-80
12.	Taxation	79-106
13.	Accounting Policies	107-109
14.	Investor Services	109-110
15.	Diversification Policy	110-111

### III. CONTENTS:

#### 1) **Disclaimer Clause**

This Disclosure Document is filed with SEBI. The particulars of this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of its contents. The Portfolio Manager does not undertake to notify the Clients of any changes in the information stated herein, subsequent to the date of this document. This Disclosure Document, as updated from time to time, is also made available on the website of the Portfolio Manager.

This Disclosure Document and its contents do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or subscribe or solicitation of an offer to buy or sell or subscribe any securities or financial products/investment approaches mentioned in the Disclosure Document. The Client/prospective client must make their own investment decisions based on their own specific investment objectives, their financial position and using such independent professional advisors for seeking independent legal, investment and tax advice as they believe necessary, before acting on any information in the Disclosure Document or any such other documents or before making any investments in the Portfolio Management Services (Including Co-Investment Portfolio Management Services) of the Portfolio Manager. Any use of the information contained herein or any investments and investment related decisions of the Client/prospective clients are at their sole discretion and risk and the Portfolio Manager shall not be responsible/liable for the same in any manner whatsoever, to any person/entity.

#### 2) **Definitions**

- (a) **‘Act’** means the Securities and Exchange Board of India Act, 1992.
- (b) **‘Accreditation agency’** shall have the same meaning as assigned to it in clause (aa) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- (c) **‘Accredited investor’** means any person who fulfils the eligibility criteria as specified by the SEBI and is granted a certificate of accreditation by an accreditation agency;”
- (d) **‘Alternative Investment Fund’** means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which is registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012, as amended, and managed by the Portfolio Manager from time to time.
- (e) **‘Agreement’** means the agreement by whatever name called entered into between the Client and the Portfolio Manager for provision of Portfolio Management Services

by the Portfolio Manager to the Client as provided for by regulation 22(1) of the SEBI Portfolio Managers Regulations 2020, including any addendum thereto and shall be read in conjunction with the Application Form.

- (f) **‘Advisory Services’** shall mean the services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients and agreed upon in the PMS Agreement.
- (g) **‘Client’** means any person who is registered as a client with the Portfolio Manager for availing its Portfolio Management Services.
- (h) **‘Co-investment Portfolio Manager’** means JM Financial Limited, a company registered under the Companies Act, 1956 and having its registered office at 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 and its corporate office at 5<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, who is a Manager of Category II Alternative Investment Fund(s); and
  - (i) provides services only to the investors of such Category II Alternative Investment Fund(s); and
  - (ii) makes investments only in unlisted securities of Investee Companies where such Category II Alternative Investment Fund(s) make investments;
- (i) **‘Custodian’** shall mean the custodian providing custodial services in accordance with the regulations issued by SEBI and appointed from time to time for safe keeping of the Portfolio of the Client.
- (j) **‘Depository’** shall mean Depository as defined in the Depositories Act, 1996 (22 of 1996).
- (k) **‘Disclosure Document’** shall mean this disclosure document for the Portfolio Management Services (including Co-Investment Portfolio Management Services).
- (l) **‘Discretionary Portfolio Management Services’** means the services provided by the Portfolio Manager exercising its sole and absolute discretion as to the investment of the Client’s Funds or management of the Portfolio of securities of the Client as per the agreement relating to Portfolio Management Services, for an agreed fee, entirely at the Client’s risk.
- (m) **‘Financial year’** shall mean the year starting from 1<sup>st</sup> April of a year and ending on 31<sup>st</sup> March the following year.
- (n) **‘Funds’** means the moneys deployed by the Client with the Portfolio Manager and any accretions thereto.

- (o) **‘Investment Approach’** means the investment approach launched and offered by the Portfolio Manager as mentioned herein for providing Discretionary Portfolio Management Services and the expression “Investment Approaches” shall mean collectively all such Investment Approach.
- (p) **‘Large value accredited investor’** means an accredited investor who has entered into an agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees;
- (q) **‘Minimum investment amount’** means the minimum funds or securities which the Portfolio Manager shall accept from the Client presently Rupees Fifty lakh.
- (r) **‘Non-Discretionary Portfolio Management Service’** means the services provided by the Portfolio Manager under which the Portfolio Manager invests the Client’s Funds or manages the Client’s Portfolio in accordance with the discretion of the Client as per the agreement relating to the Portfolio Management Services, for an agreed fee, entirely at the Client’s risk and directions/instructions.
- (s) **‘Portfolio’** means the portfolio of all the assets including, without limitation, investments made in securities, goods and funds held by the Portfolio Manager on behalf of the Client.
- (t) **‘Portfolio Management Services’** means portfolio management services that are carried out by the Portfolio Manager in accordance with SEBI (Portfolio Managers) Regulations, 2020, whether in the nature of Discretionary Portfolio Management Services, Non-Discretionary Portfolio Management Services or Advisory Services, as the context may require.
- (u) **‘Portfolio Manager’** means JM Financial Limited, a Company registered under the Companies Act, 1956 and having its Registered Office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 and its Corporate Office at 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025. JM Financial Limited is registered with the SEBI as a portfolio manager under the Regulations.
- (v) **‘Regulations’** mean the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time.
- (w) **‘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.
- (x) **‘Securities’** means and includes, whether listed or unlisted, securities as defined under the Securities Contracts (Regulation) Act, 1956, as amended from time to time.
- (y) **‘Securities Lending’** means securities lending as per the Securities Lending Scheme, 1997 specified by the Board.

Words and expressions used in this Disclosure Document 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 the meanings assigned to them in the Regulations governing Portfolio Management Services.

### 3) **Description**

#### **(i) History, Present Business and Background of the Portfolio Manager:**

##### **History**

JM Financial Limited (the “**JMFL**”) was incorporated as a private limited company under the name of J.M. Share and Stock Brokers Private Limited on January 30, 1986 under the Companies Act, 1956. Subsequently, JMFL became a deemed public limited company upon its promoter, J. M. Financial & Investment Consultancy Services Private Limited becoming a deemed public limited company on June 15, 1988, by virtue of the Companies (Amendment) Act, 1988 read with the Companies Act, 1956. On September 15, 2004, the name of the company was changed to JM Financial Limited.

JMFL was classified as a systemically important non-deposit taking core investment company (CIC-ND-SI) in accordance with the certificate of registration issued by the RBI dated April 11, 2014, under Section 45-IA of the RBI Act. The National Company Law Tribunal, Mumbai Bench, passed an order dated December 14, 2017, sanctioning the scheme of amalgamation (the “**Scheme**”) between JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited and JMFL, which was filed with the ROC on January 18, 2018 and accordingly became effective from January 18, 2018. Consequent upon the Scheme becoming effective, JMFL ceased to be a core investment company and became a SEBI registered category I merchant banker and investment manager to the private equity fund.

Further, the National Company Law Tribunal, Mumbai Bench, passed an order and issued the certified true copy of the order on April 20, 2023, sanctioning the scheme of arrangement (the “**Scheme**”) between JM Financial Capital Limited, JM Financial Services Limited (the “**JMFSL**”) and JMFL, which was filed with the ROC on May 18, 2023. Consequent upon the Scheme becoming effective from May 18, 2023, the Private Wealth and Portfolio Management Services (the “**PMS**”) divisions have become part of the Company and is classified under the Investment Bank segment from Platform AWS segment. Pursuant to the Scheme, the investment (securities) held by JM Financial Services Ltd in JM Financial Institutional Securities Limited has also been transferred.

The Private Wealth and PMS divisions have been demerged from JMFSL and have become part of the Company.

Post NCLT Order, JMFSL had approached SEBI for transfer of Portfolio Management Services registration from it to JMFL. SEBI, vide its letter dated July 17, 2023 approved the proposed transfer of business of PMS from JMFSL to the Company. JM Financial Limited got registered as a Portfolio Manager on December 13, 2023 vide registration no INP 000008455.

**(ii) Promoters of the Portfolio Manager, its Directors and their background:**

**Promoters:**

**Mr. Nimesh Kampani**

Mr. Nimesh Kampani is a commerce graduate from Sydenham College, Mumbai and a fellow member of the Institute of Chartered Accountants of India (“ICAI”). Mr. Nimesh Kampani is the founder and Chairman of JM Financial Group, one of India’s leading players in the financial services space. The Group is engaged in diverse businesses which comprises of (i) Integrated Investment Bank (IB) cater to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, private wealth management, PMS, syndication and finance; (ii) Mortgage Lending includes both wholesale mortgage lending (primarily catering to real estate developers) and retail mortgage lending (affordable home loans and secured MSME); (iii) Alternative and Distressed Credit includes the asset reconstruction business and alternative credit funds; and (iv) Asset management, Wealth management and Securities business (Platform AWS) provides an integrated investment platform to individual clients and includes elite and retail wealth management business, broking and mutual fund business.

In his career spanning over five decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising, mergers & acquisitions, regulators and law makers on progressive regulations for development of financial markets and corporate activities.

Mr. Kampani has served as a member on several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Confederation of Indian Industry, Federation of Indian Chambers of Commerce and Industry and Institute of Chartered Accountants of India.

Mr. Kampani was a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre and also a member of the Advisory Panel on Financial Regulation and Supervision constituted by RBI Committee on Financial Sector Assessment. He was a member of the Bloomberg Asia Pacific Advisory Board and also a member of the Governing Board of Centre for Policy Research.



## **J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)**

J.M. Financial & Investment Consultancy Services Private Limited (the “**JMFICS**”) is a private limited company incorporated on September 15, 1973 under the Companies Act, 1956. It is classified as a Non-govt company. Its registered address is at 141, Maker Chambers III, Nariman Point, Mumbai 400 021.

JMFICS is a systemically important, non-deposit-taking, non-banking financial company (the “**NBFC**”) registered with the Reserve Bank of India (the “**RBI**”) on March 31, 2005 under Section 45-IA of the RBI Act and is fully owned by Mr. Nimesh Kampani and family, and their family-owned investment companies. JMFICS undertakes proprietary investment activities and invests in listed and unlisted equity stocks, preference shares, debt instruments, mutual fund units, private equity, and real estate investments.

### **Directors and their background:**

#### **Mr. Nimesh Kampani**

Mr. Nimesh Kampani is a commerce graduate from Sydenham College, Mumbai and a fellow member of the Institute of Chartered Accountants of India (“**ICAI**”). Mr. Nimesh Kampani is the founder and Chairman of JM Financial Group, one of India’s leading players in the financial services space. The Group is engaged in diverse businesses which comprises of (i) Integrated Investment Bank (IB) cater to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, private wealth management, PMS, syndication and finance; (ii) Mortgage Lending includes both wholesale mortgage lending (primarily catering to real estate developers) and retail mortgage lending (affordable home loans and secured MSME);(iii) Alternative and Distressed Credit includes the asset reconstruction business and alternative credit funds; and (iv) Asset management, Wealth management and Securities business (Platform AWS) provides an integrated investment platform to individual clients and includes elite and retail wealth management business, broking and mutual fund business.

In his career spanning over five decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising, mergers & acquisitions, regulators and law makers on progressive regulations for development of financial markets and corporate activities.

Mr. Kampani has served as a member on several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Confederation of Indian Industry, Federation of Indian Chambers of Commerce and Industry and ICAI.

Mr. Kampani was a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre and also a member of the Advisory Panel on Financial Regulation and Supervision constituted by RBI Committee on Financial Sector Assessment. He was a member of the Bloomberg Asia Pacific Advisory Board and also a member of the Governing Board of Centre for Policy Research.

### **Mr. Vishal Kampani**

Mr. Kampani is the Vice Chairman and Managing Director of JM Financial Limited effective October 1, 2024.

Mr. Kampani joined the JM Financial Group in 1997 in the Investment Banking Division and subsequently worked with Morgan Stanley Dean Witter & Co. in New York. Upon his return to India in 2000, Mr. Kampani joined JM Morgan Stanley (Joint Venture between JM Financial Group and Morgan Stanley) and headed the Corporate Finance vertical within the Investment Bank.

Post 2008, Mr. Kampani played an instrumental role in identifying new growth opportunities and further diversifying the businesses of the JM Financial Group, including private credit business, private equity business and expansion of the capital markets business.

Mr. Kampani served as Managing Director of JM Financial Limited from 2016-2021 and was appointed as the Non-Executive Vice Chairman in 2021.

He also strategized JM Financial Group's foray into the housing finance business through JM Financial Home Loans Limited in 2017. Under his leadership, JM Financial Limited successfully raised equity funds in 2018 and 2020 from marquee domestic and global investors.

In a career spanning almost two and a half decades, Mr. Kampani has played a defining role in ideating and consummating several landmark and transformational M&A, fund raising and restructuring transactions. In addition, he was also responsible for JM Financial Group's expansion and transforming the group into a diversified financial services player.

Mr. Kampani has been working extensively with Confederation of Indian Industry (CII) in several roles in the BFSI sector. He is a member of Primary Market Advisory Committee, SEBI.

In 2016, Mr. Kampani was recognized as a Young leader and awarded The Economic Times "40 under 40".

Mr. Kampani has completed his MS (Finance) from London Business School, University of London.

**Ms. Jagi Mangat Panda** Ms. Jagi Mangat Panda, is the Managing Director of Odisha Television Limited, with over 20 years of experience in the media and broadcasting industry.

In 2008, she was honoured as the ‘Young Global Leader’ at the World Economic Forum.

Ms. Panda holds a bachelor’s degree in biology and chemistry from Osmania University and has completed the three-tier middle management development program from the Indian Institute of Management, Ahmedabad.

### **Mr. P. S. Jayakumar**

Mr. P S Jayakumar, is a Chartered Accountant and holds post graduate diploma in business management from XLRI Jamshedpur.

Mr. Jayakumar has a deep experience in the banking sector and financial sector with 23 years of work experience with Citibank in their India and Singapore office. His last assignment in Citibank was being the Country Head for the Consumer Banking Group.

In his 23 years of working in Citibank, Mr. P S Jayakumar has been involved in innovation and development of retail financial service industry. On leaving Citibank in 2008, Mr. P S Jayakumar worked as an entrepreneur and was a co-founder of Value Budget Housing Company, a leader in housing for low and moderate income household. Value Budget Housing pioneered the use of manufacturing approach to construction and application of form and IT technology to low cost and affordable housing. In 2008, Mr. P S Jayakumar also co-founded Home First Finance Ltd, a housing finance company licensed by NHB and provides long term purchase money mortgage loans for customers from low and moderate income household. These two companies have contributed to pioneering effort in building demand and supply for low cost and affordable housing. In 2015, Mr. P S Jayakumar was selected by the Government of India to serve as the Managing Director and CEO for Bank of Baroda, first person from the private sector selected to run a large public sector bank. He successfully led the transformation of Bank of Baroda and completed three way merger between Bank of Baroda, Vijaya and Dena Bank. He was also awarded the ‘Banker of the Year’ by Financial Express for 2018.

Mr. P S Jayakumar serves as independent director on the Board of several companies.

### **Mr. Navroz Udwadia**

Mr. Navroz Udwadia is a Co-founder and Partner of Alpha Wave. Prior to Alpha Wave, Mr. Udwadia was an investment professional in Eton Park's emerging markets team in London (2005-2011). Prior to joining Eton Park, Mr. Udwadia graduated from Harvard Business School (MBA, Distinction). Before that he spent time at both JP Morgan (private equity) and Goldman Sachs, where he was an investment banker in the financial institutions group and worked on the firm’s internal strategy team.

Mr. Udwadia graduated from Columbia University (BA, English) and subsequently completed a Law Degree (MA, Law) at Oxford University, which he attended as a Rhodes Scholar from India.

Mr. Udwadia was a national, and internationally ranked tennis player (#1 ranked junior in India) and captained both the Oxford University (Double Blue) and Columbia University Men's Tennis Teams (EITA senior of the year and all Ivy league, 1997).

While at Columbia University, Mr. Udwadia also received an NCAA Post Graduate Scholarship Award, the Arthur Ashe Sports Scholar Award and was voted an academic All-American (district team). He led Columbia as captain to their first EITA championship in a decade in 1997.

### **Ms. Roshini Bakshi**

Ms. Roshini Bakshi is the Managing Director, Private Equity at Everstone Capital Asia Pte based out of Singapore. As an operating partner she works deeply with the companies that Everstone invests in where they need help most. Her role includes driving value through talent focused on human capital transformation, leading brand strategy development and communication to build company brands that help position them for market growth. In addition to this, she also leads ESG and Impact for the fund and all the companies that Everstone invests in.

Ms. Bakshi has more than 30 years of general management and marketing experience and strong track record in consumer industries and have a proven track record for challenging the status quo and turning businesses around. In her earlier roles, she helped build locally relevant business models and executions to win. She is known for understanding complex situations and applying sharp strategic thinking, intuition and insight to actions that drive results.

Prior to Private Equity, she was a business leader and was the CEO and Managing Director for the Walt Disney Company's Consumer, media and retail business for South Asia, where she set up and built the business to more than \$400 million in revenue. Her earlier roles were with Unilever, American Express, Mattel, and Polaris, where she worked on beauty and skin care, financial products, and technology products and services. She also serves on the board of public companies viz., Restaurant Brands Asia Ltd and JM Financial Products Limited. She recently completed her term of 10 years at Persistent Systems Limited She was also an Independent Director on the board of Max Healthcare, the largest hospital network in India.

She holds an MBA from the Indian Institute of Management (Ahmedabad, India) and an undergraduate degree from St Stephens College (Delhi, India) majoring in Economics (Hons).

### **Mr. Pradip Kanakia**

Mr. Pradip Kanakia is a strong leader and governance oriented professional with expertise in accounting, auditing, reporting, systems and controls, compliance, governance, strategy, transformation and performance management. As a qualified Chartered Accountant of both England and Wales, and India, Mr. Kanakia has held leadership positions with Price Waterhouse and KPMG during a career spanning 35 years in UK, UAE and India. As a lead audit partner, he has led and signed audits of several prestigious Indian and multinational companies, across various industry sectors for over 24 years. Several of these companies have won prestigious awards for the Best Presented Annual Reports. He was the reporting accountant for the first Indian manufacturing company which listed on the New York Stock Exchange. As a leader in both Price Waterhouse and KPMG, he played a major role in transforming the businesses of both the firms leading to accelerated growth and profitability by demonstrating the ability to ‘turn around’ underperforming business units with strong strategic and execution skills. He has led several thousand people in both the firms and cultivated a culture of high performance, collaboration and team work. In Price Waterhouse, he ran a highly successful flagship program for independent directors and conducted more than 40 events for leading independent directors in both Mumbai and NCR region, covering the most relevant topics of corporate governance. He has cultivated strong relationships with leading Independent Directors, CEOs, CFOs and other senior C suite professionals of leading companies across the country.

He currently serves on the boards of several leading listed companies and is an Advisor to a clutch of fast growing new age companies funded by leading Private Equities and Venture Capital Funds.

### **Mr. Sumit Bose**

Mr. Sumit Bose joined the Indian Administrative Service in 1976. He served in various positions with the Government of Madhya Pradesh and the Government of India, before retiring as the Union Finance Secretary, Government of India.

Mr. Bose acts as an Independent Director of various other companies and has chaired number of committees of the Ministry of Rural Development and the Ministry of Defence of Government of India. In the Finance Ministry, he served as Secretary (Department of Revenue), Secretary (Expenditure) and Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission. Post retirement, he was a member of the Expenditure Management Commission and the Committee to Review the Fiscal Responsibility Legislation. He also chaired number of committees of the Ministry of Rural Development and the Ministry of Defence of Government of India. He also served on the Board of Oil and Natural Gas Corporation Limited and BSE Limited. He has completed his Master of Science in Social Policy and Planning from London School of Economics and Master of Arts in History from University of Delhi.

**Mr. Adi Patel**

Mr. Adi Patel joined the Merchant Banking Division in November, 1993 and is currently the Managing Director of the Company and holds a Bachelor's degree in Commerce and is also a qualified Chartered Accountant.

He has executed some landmark M&A/restructuring transactions for some of the leading business houses in India.

Over the last 30 years, he has developed strong relationships with leading Indian and global clients across various Industry segments and has advised them on numerous strategic M&A / restructuring transactions.

**(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis as per the latest available audited financial statements as on 31st March 2024:**

<b>Sr. No</b>	<b>Name of Group companies</b>
1	JM Financial Credit Solutions Limited
2	JM Financial Products Limited
3	JM Financial Services Limited
4	JM Financial Asset Reconstruction Company Limited (consolidated)
5	JM Financial Home Loans Limited
6	JM Financial Institutional Securities Limited
7	Persepolis Investment Company Private Limited
8	ARB Maestro
9	JM Financial Properties and Holdings Limited
10	Infinite India Investment Management Limited

**(iv) Details of the services being offered: Discretionary/Non-discretionary/Advisory.**

The Portfolio Manager is offering Portfolio Management Services under Discretionary, Non-discretionary and Advisory categories to its prospective clients after ascertaining their investment needs and objectives.

Note: The Portfolio Manager provides the aforesaid services to the Clients by directly on-boarding them (on-boarding of the Clients without intermediation of the distributors) or on-boarding through its distributor.

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

There have been no instances of pending litigations or proceedings against the Company. However, the instances of SEBI inspection and outcome thereof are highlighted below as a matter of information. Data/information is given for last five years only:

**Penalties: NIL**

**Pending litigation: NIL**

**Pending proceedings:**

SEBI had issued an Interim Ex Parte Order (the “Interim Order”) dated March 7, 2024 in the matter of public issue of certain debt securities. Pursuant to the Interim Order, JMFL was barred by SEBI from taking any new mandate for acting as a lead manager for any public issue of debt securities. As regards the existing mandates, the Interim Order stated that JMFL could continue to act as a lead manager for public issue of debt securities for a period of 60 days from the date of the Interim Order. SEBI would undertake an investigation into the issues covered under the said Interim Order and complete the same within a period of six months from the date of the Interim Order. JMFL filed its response to SEBI in the said matter. JMFL’s authorised representatives also attended the personal hearing on April 24, 2024 before the Hon’ble Whole Time Member of SEBI, and then on June 18, 2024 wherein JMFL, inter-alia, submitted a revised undertaking to SEBI.

In continuation of the Interim Order, the Hon’ble Whole Time Member of SEBI, considering the undertaking furnished by JMFL, has passed the Confirmatory Order on June 20, 2024 (“Confirmatory Order”) thereby confirming the directions issued vide the Interim Order with a modification that JMFL shall not act as a lead manager in any public issue of debt securities till March 31, 2025 or such other date as may be specified by SEBI. The Confirmatory Order further clarified that the directions contained in the Interim Order, as confirmed by the Confirmatory Order, is limited to the functioning of JMFL as a lead manager to public issue of debt securities and does not relate to other activities of JMFL, including acting as a lead manager to public issue of equity instruments.

**Findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority:**

- i. SEBI conducted an inspection of the merchant banking operations of JMFL and issued an advisory and deficiency letter dated July 17, 2020 to JMFL in relation to certain findings, primarily procedural/technical in nature. JMFL, vide its letter dated August 27, 2020, had submitted its representations to SEBI along with the details of proposed corrective steps to rectify the deficiencies mentioned in SEBI letter. JMFL had also requested SEBI to give it an appointment for a telephonic discussion to explain the representations made vide the aforesaid letter.
- ii. In the matter of a proposed initial public offer (“**IPO**”) by one of the clients of JMFL, there was non-disclosure of certain facts related to the promoters of the issuer

company in the Draft Red Herring Prospectus. SEBI issued an administrative warning letter dated July 21, 2022 to the concerned promoters of the issuer company and the Book Running Lead Managers to the IPO, including JMFL, asking them to ensure compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- iii. SEBI conducted an inspection of the merchant banking operations of JMFL and issued an administrative warning letter dated June 2, 2023 to JMFL in relation to its certain observations. JMFL, vide its letter dated August 7, 2023, has submitted the details of corrective steps/action taken for the observations made in SEBI letter.
- iv. In the matter of an IPO by one of the clients of JMFL, SEBI issued an administrative warning letter dated August 22, 2023 to JMFL for non-reporting of bid upload failure by a Self-Certified Syndicate Bank to SEBI.
- v. In the matter of buy-back of equity shares by one of the clients of JMFL, SEBI issued an administrative warning letter dated November 22, 2023 to JMFL in relation to calculation of entitlement ratio for the general category of shareholders while preparing the Letter of Offer.
- vi. SEBI, vide its Settlement Order dated May 21, 2024, disposed of the adjudication proceedings initiated against JMFL vide Show Cause Notice dated May 25, 2023 issued by SEBI to certain entities, including JMFL, in the matter of voluntary delisting offer by one of the clients of JMFL. The SCN was issued by SEBI in relation to the alleged violation of Regulation 29(4) of SEBI (Delisting of Equity Shares) Regulations, 2021 & Regulation 13 read with Schedule III of SEBI (Merchant Bankers) Regulations, 1992.
- vii. SEBI conducted an inspection of the merchant banking operations of JMFL in respect of public issues of NCDs, REITs and InvITs lead managed by it and issued an administrative warning letter dated June 14, 2024 to JMFL in relation to certain observations. JMFL, vide its letter dated July 12, 2024, has submitted the details of corrective steps/action taken for the observations made in SEBI letter.

Further, no penalties have been imposed on the Company for any economic offence or for violation of any securities laws.

There are no material litigations/legal proceedings/criminal cases/ pending against the Portfolio Manager or its key personnel. To the best of our knowledge there are no claims of material importance threatened against the Portfolio Manager



Some of the tax litigations/disputes for last 5 years are mentioned below as a matter of information.

INCOME TAX MATTERS					(Amount in Rs.)
Fin. Year	Stage	Matter	Tax in dispute	Amount Paid / Adjusted	Amount Unpaid
2019-20	CIT(A)	<u>Appeal filed before CIT(A)</u> Disallowance u/s.14A - Rs.15,28,73,040 Disallowance of Cess Rs.88,44,792	4 4,61,39,84	-	4 4,61,39,84

Details about the enquiry/adjudication proceedings initiated by SEBI in last five years against the Associate/Group companies of the Portfolio Manager are as follows:

#### JM Financial Services Limited - Subsidiary Company

SEBI jointly with NSE, BSE, CDSL and NSDL conducted an Inspection of the JMFSL's books of accounts and other documents for the broking and DP operations for the period April 2017 to November 2018. NSE as the lead Exchange w.r.t. the said inspection, vide its letter dated Feb 14, 2020 has warned JMFSL to take necessary corrective measures and to ensure that non-compliance of the above observations do not reoccur in future. **(Matter Closed).**

SEBI jointly with NSE, BSE, MCX, NCDEX, CDSL and NSDL conducted an Inspection of the JMFSL's books of accounts and other documents for the broking and DP operations for the period April 01, 2020, to July 31, 2021. NSE as the lead Exchange w.r.t. the said inspection, vide its letter dated September 29, 2022 levied a penalty of Rs. 1,03,000/- and warning for non-compliances observed in the SEBI Joint Inspection. **(Matter Closed).**

SEBI issued Show Cause Notice dated June 23, 2022 in the matter of Trading Member in Illiquid Stock Options. It was observed that at least 4 or more transactions in particular contract was executed through 125 different brokers including JMFS. Accordingly, SEBI identified 187 trades pertaining to 3 clients of JMFS identified as non-genuine where the Counter Party was pertaining to other broker. The transaction under observation are reversal trades in various individual Stock Option contracts on BSE's Stock Option segment executed during 2014-15. It is alleged that JMFS have failed to exercise care and diligence while dealing with its clients. Reply has been filed with SEBI by JMFS and personal hearing was held and advocate from our side appeared before SEBI. Further, written submissions have been filed & we have applied for settlement and the matter was closed vide SEBI Settlement Order dated 14th March 2023. **(Matter Closed).**

SEBI vide its letter dated September 20, 2024, issued Administrative Warning for non-compliances observed in Thematic Inspection of Authorised Person (AP), conducted for the period April 01, 2023 to June 30, 2024. **(Matter Closed).**

JMFS has received a Show Cause Notice (SCN) from Securities and Exchange Board of India (“SEBI”) dated October 03, 2024, in the matter of integrating trading platform with TradeTron.

There are 119 broker who have integrated trading platform with TradeTron and almost all such Stock Brokers have received SCN from SEBI for their association with TradeTron. TradeTron has been alleged for violation of SEBI circular dated September 02, 2022, regarding Performance/return claimed by unregulated platforms offering algorithmic strategies for trading. We are in the process of drafting response to SEBI Show Cause Notice.

SEBI vide its letter dated October 30, 2024, issued Administrative Warning for non-compliances observed in Inspection conducted for OBPP Platform BondsKart for the Period February 14, 2023 to July 31, 2024. **(Matter Closed).**

#### **JM Financial Trustee Company Private Limited (“Trustee Co.”)-Associate Company**

SEBI had issued a show cause notice dated November 15, 2022 to JM Financial Asset Management Limited (the AMC) and JM Financial Trustee Company Private Limited (Trustee Co), in respect of transactions executed by certain employees of the AMC in the schemes of JM Financial Mutual Fund, which was responded to by the AMC and Trustee Company.

Post the submissions of the AMC and the Trustee Company, SEBI has issued an Order of the Adjudicating Officer on July 31, 2024 imposing a penalty of INR 25,00,000 and INR 10,00,000 on the AMC and the Trustee Company, respectively, as per Section 15E and 15HB of SEBI Act, 1992 for failing to comply with the provisions of SEBI Circular dated November 17, 2016 and Clause 2 of Fifth Schedule to SEBI (Mutual Funds) Regulations, 1996. The above penalty was paid by the AMC and Trustee Company on September 04, 2024 and accordingly, the matter stands closed.

#### **JM Financial Mutual Fund/JM Financial Asset Management Limited (“AMC”)-Subsidiary Company**

SEBI vide its letter dated September 23, 2020 had issued a warning letter pertaining to KYC requirements not followed by JM Financial Mutual Fund in the case of SIPs/Micro SIPs, which were registered prior to KYC being made mandatory, for such investments and has been advised to take due care in future and improve compliance standards to

avoid recurrence of such instances and also advised to place the said letter before the Board of Trustees and forward their comments to SEBI. The AMC has submitted the response to SEBI on October 23, 2020. As advised by SEBI, the letter was also placed before the Trustees and response of Trustees has been filed with SEBI on November 4, 2020 **(Matter Closed)**

SEBI had issued a show cause notice dated November 15, 2022 to the AMC and the Trustee Company, in respect of transactions executed by certain employees of the AMC in the schemes of JM Financial Mutual Fund, which was responded to by the AMC and Trustee Company. Post the submissions of the AMC and the Trustee Company, SEBI has issued an Order of the Adjudicating Officer on July 31, 2024 imposing a penalty of INR 25,00,000 and INR 10,00,000 on the AMC and the Trustee Company, respectively, as per Section 15E and 15HB of SEBI Act, 1992 for failing to comply with the provisions of SEBI Circular dated November 17, 2016 and Clause 2 of Fifth Schedule to SEBI (Mutual Funds) Regulations, 1996. The above penalty was paid by the AMC and Trustee Company on September 04, 2024 and accordingly, the matter stands closed. **(Matter Closed).**

The AMC has received a letter from SEBI pertaining to the Offsite Inspection Cum surveillance data submitted to SEBI. The data submitted was of working days instead of all calendar days in case of equity and debt schemes. As suggested by SEBI, the AMC has resubmitted the entire data for the period July 2022 to December 2022 on the SI portal. The said letter has been placed before the Boards of AMC and Trustee Company at their meetings held on January 24, 2023 and February 23, 2023, respectively. The AMC and Trustee has filed the action taken report with SEBI on February 16, 2023 and March 09, 2023, respectively. **(Matter Closed)**

Letter received from SEBI mentioning that the non-compliances mentioned in the Compliance Test Report (CTR) is being viewed seriously and advised the AMC to take care in future. The letter has been placed before the Board of Trustees at its meeting held in February 2023 and before the Board of AMC at its meeting held in April 2023. As directed by SEBI, the AMC has filed the comments of the Trustee Company with SEBI on March 09, 2023. **(Matter Closed)**

Letter received from SEBI dated February 27, 2023 regarding irregularities identified in B-30 incentive mechanism by Mutual Funds. The letter has been placed before the Boards of AMC and Trustee Company at their meetings held in April, 2023. As directed by SEBI, the AMC has filed the comments of the AMC and Trustee Company with SEBI post the AMC and Trustee Company Meetings **(Matter Closed)**

Letter received from SEBI dated May 10, 2024 regarding events reported in Compliance Test Report. The letter has been placed before the Boards of Trustee and of the AMC at their respective meetings held in June and July 2024. The response to SEBI providing the comments of Trustees on the matter mentioned in SEBI's letter has been filed on July 16, 2024. The said letter was also placed before the Boards of AMC and Trustee at their respective meetings during the period under review.

Letter received from SEBI dated September 06, 2024 regarding incorrect data submitted for the Offsite Inspection cum surveillance of the Mutual Fund for the period April 2024 to June 2024. The letter has been placed before the Boards of AMC and Trustee Company at their meetings held in October 2024. The AMC has resubmitted the entire data for the period April 2024 to June 2024 on email to SEBI and an Action Taken Report has also been filed with SEBI on October 04, 2024.

### **JM Financial Commtrade Limited (“JMFCL”)-Subsidiary Company**

SEBI issued show cause notice to JMFCL in September 2018, in connection with the trading in commodities on National Spot Exchange Ltd (“NSE”) platform, which JMFCL responded. Subsequently, SEBI also issued supplementary show cause notice dated February 12, 2019, which was responded by JMFCL. In September 2019, SEBI issued another show cause notice and also forwarded an Enquiry Report of the Designated Authority in respect of the enquiry conducted in the NSE matter which was responded by JMFCL. Hearing was held before the Whole Time Member of SEBI on December 17, 2019 and written submissions were filed by JMFCL subsequent to hearing. In October 2022, SEBI sent copy of complaint filed by SFIO against NSE and 97 other accused before the Court of Special Judge at Greater Mumbai which was replied by JMFCL. JMFCL is not a party in the said complaint filed by SFIO. Subsequently, SEBI sent copy of FIR filed by SEBI against 300 trading members of NSE which was replied by JMFCL. Subsequently letters were issued by SEBI seeking comments which was replied by JMFCL. Hearing was held before SEBI on January, 2023. SEBI vide its order dated March 31, 2023 cancelled the certificate of registration of the commodity business of JMFCL. JMFCL filed an appeal in SAT challenging the order passed by SEBI and obtained stay. SAT vide its order dated December 12, 2023, has disposed of appeal in view of the settlement scheme proposed by SEBI and directed SEBI to frame settlement scheme within three months from the date of the order. In case, if the scheme is not framed, SEBI will communicate to all brokers and brokers shall have right to file fresh appeal within 4 weeks of SEBI’s intimation. Stay order passed by SAT, will continue to operate. SEBI filed an application before SAT and prayed for extension of time and SAT vide its order dated March 11, 2024 granted 4 months’ extension. Further, SEBI again filed an application before SAT and prayed for extension of time and SAT vide its order dated July 12, 2024 has granted 6 months’ extension of time to complete the entire proceedings to come out with a scheme under the Settlement Regulations. Stay order passed by SAT, will continue to operate.

## **5) Services Offered**

### **A. Discretionary Portfolio Management Services**

The management of the Portfolio is of a discretionary nature, wherein the choice and timing of investments are left to the discretion of the Portfolio Manager, although the Client would be allowed to provide inputs/ request reasonable restrictions, which are subject to the Portfolio Manager's final approval. 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 Client and held in the Portfolio, 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 deems fit, based on the executed agreement. The Client may give informal guidance to customize the Investment Approach, however the final decision will rest with the Portfolio Manager. The Portfolio Manager may at times, but without any obligation, act at the Client's specific instructions with regard to the investment/disinvestment decisions of the Client's Portfolio. The securities traded or held by the Portfolio Manager in different Client's Portfolios, even if invested in the same Investment Approach, may differ from Client to Client. The Portfolio Manager may subject to authorisation by the Client in writing, participate in Securities Lending. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's funds is absolute and final and cannot be called in question or be open for review at any time during the course of availing Portfolio Management Services 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. The Portfolio Manager may make investment/disinvestment in securities under the Investment Approach either in the name of the Client or in its own name on behalf of the Clients on a pooling basis under which purchase/sale of securities under the Investment Approach will be aggregated for the economy of scale and then allocated on a pro rata basis among the Clients. In case of purchases the securities, the same would be transferred to, and held in the respective Client's Demat Account.

The following Investment Approaches are presently available to the potential investor:

- I. Growth & Value
- II. Focus
- III. India Resurgent
- IV. The Opportunistic Equity Portfolio
- V. Fixed Income Opportunities
- VI. Apex
- VII. Liquid Management Strategy
- VIII. Roaring & Resilient India Fund

### **Details of Investment Approaches:**

#### **Strategy: Equity**

## **Investment Approach I – Growth & Value**

**Investment objective:** The investment objective of this Investment Approach is to generate long term capital appreciation by following broad based portfolio investment strategy.

**Description of types of Securities:** The Portfolio Manager will focus on investing in listed equity shares of Indian companies and equity related instruments/units of the Exchange Traded Funds (“ETFs”). The emphasis will be investing in those companies that are predominantly Large-cap and Larger Mid-cap shares perceived to be “attractively valued” from the point of view of their long-term growth prospects and potential. The Portfolio Manager may also consider investing in any initial public offerings of equity share of any company. The Portfolio Manager may invest in derivatives and/or related instruments only to hedge or re-balance the Portfolio. Subject to the Regulations and the applicable guidelines, the Portfolio Manager may engage in Securities Lending activities.

### **Basis of selection of types of Securities as part of the Product/Investment Approach:**

The factors due to which the companies may be perceived as attractively valued are listed below:

- Companies that appear to have under-valued assets with a scope for upward re-evaluation in value.
- Companies in niche segments with scale-up potential.
- Companies going through a temporary crisis but their underlying business structure and outlook appears to be robust.
- Changes in management, restructuring and shifts in business and economic conditions.
- Potential for value enhancements from strategic sale, de-regulation, economic legislation, reform thrusts, industry shakeouts, etc.
- Quality of management.
- Market leader with consistent growth

Other factors the Portfolio Manager may consider when choosing a stock for investment in this portfolio could be:

- Sustainable Earnings visibility – Consistency of returns and quality of profits.
- Market leadership with consistent earnings growth above 10%.
- Identify companies with Dividend yields at least 3% and above.
- Businesses with strong moats
- Strong operating cash flows
- Sectors capable of high growth
- High Return on capital employed [ROCE] and Returns on Equity [ROE]
- Credible Management Track record

- Stocks capable of high earnings growth and compounding including through competitive advantages in terms of pricing/ cost/ technology used.
- Evidence of growing market share gains and new business penetration
- Valuations in a position to be strongly re-rated along with high growth.
- Whether stock is in investment phase aligned with high-growth market opportunity.
- Contra / Special situations.
- Capability of revival. Stock price down substantially from 52 week / All-time highs
- Strong brands, products, market position.
- Quality management with track record of strong earnings growth.

The guiding principles for investment by the Portfolio Manager include:

- Remain close to fully invested. Do not time the market.
- Sector agnostic – Emphasis on bottom up stock selection.
- Portfolio to remain broadly invested at all times. Strategy is not to time the market.

#### **Allocation of portfolio across types of securities:**

Security	Allocation %
Equity	100
Liquid Schemes of Mutual Funds	At the discretion of the fund manager

The Portfolio Manager may also invest some part of the Portfolio in small Mid-cap and Small cap shares. The aim is to focus on good quality businesses and managements, which demonstrate potential to grow their businesses over the longer term. The endeavour will be to hold at least equity shares of 15 listed companies and/or units of the ETFs in the Portfolio to provide balanced diversification. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

**Benchmark to compare performance:** NIFTY 50 TRI

#### **Basis for choice of benchmark**

With effect from April 01, 2024 Bench Marck is been changed from S& P BSE 500 to NIFTY 50 TRI S as NIFTY 50 TRI composition broadly represents the strategy's investment universe.

**Indicative Tenure or Investment Horizon:** The indicative tenure or investment horizon of the Investment Approach will be long-term time horizon (3-5 years).

**Risk associated with the Investment Approach:**

Though every endeavour will be made to achieve the objective of this Investment Approach, the Portfolio Manager does not guarantee, assure, insure that the investment objective of this Investment Approach will be achieved or that there will be no loss of capital. The investment objective of the above Investment Approach may not be suitable for all the categories of investors. The Investment Approach is intended for moderate to high risk taking investors.

- The Investments in equities, equity-related instruments or units of ETFs are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks, climate risks, and risks arising from changing business dynamics. This may adversely affect returns. Market risk is a risk which is inherent to an equity investment.
- Liquidity Risk: While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in this investment approach.
- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. The performance of this Investment Approach may be affected by the corporate performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.

Please refer to point no. 6 of this document

**Other salient features:** The guiding principles for disinvestment/exit from a stock by the Portfolio Manager include:

- Stretched valuations. If the stock has reached our long-term price target and we see relatively better opportunity in other stock.
- In certain sectors like cyclicals, if the stock has become disproportionately high in weightage in our overall portfolio.
- If the overall sector weightage in a portfolio exceeds 40% for financial sector and 30% for other sectors.
- Significant change in business or regulatory environment which changes our investment thesis and would result in sharply deteriorating fundamentals.
- Management and corporate governance issues and lapses in the stock in which investment has been made which impact our investment view post developments.



Stop loss policy is triggered when our stock has underperformed relative to the sector by over 20% for a period of 3 months. In such a case we re-evaluate the investment.

### **Strategy: Equity**

#### **Investment Approach II – Focus**

**Investment objective:** The investment objective of this Investment Approach is to generate long term capital appreciation by following broad based portfolio investment strategy.

**Description of types of Securities:** The objective of the Investment Approach is to generate capital appreciation by following Multi-Cap portfolio investment strategy, where the Portfolio Manager will focus on investing in listed equity shares of Indian companies and equity related instruments/units of the Exchange Traded Funds (“ETFs”). The emphasis will be investing in those companies that are predominantly large, larger mid-cap shares and some beaten down shares which may be smaller in nature perceived to be “under-valued” from the point of view of their longer-term growth prospects and potential. The aim is to focus on good quality businesses and managements, which demonstrate potential to grow their businesses over the longer term. The focus will be to hold equity shares of at least 15 listed companies and/or units of the ETFs in the Portfolio.

#### **Basis of selection of types of Securities as part of the Product/Investment Approach:**

Factors the Portfolio Manager may consider when choosing a stock for investment in this portfolio could be:

- Sustainable Earnings visibility – Consistency of returns and quality of profits
- Businesses with strong moats
- Strong operating cash flows
- Sectors capable of high growth
- High Return on capital employed [ROCE] and Returns on Equity [ROE]
- Credible Management Track record
- Stocks capable of high earnings growth and compounding including through competitive advantages in terms of pricing/ cost/ technology used
- Evidence of growing market share gains and new business penetration
- Valuations in a position to be strongly re-rated along with high growth.

- Whether stock is in investment phase aligned with high-growth market opportunity.
- Contra / Special situations.
- Capability of revival. Stock price down substantially from 52 week / All-time highs
- Strong brands, products, market position.
- Quality management with track record of strong earnings growth.

The guiding principles for investment by the Portfolio Manager include:

- Remain close to fully invested. Do not time the market.
- Sector agnostic – Emphasis on bottom up stock selection.
- Portfolio to remain broadly invested at all times. Strategy is not to time the market.

The guiding principles for disinvestment/exit from a stock by the Portfolio Manager include:

- Stretched valuations. If the stock has reached our long-term price target and we see relatively better opportunity in other stock.
  - In certain sectors like cyclicals, if the stock has become disproportionately high in weightage in our overall portfolio.
  - If the overall sector weightage in a portfolio exceeds 40% for financial sector and 30% for other sectors.
  - Significant change in business or regulatory environment which changes our investment thesis and would result in sharply deteriorating fundamentals.
  - Management and corporate governance issues and lapses in the stock in which investment has been made which impact our investment view post developments.
- Stop loss policy is triggered when our stock has underperformed relative to the sector by over 20% for a period of 3 months. In such a case we re-evaluate the investment.

The Investment Approach is intended for investors who are willing to be patient with their investments, and to have exposure to a portfolio that may not initially move in tandem with broad market trends. The Portfolio Manager will endeavour to deliver the benefits by careful and cautious stock selection. The investments will seek to achieve a balanced diversification across companies and sectors by investing in a basket of medium to large capitalized companies. The Portfolio Manager may also consider investing in any initial public offerings of equity share of any company. The indicative tenure or investment horizon will be long-term time horizon (3-5years).

The Portfolio Manager may invest in derivatives and/or related instruments only to hedge or re-balance the Portfolio. Subject to the Regulations and the applicable

guidelines, the Portfolio Manager may engage in Securities Lending activities. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

**Allocation of portfolio across types of securities:**

Security	Allocation %
Equity	100
Liquid Schemes of Mutual Funds	At the discretion of the fund manager

The Portfolio Manager may also invest some part of the Portfolio in small Mid-cap and Small cap shares. The aim is to focus on good quality businesses and managements, which demonstrate potential to grow their businesses over the longer term. The endeavour will be to hold at least equity shares of 15 listed companies and/or units of the ETFs in the Portfolio to provide balanced diversification. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

**Benchmark to compare performance:** BSE 500 TRI<sup>^</sup>

**Basis for choice of benchmark**

BSE 500 TRI<sup>^</sup> Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

<sup>^</sup> As on June 1st 2024 BSE Ltd acquired S&P Dow Jones Indices entire stake in Asia Index, accordingly the benchmark is renamed as BSE 500 TRI

**Indicative Tenure or Investment Horizon:** The indicative tenure or investment horizon of the Investment Approach will be long-term time horizon (3-5 years).

**Risk associated with the Investment Approach:**

Though every endeavour will be made to achieve the objective of this Investment Approach, the Portfolio Manager do not guarantee, assure, insure that the investment objective of this Investment Approach will be achieved or that there will be no loss of capital. The investment objective of the above Investment

Approach may not be suitable for all the categories of investors. The Investment Approach is intended for moderate to high risk taking investors.

- The Investments in equities, equity-related instruments or units of ETFs are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. This may adversely affect returns. Market risk is a risk which is inherent to an equity investment.
- Liquidity Risk: While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in this investment approach.
- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. The performance of this Investment Approach may be affected by the corporate performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.

Please refer to point no. 6 of this document

**Other salient features:** The guiding principles for disinvestment/exit from a stock by the Portfolio Manager include:

- Stretched valuations. If the stock has reached our long-term price target and we see relatively better opportunity in other stock.
- In certain sectors like cyclicals, if the stock has become disproportionately high in weightage in our overall portfolio.
- If the overall sector weightage in a portfolio exceeds 40% for financial sector and 30% for other sectors.
- Significant change in business or regulatory environment which changes our investment thesis and would result in sharply deteriorating fundamentals.
- Management and corporate governance issues and lapses in the stock in which investment has been made which impact our investment view post developments.

Stop loss policy is triggered when our stock has underperformed relative to the sector by over 20% for a period of 3 months. In such a case we re-evaluate the investment.

**Strategy: Equity**

**Investment Approach III – India Resurgent**

**Investment objective:** The investment objective of this Investment Approach is to generate long term capital appreciation by following broad based portfolio investment strategy.

**Description of types of Securities:** The Portfolio Manager will focus on investing in listed equity shares of Indian companies and equity related instruments/units of the Exchange Traded Funds (“ETFs”).

The aim is to focus on bottom up stock picking across the sectors and generate compounding over the longer term. The emphasis will be investing in those companies that are predominantly Mid-cap and select Large & Small Cap shares (Upto 35% of the Portfolio) with high growth opportunities across industries and across market capitalizations. Broadly the investment strategy of this Investment Approach will be to adopt a more dynamic style of investment to take advantage of growth opportunities for companies focused on domestic and/or international markets.

The Portfolio Manager may also consider investing in any initial public offerings of equity share of any company. The Portfolio Manager may invest in derivatives and/or related instruments only to hedge or re-balance the Portfolio. Subject to the Regulations and the applicable guidelines, the Portfolio Manager may engage in Securities Lending activities

**Basis of selection of types of Securities as part of the Product/Investment Approach:**

The focus will be on the sectors and companies that could benefit due to

- resurgent in demand,
- structural reforms, government thrust,
- benefiting out of R&D, new products and/or related diversification
- or renewed thrust by the management on growth

and avoid sectors that could experience prolonged pain or take time to come out of stress, unless available at significant discount to intrinsic value.

The guiding principles for investment by the Portfolio Manager include:

- Remain close to fully invested. Do not time the market.
- Sector agnostic – More emphasis on bottom up stock selection.
- Portfolio to remain broadly invested at all times. Strategy is not to time the market.

**Allocation of portfolio across types of securities:**

Security	Allocation %
Equity	Up to 100
Liquid Schemes of Mutual Funds	At the discretion of the fund manager

The Portfolio Manager would also invest part of the Portfolio in small Mid-cap and Small cap shares. The aim is to focus on good quality businesses and managements, which demonstrate potential to grow their businesses over the longer term.

The endeavour will be to hold at least equity shares around 20-25 listed companies and/or units of the ETFs in the Portfolio to provide balanced diversification. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

**Benchmark to compare performance:** BSE 500 TRI<sup>^</sup>

#### **Basis for choice of benchmark**

BSE 500 TRI<sup>^</sup> Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

<sup>^</sup>As on June 1st 2024 BSE Ltd acquired S&P Dow Jones Indices entire stake in Asia Index, accordingly the benchmark is renamed as BSE 500 TRI

**Indicative Tenure or Investment Horizon:** The indicative tenure or investment horizon of the Investment Approach will be long-term time horizon (3-5 years).

#### **Risk associated with the Investment Approach:**

Though every endeavour will be made to achieve the objective of this Investment Approach, the Portfolio Manager do not guarantee, assure, insure that the investment objective of this Investment Approach will be achieved or that there will be no loss of capital. The investment objective of the above Investment Approach may not be suitable for all the categories of investors. The Investment Approach is intended for moderate to high risk taking investors.

- The Investments in equities, equity-related instruments or units of ETFs are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. This may adversely affect returns. Market risk is a risk which is inherent to an equity investment.

- **Liquidity Risk:** While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in this investment approach.
- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. The performance of this Investment Approach may be affected by the corporate performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.

Please refer to point no. 6 of this document

**Other salient features:** The guiding principles for disinvestment/exit from a stock by the Portfolio Manager include:

- Stretched valuations. If the stock has reached our long-term price target and we see relatively better opportunity in other stock.
- In certain sectors like cyclicals, if the stock has become disproportionately high in weightage in our overall portfolio.
- If the overall sector weightage in a portfolio exceeds 40% for financial sector and 30% for other sectors.
- Significant change in business or regulatory environment which changes our investment thesis and would result in sharply deteriorating fundamentals.
- Management and corporate governance issues and lapses in the stock in which investment has been made which impact our investment view post developments.

Stop loss policy is triggered when our stock has underperformed relative to the sector by over 20% for a period of 3 months. In such a case we re-evaluate the investment

### **Strategy: Equity**

#### **Investment Approach IV – The Opportunistic**

**Investment objective:** The investment objective of this Investment Approach is to generate long term capital appreciation by following broad based portfolio investment strategy.

**Description of types of Securities:** The Portfolio Manager will focus on investing in listed equity shares of Indian companies and equity related instruments/units of the Exchange Traded Funds (“ETFs”) by following bottom up stock picking approach. The emphasis will be investing in those companies

that are predominantly mid or small size companies as per their market capitalization. The Portfolio Manager may also deploy the funds in some value stocks across market caps. It may also invest in equity shares of special situation companies, which are companies that have experienced significant business problems however the Portfolio Manager believes that these companies have favourable prospects for recovery. Investment may be in any sector, that, in its opinion exhibit characteristics that are consistent with a growth style and / or a value style of investing.

**Basis of selection of types of Securities as part of the Product/Investment Approach:**

The focus will be to hold equity shares of at least 15 listed companies and/or units of the ETFs in the Portfolio. The Portfolio Manager will have a flexibility to build cash in case of return potential being achieved and where there is a significant chance of a correction, or range bound movement in the markets to enhance returns. It may have stagger investments in equity shares over a period of time in case if enough investment opportunities are not available.

The focus will be on industries and companies where growth visibility is high and remain invested in such industries and companies till the potential is largely explored. In case of stalwarts (mature businesses, large caps) across the industries, strategy will be to look for price ranges from where these stocks may bounce by 30-50%, over a medium to long term time frame. The Investment Approach is intended for medium to higher risk taking investors who are willing to be patient with their investments, and to have exposure to a portfolio that may not initially move in tandem with broad market trends.

The Portfolio Manager may also consider investing in any initial public offerings of equity shares of any company. The indicative tenure or investment horizon will be long-term time horizon (3-5 years). The Portfolio Manager may invest in derivatives and/or related instruments only to hedge or re-balance the portfolio. Subject to the Regulations and the applicable guidelines, the Portfolio Manager may engage in Securities Lending activities. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

**Allocation of portfolio across types of securities:**

Security	Allocation %
Equity	100
Liquid Schemes of Mutual Funds	At the discretion of the fund manager



The Portfolio Manager may also invest some part of the Portfolio in small Mid-cap and Small cap shares. The aim is to focus on good quality businesses and managements, which demonstrate potential to grow their businesses over the longer term. The endeavour will be to hold at least equity shares of at least 15 listed companies and/or units of the ETFs in the Portfolio to provide balanced diversification. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

**Benchmark to compare performance:** BSE 500 TRI<sup>^</sup>

**Basis for choice of benchmark**

BSE 500 TRI<sup>^</sup> Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

<sup>^</sup>As on June 1st 2024 BSE Ltd acquired S&P Dow Jones Indices entire stake in Asia Index, accordingly the benchmark is renamed as BSE 500 TRI

**Indicative Tenure or Investment Horizon:** The indicative tenure or investment horizon of the Investment Approach will be long-term time horizon (3-5 years).

**Risk associated with the Investment Approach:**

Though every endeavour will be made to achieve the objective of this Investment Approach, the Portfolio Manager do not guarantee, assure, insure that the investment objective of this Investment Approach will be achieved or that there will be no loss of capital. The investment objective of the above Investment Approach may not be suitable for all the categories of investors. The Investment Approach is intended for moderate to high risk taking investors.

- The Investments in equities, equity-related instruments or units of ETFs are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. This may adversely affect returns. Market risk is a risk which is inherent to an equity investment.
- Liquidity Risk: While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in this investment approach.
- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. The performance of this Investment Approach may be affected by the corporate

performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.

Please refer to point no. 6 of this document

**Other salient features:** The guiding principles for disinvestment/exit from a stock by the Portfolio Manager include:

- Stretched valuations. If the stock has reached our long-term price target and we see relatively better opportunity in other stock.
- In certain sectors like cyclicals, if the stock has become disproportionately high in weightage in our overall portfolio.
- If the overall sector weightage in a portfolio exceeds 40% for financial sector and 30% for other sectors.
- Significant change in business or regulatory environment which changes our investment thesis and would result in sharply deteriorating fundamentals.
- Management and corporate governance issues and lapses in the stock in which investment has been made which impact our investment view post developments.

Stop loss policy is triggered when our stock has underperformed relative to the sector by over 20% for a period of 3 months. In such a case we re-evaluate the investment

### **Strategy: Debt**

### **Investment Approach V – JM Fixed Income Portfolio**

**Investment objective:** The investment objective of this Investment Approach is to create regular returns and Capital appreciation by investing in a mix of high quality fixed income instruments. The manager will look to invest in Listed Fixed income instruments which will include Government securities including SDL, Corporate/NBFC bonds across Investment grades, AT1 bonds and REITS. The manager will evaluate valuation gaps in the debt market with regard to the opportunity in the Yield curve and invest accordingly in Securities to achieve the desired portfolio objectives.

### **Investment Strategy:**

- Use combination of accrual, duration, credit strategies depending on the prevailing market conditions.
- Market variables are continuously monitored to identify mispriced opportunities which aid alpha generation.

- Investment will be done in Listed fixed income securities with investment grade to ensure that liquidity risk is mitigated.
- The portfolio will invest in Liquid/money market/ equivalent mf for temporary parking of funds or pending deployment.

#### **Investment Guideline:**

- To remain fully invested at all point of time in Liquid, listed and rated fixed income instruments.
- To play a mix of accrual and duration taking into considerations the prevailing market conditions at the time of investment.
- Timely exit the security or Portfolio if the manager feels that the strategy has played out its course.
- While there is no limitation on the exposure per instrument at Portfolio level, the manager would keep the Group / associate company exposure as mentioned in the SEBI Master Circular point 3.4 to 3.7 dated 20 March 2023 and also circular issued from time to time with respect to same.
- There will be no exposure to Unlisted bonds.

#### **Investment Horizon:**

- The investor in the strategy should look to invest with a horizon of 1-3 years basis the underlying maturity/duration of the Portfolio.

#### **Benchmark for the strategy:**

- Crisil Composite Bond Index will be the benchmark used for this strategy.

#### **Basis for choice of benchmark**

Crisil Composite Bond Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

#### **Allocation of portfolio across types of securities:**

Security	Allocation %
Fixed Income Securities	At any time 80-100%
Liquid Schemes of Mutual Funds	0-20%

#### **Risk associated with the Investment Approach**

- Though every endeavour will be made to achieve the objective of this Investment Approach, the Portfolio Manager do not guarantee, assure, insure that the investment objective of this Investment Approach will be achieved or that there will be no loss of capital. The investment objective of the above Investment Approach may not be suitable for all the categories of investors. The Investment Approach is intended for moderate to high risk taking investors.
- The Investments in debt or Fixed income instruments are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. This may adversely affect returns. Market risk is a risk which is inherent to any fixed income investment.
- Liquidity Risk: While securities that are listed on the bond markets carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the bond markets. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in this investment approach.
- Fixed income securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. The performance of this Investment Approach may be affected by the investee company's performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the bond markets.

### **Strategy: Equity**

#### **Investment Approach VI– Apex**

##### **Investment objective:**

The investment objective of APEX strategy will be to achieve capital appreciation through investing primarily into listed equity shares, equity related instruments and units of the Exchange Traded Funds (“ETFs”). This strategy will follow flexi cap investing style. The emphasis will be investing in companies based on fundamentals and/or momentum/technical indicators. The aim is to focus on good quality businesses and managements, which demonstrate potential to grow their businesses over the longer term coupled with a variety of momentum and technical parameters.

##### **Description of types of Securities:**

Equity shares, equity related instruments, units of the ETFs, derivative instruments and liquid schemes of Mutual Funds.

**Basis of selection of types of Securities as part of the Product/Investment Approach:**

The focus will be to hold equity shares and / or equity related instruments of at least 20 listed companies and/or units of the ETFs in the Portfolio. The Portfolio Manager may hedge portfolio positions using derivatives at times and situations like (including but not limited to) turbulent external environments, or ahead of events, or during periods of heightened volatility in markets, or to avoid capital erosion. The Portfolio Manager tactically may also take some exposure to ETFs investing of Gold/Silver or ETFs listed in India investing internationally.

**Allocation of portfolio across types of securities:**

Security	Allocation %
Equity and equity related instruments	0%-100%
Derivatives (for Hedging)	At the discretion of the portfolio manager
Exchange Traded Funds (ETFs)	At the discretion of the portfolio manager
Liquid Schemes of Mutual Funds	At the discretion of the portfolio manager

**Benchmark to compare performance: BSE 500 TRI<sup>^</sup>****Basis for choice of benchmark**

Strategy is flexi-cap in nature; hence BSE 500<sup>^</sup> TRI Index which is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

<sup>^</sup>As on June 1st 2024 BSE Ltd acquired S&P Dow Jones Indices entire stake in Asia Index, accordingly the benchmark is renamed as BSE 500 TRI

**Indicative Tenure or Investment Horizon:** The indicative tenure or investment horizon of the Investment Approach will be long-term time horizon (3-5 years).

**Risk associated with the Investment Approach:**

Though every endeavour will be made to achieve the objective of this Investment Approach, the Portfolio Manager do not guarantee, assure, insure that the investment objective of this Investment Approach will be achieved or that there will be no loss of capital. The investment objective of the above Investment Approach may not be suitable for all the categories of investors. The Investment Approach is intended for moderate to high risk taking investors.

The Investments in equities, equity-related instruments or units of ETFs are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. This may adversely affect returns. Market risk is a risk which is inherent to an equity investment.

- Liquidity Risk: While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in this investment approach.
- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. The performance of this Investment Approach may be affected by the corporate performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.
- The portfolio relies primarily on trend of a stock, any structural tailwinds, development in the macro environment that would impact a particular sector/stock etc. would weight on the portfolio performance. The portfolio will include taking exposure to mid and small capitalisation stocks which could exhibit greater price, volatility and liquidity risk. The hedge would neither guarantee nor assure that there wouldn't be any losses (if derivatives is done)
- The portfolio shall be hedged based on the market perspective of the fund manager from time to time. The portfolio would have exposure to risks associated with derivatives.
- Derivatives are affected by risks different from those associated with stocks and bonds. Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying securities may have a large impact on the value of derivatives/ futures and options contracts. Some of the risks relate to mis-pricing or the improper valuation of derivatives/futures and options contracts and the inability to correlate the positions with underlying assets, rates and indices.

For detailed and other risk factors, please refer to point no. 6 of this document.

**Other salient features:**

The Portfolio Manager will have a flexibility to build cash in case of return potential being achieved and/or where there is a significant chance of a correction, or range bound movement in the markets to enhance returns. Investment approach is sector and market cap will be agnostic in nature while investing. The Investment Approach is intended for moderate to aggressive type

of investors who are willing to be patient with their investments, and to have exposure to a portfolio that may not initially move in tandem with broad market trends. The Portfolio Manager may also consider investing in any initial public offerings, follow-on public offer, offer for sale and rights issue of equity share of any company. There could be scenarios where the holding period for equity share or equity linked instrument or ETF in the portfolio may be less than 1 year. Securities in the portfolio may be held for long term as well as short term therefore portfolio turnover could be higher. The Portfolio Manager may invest in derivatives and/or related instruments only to hedge or re-balance the portfolio. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

Factors the Portfolio Manager may consider when choosing a stock for investment in this portfolio could be but not limited to:

- Sustainable Earnings visibility – Consistency of returns and quality of profits
- Businesses with strong moats
- Strong operating cash flows
- Sectors capable/witnessing high growth/tailwinds
- High Return on capital employed [ROCE] and Returns on Equity [ROE]
- Credible Management Track record
- Valuations in a position to be re-rated along with high growth.
- Whether stock is in investment phase aligned with high-growth market opportunity.
- Strong brands, products, market position.
- Quality management with track record of strong earnings growth.
- Analysing price trend of the security
- Relative strength analysis vs peers, sectors, benchmark
- Technical price chart patterns of the security
- Volumes pattern and Delivery volumes analysis
- Trend line, Support & Resistance
- Fibonacci price retracements, extensions
- Moving averages, price bands
- Technical momentum indicators
- Promoter activity /Company key events/activities
- Market sentiment and breadth analysis

The guiding principles for disinvestment/exit from a stock by the Portfolio Manager include:

- Based on fundamentals or/and technical if the stock has reached our price target and we see relatively better opportunity in other stock.
- Portfolio rebalancing; if the stock has become disproportionately high in weightage in our overall portfolio.
- Significant change in business or regulatory environment which changes our investment thesis which would result in sharply deteriorating fundamentals.
- Management and corporate governance issues and lapses in the stock in which investment has been made which impact our investment view post developments.
- On break of key support levels based on technical analysis.
- Change of trend / New sector trend emerges
- Long periods of relative underperformance
- Any change in macro environment impacting stock's future prospects

### **Investment Approach VII – Liquidity Management Strategy**

**Investment objective:** To invest in liquid or overnight funds or instruments that are primarily less than one year maturity in an endeavour to manage a very liquid portfolio. This strategy will also facilitate investors in taking asset allocation calls between cash and other assets/investment approaches.

**Description of types of Securities:** Investment in fixed income-oriented instruments such as but not limited to listed non-convertible debentures, bonds, commercial papers, perpetual bonds, certificate of deposits, preference shares and any other securitized debt, debt oriented fund units and money market instruments. The strategy may also invest in income generating alternative instruments such as Real Estate Trusts (REITs) and Infrastructure Investment Trusts (InvITS).

**Basis of selection of types of Securities as part of the Product/Investment Approach:** To generate regular and stable returns consistent with lower levels of risk and high liquidity by investing in debt instruments as mentioned above.

#### **Allocation of portfolio across types of securities:**

0%-100% Cash

0%-100% Fixed income instruments as described above

#### **Benchmark to compare performance:**

CRISIL Composite Bond Fund Index

#### **Basis for choice of choice of benchmark**

The chosen benchmark is relatively closer to the investment objective than the other two indices viz Nifty Medium to Long Duration Debt Index and CRISIL Credit Index



**Indicative Tenure or Investment Horizon:** Upto one year.

**Risk associated with the Investment Approach:** Please refer to point no. 6 of this document

**Other salient features:** This strategy will allow the investors to tactically deploy/invest into other core strategies by switching partial/all investments. The Strategy can invest up to 100% in single mutual fund scheme (including ETF).

**Strategy: Equity**

### **Investment Approach VIII– Roaring & Resilient India Fund**

**Investment objective:** The investment objective of this Investment Approach is to generate long term capital appreciation by following broad based portfolio investment strategy

**Description of types of Securities:** The Portfolio Manager will focus on investing in listed equity shares of Indian companies and equity related instruments/units of the Exchange Traded Funds (“ETFs”).

The aim is to focus on bottom up stock picking across the sectors and generate compounding over the longer term.

The emphasis will be investing in those companies that predominantly benefits due to global outsourcing trends of global corporates out of India and /or companies focusing on make-in-India due to thrust of the Government policy of making India self-reliant on critical product and services with high growth opportunities across industries and across market capitalizations.

Broadly the investment strategy of this Investment Approach will be to adopt a more dynamic style of investment to take advantage of growth opportunities for companies focused on domestic and/or international markets.

The Portfolio Manager may also consider investing in any initial public offerings of equity share of any company. The Portfolio Manager may invest in derivatives and/or related instruments only to hedge or re-balance the Portfolio. Subject to the Regulations and the applicable guidelines, the Portfolio Manager may engage in Securities Lending activities

**Basis of selection of types of Securities as part of the Product/Investment Approach:**

The focus will be on the sectors which focusses on manufacturing and providing services & Supporting Infrastructure for outsourcing from India and could potentially benefit due to

- resurgent demand of Indian products & services in Indian and global markets,
- government focus on Make-in-India /Aatma Nirbhar Bharat (Self-reliant) Policies,
- benefiting out of R&D, new products and/or related diversification with increased focused on exports and focusing in Import substitution and avoid sectors that could experience prolonged pain or take time to become competitive on global outsourcing possibilities and /or has inherent disadvantage to manufacture and/or exports out of India.

The guiding principles for investment by the Portfolio Manager include:

- Remain close to fully invested. Do not time the market.
- Emphasis on bottom up stock selection within the sectors that are identified as benefitting on account of outsourcing and supply chain diversification.
- Portfolio to remain broadly invested at all times. Strategy is not to time the market.

**Allocation of portfolio across types of securities:**

Security	Allocation %
Equity and equity related instruments	0%-100%
Derivatives (for Hedging, if required)	At the discretion of the portfolio manager
Exchange Traded Funds (ETFs)	At the discretion of the portfolio manager
Liquid Schemes of Mutual Funds	At the discretion of the portfolio manager

The aim is to focus on good quality businesses and managements, which demonstrate potential to grow their businesses over the longer term.

The endeavour will be to hold at least equity shares around 15-25 listed companies and/or units of the ETFs in the Portfolio to provide balanced diversification. While investment decision of the Portfolio Manager may be guided by the above perceptions, the same are indicative in nature. The Portfolio Manager retains the flexibility to change the investment strategy from time to time, keeping in view market conditions, market opportunities, and political and economic factors.

**Benchmark to compare performance:** BSE 500 TRI<sup>^</sup>

**Basis for choice of benchmark**

BSE 500 TRI<sup>^</sup> Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

<sup>^</sup>As on June 1st 2024 BSE Ltd acquired S&P Dow Jones Indices entire stake in Asia Index, accordingly the benchmark is renamed as BSE 500 TRI

**Indicative Tenure or Investment Horizon:** The indicative tenure or investment horizon of the Investment Approach will be long-term time horizon (3-5 years).

**Risk associated with the Investment Approach:**

- Though every endeavour will be made to achieve the objective of this Investment Approach, the Portfolio Manager do not guarantee, assure, insure that the investment objective of this Investment Approach will be achieved or that there will be no loss of capital. The investment objective of the above Investment Approach may not be suitable for all the categories of investors. The Investment Approach is intended for moderate to high risk taking investors.
- The Investments in equities, equity-related instruments or units of ETFs are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. This may adversely affect returns. Market risk is a risk which is inherent to an equity investment.
- Liquidity Risk: While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in this investment approach.
- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. The performance of this Investment Approach may be affected by the corporate performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.
- The portfolio relies primarily on manufacturing, outsourcing and related import substitution theme due to supply chain diversification efforts of global companies. Any structural tailwinds, development in the macro environment that would impact a particular sector/stock etc. would weigh on the portfolio performance. The portfolio will include taking exposure to mid and small capitalisation stocks and relatively higher weights to particular sector benefiting out of global outsourcing or make-in-India theme, which could exhibit greater price, volatility and liquidity risk. The

hedging done for portfolio consideration would neither guarantee nor assure that there wouldn't be any losses (if derivatives is done)

Please refer to point no. 6 of this document

**Other salient features:** The guiding principles for disinvestment/exit from a stock by the Portfolio Manager include:

- Stretched valuations. If the stock has reached our long-term price target and we see relatively better opportunity in other stock.
- In certain sectors like cyclicals, if the stock has become disproportionately high in weightage in our overall portfolio.
- Significant change in business or regulatory environment which changes our investment thesis and would result in sharply deteriorating fundamentals.
- Management and corporate governance issues and lapses in the stock in which investment has been made which impact our investment view post developments.

Stop loss policy is triggered when our stock has underperformed relative to the sector by over 20% for a period of 12 months. In such a case we re-evaluate the investment.

**Note:** The Portfolio of each Client may differ from that of the other Client in the given Investment Approach, at the Portfolio Manager's discretion. The funds remaining to be invested in any of the above Investment Approach at any given point of time may be deployed by the Portfolio Manager in various liquid and debt oriented schemes of mutual funds and other short-term investments. While providing services as a portfolio manager, the Portfolio Manager may **invest** in securities of associates/group companies of the Portfolio Manager in the Client's Portfolio. While providing services as a portfolio manager, investing in securities of associates/group companies of the Portfolio Manager in the Client's Portfolio shall be subject to same evaluation/due diligence criteria as is applied for other investments of similar nature and the maximum percentage of such investments therein will be subject to and in accordance with the applicable laws/regulations/guidelines for the time being in force. The Portfolio Manager may prematurely terminate any of the above Investment Approach if it believes that investment objectives of the Investment Approach are not likely to be achieved. The Portfolio Manager shall invest the Funds of the Client in any of the aforesaid Investment Approach only in the securities which are listed or traded on a recognized stock exchange, money market instruments (commercial paper, trade bill, treasury bills, certificate of deposit and usance bills), units of Mutual Funds and other securities as specified by SEBI from time to time. The Portfolio Manager shall invest in units of mutual funds only under Direct Plan.

## **B. Non-Discretionary Portfolio Management Services**

Under the said services, the Portfolio Manager advises Client on investing in equity, debt, mutual funds and other investments depending on the Client's needs and risk-return profile and/or provides administrative services for execution of transaction as per the directions from the Client. The Client will decide his own investments. The Portfolio Manager's role is limited to providing investment advice, research and/or facilitating the execution of transactions. The Portfolio Manager may make investment/disinvestment in securities either in the name of the Client or in its own name on behalf of the Client on a pooling basis under which purchase/sale of securities will be aggregated for the economies of scale and then allocated on a pro rata basis among the Clients. In case of purchases of the securities, the same would be transferred to and held in the respective Client's Demat Account.

The Portfolio Manager, based on the Client's mandate and consent, will deploy Client's Funds available from time to time. All execution of transactions based on the Client's directions is final and at no point Portfolio Manager's actions taken in good faith will be questioned during the course of availing Portfolio Management Services or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence on the part of the Portfolio Manager. While providing services as a portfolio manager, investing in securities of associates/group companies of the Portfolio Manager in the Client's Portfolio shall be subject to same evaluation/due diligence criteria as is applied for other investments of similar nature and the maximum percentage of such investments therein will be subject to and in accordance with the applicable laws/regulations/guidelines for the time being in force.

While providing non-discretionary Portfolio Management Services, the Portfolio Manager may advise the Client to invest in the unlisted securities maximum upto 25% of the Portfolio. The Portfolio Manager shall invest in units of mutual funds only under Direct Plan.

### **Investment Objective: Apex Plus**

Under the said services, the Portfolio Manager advises Client on investing in equity, debt, mutual funds, derivatives, equity related instruments/units of the exchange traded funds (ETFs) and other investments depending on the Client's needs and risk-return profile and/or provides administrative services for execution of transaction as per the directions from the Client. The Client will decide his own investments. The Portfolio Manager's role is limited to providing investment advice, research and/or facilitating the execution of transactions. The Portfolio Manager may make

investment/disinvestment in securities either in the name of the Client or in its own name on behalf of the Client on a pooling basis under which purchase/sale of securities will be aggregated for the economy of scale and then allocated on a pro rata basis among the Clients. In case of purchases of the securities, the same would be transferred to and held in the respective Client's Demat Account.

The Portfolio Manager, based on the Client's mandate and consent, will deploy Client's Funds available from time to time. All execution of transactions based on the Client's directions is final and at no point Portfolio Manager's actions taken in good faith will be questioned during the course of availing Portfolio Management Services or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence on the part of the Portfolio Manager. While providing services as a portfolio manager, investing in securities of associates/group companies of the Portfolio Manager in the Client's Portfolio shall be subject to same evaluation/due diligence criteria as is applied for other investments of similar nature and the maximum percentage of such investments therein will be subject to and in accordance with the applicable laws/regulations/guidelines for the time being in force.

While providing non-discretionary Portfolio Management Services, the Portfolio Manager may advise the Client to invest in the unlisted securities maximum upto 25% of the Portfolio. The Portfolio Manager may advise the client to hedge portfolio positions using derivatives at times and situations like (including but not limited to) turbulent external environments, or ahead of events, or during periods of heightened volatility in markets, or to avoid capital erosion. The Portfolio Manager may advise the client to tactically take some exposure to ETFs investing of Gold/Silver or ETFs listed in India investing internationally. The Portfolio Manager shall invest in units of mutual funds only under Direct Plan.

## **Investment Approach: ONYX NDPMS**

### **1. Investment Objective:**

This is a multi-asset class strategy that aims to generate returns through capital appreciation by investing in equity, debt, mutual funds, derivatives, equity related instruments/units of the exchange traded funds (ETFs) and other investments depending on the Client's needs and risk return profile and/or provides administrative services for execution of transaction as per the directions from the Client. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the strategy shall aim to achieve its objective by following a prudent asset allocation and deployment, which will be driven by a mix of quantitative factors and qualitative factors.

### **2. Types of securities:**

The Portfolio Manager shall invest in equity, debt, mutual funds, derivatives, equity related instruments/units of the exchange traded funds (ETFs) and other investments depending on the Client's needs and risk return profile and/or provides administrative services for execution of transaction as per the directions from the Client. The Portfolio Manager shall invest in units of mutual funds only under Direct Plan. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the Portfolio Manager may invest up to 25% of the assets under management in unlisted security(ies) or as allowed by SEBI and circulars issued by it from time to time.

**3. Basis of selection of types of securities as part of the investment approach:**

A combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options. The Portfolio Manager, based on the Client's mandate and consent, will deploy Client's Funds available from time to time. All execution of transactions based on the Client's directions is final and at no point Portfolio Manager's actions taken in good faith will be questioned during the course of availing Portfolio Management Services or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence on the part of the Portfolio Manager.

**4. Asset Allocation of portfolio**

**% Allocation**

Equity Up to 100%

Debt & Cash Up to 100%

Alternates Up to 100%

**5. Strategy:**

The Investment Approach shall follow Multi Asset strategy.

**6. Appropriate benchmark to compare performance and basis for the choice of benchmark:**

**Benchmark:** NSE Multi Asset Index – 1

<b>Benchmark</b>	<b>% Allocation</b>
NIFTY 500 TRI	50%
Nifty 50 Arbitrage TRI	40%
REIT & InvIT	10%

**Basis for selection of benchmark:**

NSE Multi Asset Index –1 is a multi-asset index and its composition broadly represents the strategy's investment universe.

## 7. **Recommended Investment Horizon:**

The recommended investment horizon for this strategy depending upon asset allocation.

## 8. **Risk associated with the investment approach:**

- **Liquidity risks:** The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.
- **Interest Rate Risk:** Changes in interest rates affect the prices of bonds as well as equity. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.
- **Volatility risk:** There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification.
- **Credit risk:** The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

## **NDPMS Approach: ONYX NDPMS for Accredited Investors**

### 1. **Investment Objective:**

This is a multi-asset class strategy that aims to generate returns through capital appreciation by investing in equity, debt, mutual funds, derivatives, equity related instruments/units of the exchange traded funds (ETFs) and other investments depending on the Client's needs and risk return profile and/or provides administrative services for execution of transaction as per the directions from the Client. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the Strategy shall aim to achieve its objective by following a prudent asset allocation and deployment strategy, which will be driven by a mix of quantitative factors and qualitative factors.

### 2. **Types of securities:**

The Portfolio Manager invests in equity, debt, mutual funds, derivatives, equity related instruments/units of the exchange traded funds (ETFs) and other investments depending on the Client's needs and risk return profile and/or provides administrative services for execution of transaction as per the directions



from the Client. The Portfolio Manager shall invest in units of mutual funds only under Direct Plan. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest up to 100% of the assets under management in unlisted security(s) for Large / High Value Accredited Investors or as allowed by SEBI and circular issued by them from time to time.

**3. Basis of selection of such types of securities as part of the investment approach:**

A combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options. The Portfolio Manager, based on the Client's mandate and consent, will deploy Client's Funds available from time to time. All execution of transactions based on the Client's directions is final and at no point Portfolio Manager's actions taken in good faith will be questioned during the course of availing Portfolio Management Services or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence on the part of the Portfolio Manager.

**4. Asset Allocation of portfolio**

**% Allocation**

Equity Up to 100%

Debt & Cash Up to 100%

Alternates Up to 100%

**5. Strategy:**

The Investment Approach shall follow Multi Asset strategy

**6. Strategy:**

The Investment Approach shall follow Multi Asset strategy

**7. Appropriate benchmark to compare performance and basis for the choice of benchmark:**

**Benchmark:** NSE Multi Asset Index – 1

<b>Benchmark</b>	<b>% Allocation</b>
NIFTY 500 TRI	50%
Nifty 50 Arbitrage TRI	40%
REIT & InvIT	10%

**Basis for selection of benchmark:**

NSE Multi Asset Index –1 is a multi-asset index and its composition broadly represents the strategy's investment universe.

#### **8. Recommended Investment Horizon:**

The recommended investment horizon for this strategy depending upon asset allocation.

#### **9. Risk associated with the investment approach:**

- **Liquidity risks:** The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.
- **Interest Rate Risk:** Changes in interest rates affect the prices of bonds as well as equity. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.
- **Volatility risk:** There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification
- **Credit risk:** The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

#### **C. Advisory Services**

The Portfolio Manager may also engage in advisory services as is envisaged under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time. The Portfolio Manager's responsibility includes advising on the portfolio strategy and investment and divestment of securities in the Client's Portfolio depending on the Client's individual needs and risk-return profile, for an agreed fee structure, entirely at the Client's risk.

While providing Advisory Services, the Portfolio Manager may advise the Client to invest in the unlisted securities maximum upto 25% of the Portfolio.

Note: The Client shall provide Minimum investment amount or such higher amount as may be specified by the Portfolio Manager for managing under its Portfolio

Management Services. However, the Portfolio Manager at its sole discretion may not apply the requirement of Minimum investment amount per client to an Accredited investor. Further, the Portfolio Manager may offer its Portfolio Management Services for investing up to hundred percent of the assets under management of the Client, who is identified as Large value accredited investors, in unlisted securities, subject to the terms agreed between the Large value accredited investors and the Portfolio Manager in this regard.

#### **D. Co-investment Portfolio Management Services**

The Portfolio Manager shall provide co-investment portfolio management services to contributors of the Alternative Investment Fund(s). The terms of exit from the Co-investment in a Portfolio where co-investment is undertaken, including the timing of exit shall be identical to the terms applicable to the Alternative Investment Funds' exit from the said investment. The early withdrawal of funds by the Investors with respect to co-investment in Portfolios shall be allowed to the extent that the Alternative Investment Fund has also made an exit from respective investment in such Portfolios.

Portfolio Manager shall act as a Co-investment Portfolio Manager to the following Alternative Investment Funds registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012:

- a. JM Financial India Growth Trust III, bearing registration number IN/AIF2/21-22/0949, three schemes are launched under the Trust:
  - a. JM Financial India Fund I
  - b. JM Financial India Fund II
  - c. JM Financial India Fund II

The Portfolio Manager shall provide this service only to the investors of the 'Alternative Investment Funds' which are managed by it, in unlisted securities of Investee Companies where such 'Alternative Investment Funds', makes investments at terms which not more favorable than the terms of investment of the 'Alternative Investment Fund'. The investors shall take note that the terms of exit from the Co-investment in an Investee Company including the timing of exit shall be identical to the terms applicable to the Alternative Investment Fund's exit from the said investment. The early withdrawal of funds by the co-investors with respect to Co-investment in Investee Companies shall be allowed to the extent that the Alternative Investment Fund has also made an exit from respective investment in such Investee Companies.

The Portfolio Manager intends to provide investment opportunities to contributors of Alternative Investment Funds (of whom it acts as an investment manager) to co-invest along with the Alternative Investment Funds managed by it, i.e. to invest in securities of portfolio companies alongside the Alternative Investment Fund, as per the

applicable law, this disclosure document, and other relevant documents, along with administering and managing such portfolios in accordance with applicable law.

## **Investment Approach**

### Pre-Investment Process

The pre-investment process will include the following steps:



Deal Sourcing – The team of Portfolio Manager will source deals by leveraging on the:

- Proprietary sources
- JM Financial network
- Boutique Investment Banks, small financial advisors and M&A intermediaries

Once the preliminary information is received, the team will insert the details (source, ticket size, sector, description, financials, status, reasons for reject etc.) in the deal log. Each potential opportunity that meets the basic investment criteria (promoter background, sector, size, etc.) will be discussed with the team (“**Team**”) members at the weekly meetings. If a decision is taken to go forward, then preliminary evaluation will begin.

Preliminary Evaluation – The Team will do a preliminary evaluation of the transaction, which among other things will include validation of the opportunity, strategic fit of the deal with the Client’s investment parameters, review of information memorandum and financials and discussions with key management and promoters. The Team will further evaluate if exit returns are attractive based on base case model assumptions. As part of the preliminary evaluation, the Team will schedule a deal introduction discussion amongst the Team members for every new investment under evaluation.

If the Team’s interest remains post the preliminary valuation, then a detailed analysis will be performed in the next stage.

Detailed Evaluation – This stage will include field visits / staff meetings, detailed analysis of the business plan, in-house commercial diligence, reference checks on the management, industry analysis, meeting existing and potential customers about the company's service or product, speaking to major suppliers and competitors, thoroughly checking base case assumptions in the financial model, valuation analysis, risk and return analysis, rights to be sought and deal structure etc.

In certain cases, the team may engage outside consultants to review the company's intellectual property, analyse its technology base, or identify potential environmental, labour or legal liabilities. In the Detailed Evaluation stage, the Team does detailed screening discussions and analysis on the investment opportunity under review.

Some of the criteria, often used in evaluating investments include:

- Quality of the product/service, its ability to meet customer needs and be an industry leader
- Integrity, competency, quality, depth and experience of the management team
- Attractiveness, growth and size of the market
- Business Scalability and viable exit opportunities
- Valuation of the deal, including terms, structure, etc.
- Potential returns analysis
- Understanding key risks and mitigants, if any
- Quality of co-investors, if any

Term Sheet – After detailed deliberation on the investment opportunity, a non-binding term sheet with key terms, shareholder rights and protection sought, valuation and deal structure and incur expenses towards external due-diligence will be executed

Due-Diligence – Once the non-binding term sheet is agreed upon between the Client and the Portfolio, commercial, legal and financial due-diligence (DD) will be conducted.

Documentation and Investment – Documentation signing and conditions precedent to the documentation will be completed. After this, funds will be transferred and equity ownership will be completed. All documents exchanged will be saved properly.

Post-Investment Process - The post-investment process will include the following:

*Monitor:* Post investment, the Team will be available to entrepreneurs for guidance, assistance and mentoring.

*Exit:* We believe that exit strategies should be identified and articulated prior to making of any investments. The Team typically negotiates potential exit plans with a Portfolio's management in advance of any investment in order to maximize the ease and speed with which the Client can monetize its position. In addition, a continuous review and evaluation of an investment throughout its tenor will be undertaken to identify and capitalize on best exit opportunity.

The Portfolio Manager will explore multiple exit options such as:

- Secondary sales to larger PE funds, engage with potential buyers
- Strategic sale
- Founder/ Company Buy-back
- IPO.

## **6) Risk factors:**

There are the inherent risks associated in the management of the Portfolio including, but not limited to, risks arising out of investment objectives, investment strategy, asset allocation and non-diversification of the Portfolio. The Portfolio Manager is not responsible for the loss if any, incurred or suffered by the Client. The following are some of the inherent risks associated in the management of the Portfolio:

- (i) Investments in securities are subject to market risks including, without limitation, price, volatility and liquidity risks and there is no assurance, insurance or guarantee that the objectives of the investments made under any of the Investment Approach will be achieved. The investment objective of the above Investment Approach may not be suitable for all the categories of investors. Investments in various Investment Approach /Portfolio stand a risk of loss of capital and the Client/prospective clients should be aware that they may lose all or any part of their investments in such Investment Approaches/Portfolios.
- (ii) Past Performance of the Portfolio Manager does not indicate its future performance. Further past performance is not an indication that returns in the future with regard to either the same Investment Approach or any other future Investment Approach that may be launched by the Portfolio Manager, will be achieved. Investors are not being offered any assurance, insurance or guarantee either that the investment objective of the Investment Approach will be achieved or of any indicative returns or of protection of Funds and/or securities deployed by the Client or of appreciation of the Portfolio through these Investment Approaches and the names of the Investment Approach do not, in any manner, indicate their prospects or returns.
- (iii) The Investments in securities are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks, climate risks, risks arising from changing business dynamics, employee attrition risk due to which there would be delay in decision making for investment

/ service to clients , changes in the legal, tax and the regulatory regimes (including without limitation; political changes, government regulations, social instability, diplomatic disputes, or other similar developments), which could adversely affect the Client's/prospective clients' investments under the Portfolio Management Services. This may adversely affect returns. Portfolio Manager or any of its associates is not responsible or liable for any loss resulting from the operations of the Services. The Portfolio Manager may not be able to execute trade as requested by the Clients, including but not limited to scenarios such as; trade failures, any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realization of sale proceeds and the registration of any securities transferred and any delays in receiving cash, temporarily halt in trading activities due to circuit filters, cash required for obligations arising from corporate actions of securities etc.

- (iv) The performance of the Investment Approach will depend upon the performance of the companies in which investments are made. The companies in which investments are made may not perform as per the expectations of the Portfolio Manager at the time of making investments. The performance of such companies may be adversely affected by numerous factors including, for example, (i) business, economic, and political conditions; (ii) the supply of and demand for the goods and services produced, provided, or sold by such companies; (iii) changes and advances in technology that may, among other things, render goods and services sold by the such companies obsolete; (iv) actual and potential competition from other companies, whether in India or abroad and (v) certain companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.
- (v) At times, Portfolios of the Client may be concentrated in certain companies/industries/sectors/class of assets. The risk of loss is greater because of concentration. The performance of the Portfolio would depend on the performance of such companies/ industries/sectors of the economy/class of assets. Technology, pharmaceutical stocks and some of the investments in niche sectors run the risk of high volatility, high valuation, obsolescence and low liquidity.
- (vi) The value of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, the level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- (vii) The Portfolio Manager may invest in the shares, mutual funds, debt instruments, and other securities/financial instruments of its affiliates/group companies,

subject to the relevant regulatory requirements. While, such decisions will be on an arm's length basis, it involves conflict of interest.

- (viii) The decisions on investments by the Portfolio Manager may not always result in profits. The success of the Investment Approach will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize the investments and also reviewing the appropriate investment proposals.
- (ix) Investment Approach using derivatives/futures and options products are affected by risks different from those associated with stocks and bonds. Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying securities may have a large impact on the value of derivatives/ futures and options contracts. Some of the risks relate to mis-pricing or the improper valuation of derivatives/futures and options contracts and the inability to correlate the positions with underlying assets, rates and indices.
- (x) The Debt Instruments, money market instruments and other fixed income securities are subject to credit risk, which includes the risk of an issuer's inability to meet interest and principal payments on its debt obligations. Such securities may also be subject to market risk such as price volatility due to changes in interest rates, general level of market liquidity, market perception of the creditworthiness of the issuer, etc., political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. These factors may adversely affect returns.
- (xi) The Investments are subject to the impact of market cycles, the returns on which would be attractive and decent during the boom period and would be unattractive or loss making during the bearish phase.
- (xii) Reinvestment Risk: Since interest rates may vary from time to time, interim cash flows from interest-bearing debt instruments may be reinvested at a lower yield than the original yield.
- (xiii) The Portfolio Manager may, considering the overall level of risk of the Portfolio, invest in lower rated/unrated securities that offer higher yield, which may increase the risk to the Portfolio.
- (xiv) The Capital Protection Oriented Investment Approach may have lower yield.
- (xv) The Portfolio Manager may, subject to authorisation by the Client in writing, participate in Securities Lending. The Securities Lending involves certain risks, as mentioned below:
  - The participation in Securities Lending is subject to demand for borrowing of the securities in Securities Lending and Borrowing ("SLB") Segment. Due to



lower demand or no demand, the Portfolio Manager may not be able to lend the securities.

- Once a security is lent under Securities Lending, until the reverse leg of the lending transaction in SLB Segment is completed, the said security will not be available either for selling in cash/capital market segment or for providing as margin/collaterals for the purpose of taking any exposure.
- In case of corporate actions, the securities lent under the Securities Lending will be foreclosed and the lender will have to refund the lending fee on a pro-rata basis.
- There is an inherent risk of failure of the other party in honouring its commitment. Such failure may lead to the inability of the approved intermediary to return the securities deposited by the lender including corporate benefits like dividend or stock split accrued/accruing thereon. In such a scenario, the transaction would be closed out as per the clearing corporations' regulations and guidelines and instead of receiving the securities on pay out, the lender would receive financial credit by way of close-out.
- In the event of default in SLB Segment, there are possibilities of circumstances wherein the Settlement Guarantee Fund of the clearing corporation(s) may not be adequate to meet default/shortfall in SLB Segment. In such a case, the investor may suffer losses or a delay in settlement.

- (xvi) Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Portfolio Manager. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly due to unforeseen circumstances. The inability of the Portfolio Manager to make intended security purchases due to settlement problems could result in missing out certain investment opportunities. By the same rationale, the inability to sell securities held in Portfolio due to the absence of a well-developed and liquid secondary market for debt securities would result, at times, in potential losses in the Portfolio.
- (xvii) Securities, which are not quoted on the market, are inherently illiquid in nature and carry a larger liquidity risk in comparison to the securities that are listed on the exchanges or offer other exit options to the investor, including a put option. In case of Non-discretionary and Advisory Services, the Portfolio Manager may advise to invest in unlisted securities to the extent permitted by the Regulations. Such investments offer attractive yields, this may however increase the risk of the Portfolio.
- (xviii) The liquidity of the investments is guided and inherently restricted by trading volumes in the securities in which the Portfolio Manager may invest. 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 instruments / debt securities while fairly liquid, lack a well- developed secondary market, which may restrict the selling ability

of the Portfolio Manager and may lead to investments incurring losses if there is any delay in liquidating such securities.

- (xix) In any Investment Approach, which may invest predominantly in schemes of Mutual Funds - Debt and/or equity and other instruments, its performance may depend on that of the underlying schemes of Mutual Funds. Any change in investment policies or fundamental attributes of underlying schemes could adversely affect performance of the Investment Approach. Also, for a sharp increase in the stock market during the period of investment, the return of the Investment Approach might be less than that given by direct investment of similar amounts in equities.
- (xx) The rebalancing of the Portfolio between debt/liquid funds and equity funds as and when required may lead to increased transaction costs including but not limited to entry/exit loads that may be levied by the Mutual Funds. Also, it will result in generation of short term/long term capital gain and levy of STT or any other transaction charges on such transactions.
- (xxi) The Client may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Client.
- (xxii) 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.
- (xxiii) The Client shall bear the recurring expenses of the Investment Approach 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.
- (xxiv) 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 Client may suffer opportunity loss.
- (xxv) Any act, omission or commission of the Portfolio Manager while managing the Portfolio is solely at the risk of the Client and the Portfolio Manager will not be liable save and except in cases of gross negligence and/or wilful default.
- (xxvi) All risks arising out of refusal by the issuer company for whatever reasons, to register the transfer of any securities held in the Client's portfolio account. The Portfolio Manager will endeavour to sell the securities, which are purchased and refused to be transferred in the name of the Client, at the best available market price, at the sole risk and responsibility of the Client.

- (xxvii) The market for privately placed securities is limited. The disposal of these securities would entail longer than the required amount of time. As a result, the Portfolio Manager may not be able to sell such securities when it desires to do so or to realise what it perceives to be their fair value in the event of a sale.
- (xxviii) Investment in Structured Products is subject to model risk, i.e., the securities are created on the basis of complex mathematical models involving multiple derivative exposure which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical modules.
- Risk Factors specific to investment in Non- Convertible Debentures (NCDs)  
The NCDs may not have a market at all either in the OTC market or on the debt Segment of the Exchanges where it is/will be listed. This may lead to low/no liquidity in the said NCDs. The listing of the NCDs does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the NCDs will develop or be maintained. Consequently, the NCDs may quote below its face value at any time before maturity. The Portfolio Manager does not guarantee the returns and/or maturity proceeds thereon.
  - The Portfolio Manager does not make any representation or warranty, express or implied, on the ability of the underlying securities or indices to perform in line with performance of the general stock market performance in India.
  - The Issuer of the NCDs (“Issuer”) or any person acting on behalf of the Issuer may have an interest/position with the Portfolio Manager and/or may have an existing relationship viz. financial, advisory, etc. and/or may be in negotiation/discussion as to transactions of any kind.
  - The Issuer may appoint its affiliate or the Portfolio Manager’s affiliate as the Calculation Agent for the purposes of calculating amounts payable or deliverable to holders of NCDs. Under certain circumstances, it may give rise to conflicts of interest. Further, the Issuer may also enter into an arrangement with its affiliate to hedge market risks associated with its obligations under the NCDs. Such an affiliate would expect to make a profit in connection with this arrangement. There is possibility that, the Issuer may not seek competitive bids for such arrangements from unaffiliated parties.
  - The market conditions may affect the coupon of the NCDs. The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies.
  - At any time during the life of such NCDs, the value of the NCDs may be substantially less than its investment/maturity value. Further, the price of the NCDs may be affected in case the credit rating of the Issuer gets downgraded. The Portfolio Manager does not assure that Credit Rating of the instrument will be maintained during the maturity period of the NCDs.

- The returns on the NCDs, whether primarily linked to the price of basket of securities or indices as the Reference Index or otherwise, may be lower than prevalent market interest rates or even be Nil depending entirely on the movement in the futures values of the basket of stocks or indices over the life of the NCDs (including the amount if any, payable on maturity, redemption, sale or disposition of the NCDs.)
- The Client may receive no income/return at all on the NCDs, or less income/return than expectation, or obtained by investing elsewhere or in similar investments.
- It is possible that the normal methods of computation adopted in relation to the NCDs may have to be modified or even alternative methods could be adopted due to any disruptions in any of the financial markets or on account of any other reason. In such cases the Issuer may include the use of estimates and approximations. All such computations shall be valid and binding on the Client and no liability therefore will attach to the Portfolio Manager.
- There is a possibility of the underlying securities of the basket or one or more of them getting de-listed from one or more stock exchanges where they are listed or one or more of the securities are withdrawn or suspended from trading on the stock exchanges and in such an event the Debenture- Trustees upon request by the Issuer may modify the terms of issue of NCDs.
- Investment by the Portfolio Manager in instruments like Market Linked NCDs such as stock linked or indices linked, etc., involves a certain level of risk. The value of the NCDs may be impacted by movements in the returns generated by the underlying basket of stocks or indices or market.
- Investment in Market Linked NCDs is subject to model risk, i.e., the securities are created on the basis of complex mathematical models involving multiple derivative exposure which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical modules.
- The returns on investment in NCDs would depend on the happening/ non-happening of specified events and the returns may or may not accrue on the said instruments.
- The Investment in NCDs is subject to credit risk of the Issuer either due to default or their inability to make timely payments of principal and interest. The portfolio value may also be adversely affected and in case the Issuer defaults, the Client may not receive the principal amount.
- Investment in NCD's may also result in a loss. Even in case of principal/capital protected NCDs, the principal amount is subject to the credit risk of the Issuer whereby the Clients may or may not recover all or part of the funds in case of default by the Issuer and any failure by a counter party to perform obligations when due may result in the loss of all or part of the investment.
- In case there is a credit default by the Issuer, there will be a risk of receiving lower than expected or negligible returns or no returns in respect of Market Linked NCDs over the life and/or part thereof or upon maturity of the NCDs.

(xxix) Conflict of Interest

While carrying out purchase and/or sale of securities on behalf of the Client, such transaction may be carried out between the Client's account and the Portfolio Manager's own account or any of its employees who are directly involved in investment operations. Any such transaction shall be at the prevailing market price. However, as on date there is no such conflict of interest with the transactions in any of the client's portfolio.

It may be noted that the Portfolio Manager is also registered as a Merchant Banker and AMFI registered Mutual Fund Distributor

Portfolio Manager may Purchase or sell on its own account or on behalf of any other client, any security which forms part of the scheme of AIF. Purchase or sell Securities from or to anyone with whom the Portfolio Manager or any of its Associate Company has a commercial or other relationship or agreement, including selling or purchasing the Securities to or from the account of the Portfolio Manager or another client of the Portfolio Manager half of any other client, any security which forms part of the scheme of AIF.

Act as principal, agent, or broker in any transaction; and in such event, the Portfolio Manager shall be separately compensated for its actions in that capacity

JMFL and its group companies may provide various services interalia including acting as a portfolio manager, investment advisor, investment manager to pooled vehicles for various clients, funds, and/or in another capacity on behalf of or for third parties that invest or may invest for their own account and may engage in, advise or possess an interest in other business ventures.

JMFL and its group companies, in various capacities may give advice, and take action, with respect to any of its clients or its own accounts that may differ from the advice given or may involve a different timing or nature from action taken by JMFL on behalf of the investor

The trading / advising of portfolio strategies of various Investor accounts could conflict with the transactions and strategies employed in managing and advising an Investor and may affect the prices and availability of the securities, currencies and instruments in which the Investor may invest. Such transactions, particularly in respect of trades of investor accounts, will be advised / executed independently of another Investors transactions and thus prices and rates may be more or less favorable.

JMFL, its group companies, its key personnel may act as an advisor to various investors, separate or managed account, including other investors, in asset management for funds, portfolio management, advisory and other capacities with respect to investment in securities of an investee company in which the investor

may have an investment. JMFL, its key personnel may give advice and take action, with respect to any of their clients or its own account that may differ from the advice given or may involve a different timing or nature of action take, than with respect to the Investor

The Portfolio Manager shall avail the aforesaid services of securities broking, depository, Research Services and distribution of financial products (excluding mutual funds), in managing the Portfolio of the Client. The Client will bear the cost of these services. The Company may get commission as a distributor of financial products (other than mutual funds) for investment made on behalf of the Client in Investment Approach through its distribution division.

The Portfolio Manager may invest Client's Funds in the mutual fund schemes of JM Financial Mutual Fund, NCDs of JM Financial Products Ltd., JM Financial Services Limited, JM Financial Asset Reconstruction Company Limited, JM Financial Home Loans Limited and JM Financial Credit solutions Ltd. and other short term products of other group companies. The fees charged for such products will be in addition to the fees charged by the Portfolio Manager.

The Portfolio Manager may invest the Portfolio in such IPOs/FPOs where it is acting as a syndicate member or a sub-syndicate member in public issues including but not limited to where JM Financial Limited is acting as a Lead Manager or renders advisory services in fund raising or open offers to various entities. The Portfolio Manager may work closely with JM Financial Services Limited in relation to marketing or distributing any of the IPOs/FPOs or distribution of other financial products managed by them.

The Portfolio Manager may advise the Client to invest in Alternate Investment Funds launched by JM Financial Asset Management Limited, JM Financial Limited from time to time. The Portfolio Manager is availing the brokerage services of JM Financial Institutional Securities Ltd, JM Financial Services Limited.

#### **Disclosure of the details of investment of clients' funds in the securities of associate/related parties**

Currently the Portfolio Manager does not invest in securities of associates / related parties, before starting investment in the same Portfolio Manager will comply the circulars issued by SEBI from time to time.

#### **Investments in the securities of associates/related parties of Portfolio Manager**

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

**7) (i) Client Representation:**

The following table indicates details of categories of clients in respect of whom Portfolio Management Services were rendered in the past:

Category of Clients	No. of Clients	Funds Managed (Rs. In Crore)
<b>Clients being Associates/Group companies</b>		
(Last 3 years)		
<b>2021-22</b>	<b>Nil</b>	<b>Nil</b>
<b>2022-2023</b>	<b>Nil</b>	<b>Nil</b>
<b>2023-2024</b>	<b>Nil</b>	<b>Nil</b>
<b>Others</b>		
<b>2021-22</b>		
Discretionary clients	292	636.985
Non-discretionary clients	39	125.965
Advisory	1	39.3081
<b>Total – 2021-2022</b>	<b>331*</b>	<b>802.2491</b>
<b>2022-2023</b>		
Discretionary clients	<b>219</b>	453.27
Non-discretionary clients	<b>20</b>	113.43
Advisory	<b>03</b>	527.41
<b>Total – 2022-2023</b>	<b>242*</b>	<b>1094.12</b>
<b>2023-2024</b>		
Discretionary clients	<b>257</b>	777.22
Non-discretionary clients	<b>44</b>	428.56
Advisory	<b>06</b>	553. 46
<b>Total – 2023-2024 (as on 31st March 2024)</b>	<b>307*</b>	<b>1759.24</b>
<b>2024-2025</b>		

Discretionary clients	<b>309</b>	<b>1087.03</b>
Non-discretionary clients	<b>67</b>	<b>730.10</b>
Advisory	<b>9</b>	<b>606.99</b>
<b>Total – 2024-2025 (as on 30<sup>th</sup> September 2024)</b>	<b>385*</b>	<b>2424.12</b>

Above figures are based on the business activity carried out by JMFS before demerger of business undertaking to JMFL.

Note: \* The above figures include clients who are active clients and also clients closed during the period.

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

There have been no transactions with related parties with respect to portfolio management activities of the Company.

However, below is the list of Related Parties with whom the transactions (other than with regard to portfolio management activities) have taken place during the period covered in this document.

**Related parties only where transactions have taken place (other than the portfolio management activities) during the financial year ended March 31, 2024.**

**Related party disclosures**

**List of related parties**

**I) Parties where control exists:**

**Subsidiaries**

JM Financial Institutional Securities Limited (IED)  
JM Financial Services Limited (Financial Services)  
JM Financial Properties and Holdings Limited (Properties)  
Infinite India Investment Management Limited (Infinite)  
JM Financial Commtrade Limited (Commtrade)  
CR Retail Malls (India) Limited (CRRM)  
JM Financial Capital Limited (Capital)\*  
JM Financial Products Limited (Products)  
JM Financial Credit Solutions Limited (Credit Solutions)  
JM Financial Home Loans Limited (Home Loans)  
JM Financial Asset Management Limited (AMC)



JM Financial Asset Reconstruction Company Limited and its subsidiaries (ARC)  
JM Financial Overseas Holdings Private Limited (Overseas)  
JM Financial Singapore Pte Ltd (Singapore)  
JM Financial Securities, Inc. (USA)  
Astute Investments (Astute) [Partnership Firm]  
ARB Maestro (ARB) [Association of Persons (AOP)] (w.e.f. May 30, 2022)

**II) Parties with whom the transactions were carried out during the current / previous year**

**a) Associate**

JM Financial Trustee Company Private Limited (Trustee)

**b) Key management personnel**

Mr. Nimesh Kampani (NNK) - Non-executive Chairman  
Mr. Vishal Kampani (VNK) – Non-executive Vice Chairman  
Mr. Adi Patel (ARP) – Joint Managing Director (Managing Director w.e.f. April 1, 2024)  
Mr. Atul Mehra (ASM) – Joint Managing Director (upto March 28, 2024)

**Independent Directors:**

Mr. E A Kshirsagar (EAK) (up to July 2, 2022)  
Mr. Paul Zuckerman (PSZ) (up to July 2, 2022)  
Dr. Vijay Kelkar (VLK) (up to July 2, 2022)  
Mr. Keki Dadiseth (KBD) (up to July 2, 2022)  
Ms. Jagi Mangat Panda (JMP)  
Ms. Roshini Bakshi (RHB)  
Mr. P S Jayakumar (PSJ)  
Mr. Navroz Udwadia (NDU)  
Mr. Pradip Kanakia (PMK)  
Mr. Sumit S Bose (SSB)

**c) Close Members of the Family (Relatives) of Key management personnel**

Mr. Nimesh Kampani (NNK)  
Ms. Aruna N Kampani (ARNK)  
Ms. Amishi Gambhir (AG)  
Ms. Madhu Kampani (MVK)  
Ms Avantika Kampani (AVK)  
Mr Shiv Kampani (SVK)  
Ms. Suvidha Atul Mehra (SAM) (upto March 28, 2024)  
Ms. Sammiksha Atul Mehra (SMM) (upto March 28, 2024)  
Ms. Sasha Atul Mehra (SSM) (upto March 28, 2024)  
Mrs. Santosh Mehra (SM) (upto March 28, 2024)  
Ms. Zenobia Adi Patel (ZAP)  
Mr. Kaizad Adi Patel (KAP)

Ms Winifer Adi Patel (WAP)  
Mrs. Lalitha Rajan (LR)

**d) Individual exercising control or significant influence in reporting entity i.e. the company and close members of the family (relatives) of any such person**

Mr. Nimesh Kampani (NNK)

**Close Members of the Family (Relatives):**

Ms. Aruna N Kampani (ARNK)  
Mr. Vishal Kampani (VNK)  
Ms. Amishi Gambhir (AG)  
Mr. Harith Kampani (HK)  
Mr. Anil Kampani (AK)

**e) Entities where close members of the family (relatives) of key management personnel are able to exercise significant influence**

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)  
J. M. Assets Management Private Limited (J.M.Assets)  
JM Financial Trustee Company Private Limited (Trustee)  
JSB Securities Limited (JSB)  
Kampani Consultants Limited (KCL)\*\*  
Persepolis Investment Company Private Limited (PICPL)\*\*  
SNK Investments Private Limited (SNK)\*\*  
Kampani Properties and Holdings Limited (KPHL)  
Capital Market Publishers India Private Limited (CMPL)  
DayOne Learning Solutions (OPC) Private Limited (DayOne)

\*Pursuant to the NCLT order approving the Scheme of Arrangement (the Scheme”) on April 20, 2023 with the appointed date being April 1, 2023, JM Financial Capital Limited has been merged with JM Financial Services Limited.

\*\*Pursuant to the NCLT order dated May 18, 2023, SNK Investments Private Limited and Kampani Consultants Limited have been merged with Persepolis Investment Company Private Limited

## Related party transactions during the Financial Year ended March 31, 2024

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (` in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Investments made in</b>												
Financial Services	159.99	42.00	-	-	-	-	-	-	-	-	159.99	42.00
Overseas	-	81.88	-	-	-	-	-	-	-	-	-	81.88
<b>Employee related liabilities transfers to</b>												
Credit Solutions	-	0.02	-	-	-	-	-	-	-	-	-	0.02
Products	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Infinite	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Home Loans	0.13	-	-	-	-	-	-	-	-	-	0.13	-
<b>Employee related liabilities transfers from</b>												
IED	0.08	0.02	-	-	-	-	-	-	-	-	0.08	0.02
Credit Solutions	0.08	-	-	-	-	-	-	-	-	-	0.08	-
Financial Services	0.10	0.04	-	-	-	-	-	-	-	-	0.10	0.04
AMC	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Products	0.10	-	-	-	-	-	-	-	-	-	0.10	-

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (` in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Home Loans	0.01	-	-	-	-	-	-	-	-	-	0.01	-
<b>ICDs placed</b>												
ARC	541.00	647.00	-	-	-	-	-	-	-	-	541.00	647.00
Products	3,955.00	2,462.00	-	-	-	-	-	-	-	-	3,955.00	2,462.00
Properties	981.50	679.75	-	-	-	-	-	-	-	-	981.50	679.75
Financial Services	1,881.00	1,180.00	-	-	-	-	-	-	-	-	1,881.00	1,180.00
IED	470.50	120.00	-	-	-	-	-	-	-	-	470.50	120.00
Home Loans	85.00	20.00	-	-	-	-	-	-	-	-	85.00	20.00
Capital	-	550.00	-	-	-	-	-	-	-	-	-	550.00
AMC	15.00	-	-	-	-	-	-	-	-	-	15.00	-
<b>ICDs repaid by</b>												
ARC	806.00	821.70	-	-	-	-	-	-	-	-	806.00	821.70
Properties	860.35	679.75	-	-	-	-	-	-	-	-	860.35	679.75
Products	4,105.00	2,312.00	-	-	-	-	-	-	-	-	4,105.00	2,312.00
Financial Services	1,881.00	1,180.00	-	-	-	-	-	-	-	-	1,881.00	1,180.00
IED	470.50	120.00	-	-	-	-	-	-	-	-	470.50	120.00
Home Loans	85.00	20.00	-	-	-	-	-	-	-	-	85.00	20.00
Capital	-	550.00	-	-	-	-	-	-	-	-	-	550.00
<b>Loan given</b>												
ARB	1,186.60	425.00	-	-	-	-	-	-	-	-	1,186.60	425.00
<b>Loan repaid</b>												
ARB	1,188.60	100.00	-	-	-	-	-	-	-	-	1,188.60	100.00
<b>Dividend received from</b>												
Products	70.58	81.44	-	-	-	-	-	-	-	-	70.58	81.44
Infinite	-	8.00	-	-	-	-	-	-	-	-	-	8.00

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (` in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Financial Services	16.20	50.45	-	-	-	-	-	-	-	-	16.20	50.45
Credit Solutions	0.40	0.33	-	-	-	-	-	-	-	-	0.40	0.33
IED	#	#	-	-	-	-	-	-	-	-	#	#
<b>Fees Sharing, Sub brokerage Paid to</b>												
Financial Services	41.50	22.28	-	-	-	-	-	-	-	-	41.50	22.28
IED	29.70	6.26	-	-	-	-	-	-	-	-	29.70	6.26
<b>Placement fees paid to</b>												
Financial Services	1.70	3.16	-	-	-	-	-	-	-	-	1.70	3.16
<b>Dividend paid to</b>												
JMFICS	-	-	-	-	-	-	-	-	20.53	46.06	20.53	46.06
J.M.Assets	-	-	-	-	-	-	-	-	9.62	21.33	9.62	21.33
JSB	-	-	-	-	-	-	-	-	0.59	1.33	0.59	1.33
KCL	-	-	-	-	-	-	-	-	-	0.30	-	0.30
SNK	-	-	-	-	-	-	-	-	-	2.49	-	2.49
NNK	-	-	-	-	-	-	11.32	25.78	-	-	11.32	25.78
ARNK	-	-	-	-	-	-	2.84	6.58	-	-	2.84	6.58
VNK	-	-	-	-	1.17	2.61	-	-	-	-	1.17	2.61
AG	-	-	-	-	-	-	0.72	1.64	-	-	0.72	1.64
SVK	-	-	-	-	-	-	0.11	-	-	-	0.11	-
PICPL	-	-	-	-	-	-	-	-	1.50	0.48	1.50	0.48
Trustee	-	-	0.15	0.33	-	-	-	-	-	-	0.15	0.33
HK	-	-	-	-	-	-	-	#	-	-	-	#
AK	-	-	-	-	-	-	-	0.19	-	-	-	0.19
ARP	-	-	-	-	0.14	0.29	-	-	-	-	0.14	0.29

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (' in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
ASM	-	-	-	-	0.05	0.12	-	-	-	-	0.05	0.12
SM	-	-	-	-	-	-	#	#	-	-	#	#
LR	-	-	-	-	-	-	#	-	-	-	#	-
<b>Group support fees received from</b>												
Credit Solutions	1.98	1.98	-	-	-	-	-	-	-	-	1.98	1.98
ARC	3.00	2.50	-	-	-	-	-	-	-	-	3.00	2.50
<b>Management fees Income</b>												
Financial Services	50.22	-	-	-	-	-	-	-	-	-	50.22	-
<b>Rating support fees received from</b>												
Credit Solutions	4.47	3.23	-	-	-	-	-	-	-	-	4.47	3.23
ARC	7.28	4.89	-	-	-	-	-	-	-	-	7.28	4.89
<b>Rent received from</b>												
Financial Services	0.28	0.27	-	-	-	-	-	-	-	-	0.28	0.27
<b>Interest received from</b>												
ARC	38.37	39.04	-	-	-	-	-	-	-	-	38.37	39.04
ARB	36.18	16.14	-	-	-	-	-	-	-	-	36.18	16.14
Properties	1.50	1.71	-	-	-	-	-	-	-	-	1.50	1.71
Products	5.64	6.81	-	-	-	-	-	-	-	-	5.64	6.81
IED	0.16	0.05	-	-	-	-	-	-	-	-	0.16	0.05
Home Loans	0.22	#	-	-	-	-	-	-	-	-	0.22	#

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (` in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
AMC	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Financial Services	7.16	2.36	-	-	-	-	-	-	-	-	7.16	2.36
Capital	-	0.20	-	-	-	-	-	-	-	-	-	0.20
<b>Support Service Charges Paid to</b>												
JMFICS	-	-	-	-	-	-	-	-	2.50	2.50	2.50	2.50
Financial Services	5.00	-	-	-	-	-	-	-	-	-	5.00	-
<b>Rent paid to</b>												
Properties	10.83	10.42	-	-	-	-	-	-	-	-	10.83	10.42
Financial Services	2.39	-	-	-	-	-	-	-	-	-	2.39	-
JMFICS	-	-	-	-	-	-	-	-	0.95	0.95	0.95	0.95
<b>Subscription for online data paid to</b>												
CMPL	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03
<b>Demat Charges Paid to</b>												
Financial Services	#	-	-	-	-	-	-	-	-	-	#	-
<b>Remuneration paid to (refer note iii)</b>												
ARP	-	-	-	-	7.12	5.34	-	-	-	-	7.12	5.34
ASM	-	-	-	-	4.84	4.55	-	-	-	-	4.84	4.55
<b>Professional fees paid to</b>												
KBD	-	-	-	-	-	0.01	-	-	-	-	-	0.01

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total ( in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Directors Sitting fees</b>												
VNK	-	-	-	-	0.07	0.08	-	-	-	-	0.07	0.08
EAK	-	-	-	-	-	0.03	-	-	-	-	-	0.03
PSZ	-	-	-	-	-	0.03	-	-	-	-	-	0.03
VLK	-	-	-	-	-	0.03	-	-	-	-	-	0.03
KBD	-	-	-	-	-	0.03	-	-	-	-	-	0.03
JMP	-	-	-	-	0.11	0.09	-	-	-	-	0.11	0.09
PSJ	-	-	-	-	0.10	0.10	-	-	-	-	0.10	0.10
PMK	-	-	-	-	0.11	0.11	-	-	-	-	0.11	0.11
NDU	-	-	-	-	0.04	0.05	-	-	-	-	0.04	0.05
SSB	-	-	-	-	0.09	0.08	-	-	-	-	0.09	0.08
RHB	-	-	-	-	0.08	0.11	-	-	-	-	0.08	0.11
<b>Directors Commission</b>												
VNK	-	-	-	-	0.20	0.10	-	-	-	-	0.20	0.10
EAK	-	-	-	-	-	0.05	-	-	-	-	-	0.05
PSZ	-	-	-	-	-	0.05	-	-	-	-	-	0.05
VLK	-	-	-	-	-	0.05	-	-	-	-	-	0.05
KBD	-	-	-	-	-	0.05	-	-	-	-	-	0.05
JMP	-	-	-	-	0.24	0.20	-	-	-	-	0.24	0.20
PSJ	-	-	-	-	0.25	0.23	-	-	-	-	0.25	0.23
PMK	-	-	-	-	0.25	0.23	-	-	-	-	0.25	0.23
NDU	-	-	-	-	0.15	0.15	-	-	-	-	0.15	0.15
SSB	-	-	-	-	0.22	0.20	-	-	-	-	0.22	0.20
RHB	-	-	-	-	0.22	0.20	-	-	-	-	0.22	0.20
<b>Expenses reimbursed to</b>												
Properties	1.63	1.59	-	-	-	-	-	-	-	-	1.63	1.59
Financial Services	12.47	-	-	-	-	-	-	-	-	-	12.47	-
JMFICS	-	-	-	-	-	-	-	-	0.09	0.09	0.09	0.09
IED	1.57	0.49	-	-	-	-	-	-	-	-	1.57	0.49
ARC	0.26	0.25	-	-	-	-	-	-	-	-	0.26	0.25



	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (‘ in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Expenses recovered from</b>												
IED	0.17	0.20	-	-	-	-	-	-	-	-	0.17	0.20
Infinite	#	#	-	-	-	-	-	-	-	-	#	#
Credit Solutions	0.04	0.03	-	-	-	-	-	-	-	-	0.04	0.03
Home Loans	#	#	-	-	-	-	-	-	-	-	#	#
ARC	0.03	0.02	-	-	-	-	-	-	-	-	0.03	0.02
Properties	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Products	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03
CRRM	#	#	-	-	-	-	-	-	-	-	#	#
JMFICS	-	-	-	-	-	-	-	-	#	#	#	#
<b>Recovery Employee Stock option expenses</b>												
IED	0.01	0.17	-	-	-	-	-	-	-	-	0.01	0.17
Financial Services	0.02	(0.13)	-	-	-	-	-	-	-	-	0.02	(0.13)
Products	#	0.11	-	-	-	-	-	-	-	-	#	0.11
Credit Solutions	#	0.02	-	-	-	-	-	-	-	-	#	0.02
AMC	0.41	0.18	-	-	-	-	-	-	-	-	0.41	0.18
Capital	-	#	-	-	-	-	-	-	-	-	-	#
<b>Property deposits refund received</b>												
JMFICS	-	-	-	-	-	-	-	-	0.48	-	0.48	-
<b>Property deposits Paid</b>												
Properties	-	1.57	-	-	-	-	-	-	-	-	-	1.57
JMFICS	-	-	-	-	-	-	-	-	0.48	-	0.48	-
<b>Outstanding Balances:</b>												

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (` in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Investments</b>	2,223.94	2,152.33	0.03	0.03	-	-	-	-	-	-	2,223.97	2,152.36
<b>Security deposits received from</b>												
Financial Services	1.00	1.00	-	-	-	-	-	-	-	-	1.00	1.00
<b>Security deposits paid to</b>												
Properties	8.78	8.78	-	-	-	-	-	-	-	-	8.78	8.78
JMFICS	-	-	-	-	-	-	-	-	0.54	0.54	0.54	0.54
<b>ICDs receivable</b>												
Products	-	150.00	-	-	-	-	-	-	-	-	-	150.00
ARC	-	265.00	-	-	-	-	-	-	-	-	-	265.00
Properties	121.15	-	-	-	-	-	-	-	-	-	121.15	-
AMC	15.00	-	-	-	-	-	-	-	-	-	15.00	-
<b>Loan receivable</b>												
ARB	323.00	325.00	-	-	-	-	-	-	-	-	323.00	325.00
<b>Receivable from</b>												
Credit Solutions	-	1.22	-	-	-	-	-	-	-	-	-	1.22
ARC	1.88	1.88	-	-	-	-	-	-	-	-	1.88	1.88
Products	0.02	-	-	-	-	-	-	-	-	-	0.02	-
<b>Amount payable to</b>												
IED	9.62	1.48	-	-	-	-	-	-	-	-	9.62	1.48
Financial Services	4.54	5.13	-	-	-	-	-	-	-	-	4.54	5.13
Infinite	0.01	-	-	-	-	-	-	-	-	-	0.01	-
VNK	-	-	-	-	0.20	0.10	-	-	-	-	0.20	0.10
ARP	-	-	-	-	4.60	1.90	-	-	-	-	4.60	1.90

	Subsidiaries*		Associate		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (' in Crore)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
ASM	-	-	-	-	-	2.50	-	-	-	-	-	2.50
EAK	-	-	-	-	-	0.05	-	-	-	-	-	0.05
PSZ	-	-	-	-	-	0.05	-	-	-	-	-	0.05
VLK	-	-	-	-	-	0.05	-	-	-	-	-	0.05
KBD	-	-	-	-	-	0.05	-	-	-	-	-	0.05
JMP	-	-	-	-	0.24	0.20	-	-	-	-	0.24	0.20
PSJ	-	-	-	-	0.25	0.23	-	-	-	-	0.25	0.23
PMK	-	-	-	-	0.25	0.23	-	-	-	-	0.25	0.23
RHB	-	-	-	-	0.23	0.20	-	-	-	-	0.23	0.20
NDU	-	-	-	-	0.15	0.15	-	-	-	-	0.15	0.15
SSB	-	-	-	-	0.22	0.20	-	-	-	-	0.22	0.20

Remuneration details of Key Management Personnel:

	2023-24	2022-23
Short term employee benefits	8.26	7.62
Post employee benefits	0.44	0.22
Share based payments	3.26	2.05
Other benefits (Refer note v)	2.13	2.24
<b>Total</b>	<b>14.09</b>	<b>12.13</b>

# amount below ` 50,000

**Notes:** - (i) \* Subsidiaries include a partnership firm namely Astute Investments and Association of Persons namely ARB Maestro.

(ii) There are no provisions for doubtful debts or amount written off or written back during the year/period in respect of debts due from/ due to related parties.

(iii) The remuneration excludes provision for gratuity and compensated absences as the incremental liability has been accounted for the group as a whole.

(iv) The transactions disclosed above are exclusive of GST and Service tax, as applicable.

(v) Other benefits include commission and sitting fees paid to non-executive directors and independent directors.

**(iii)** The Portfolio Manager, may execute trades with its group and associates i.e. JM Financial Services Limited & JM Financial Institutional Securities Limited also it may avail securities broking services from Kotak Securities Limited, Spark Institutional Equities Private Limited, Nuvama Wealth Management Limited, Arihant Capital Markets Limited, Equirus Securities Private Limited, Monarch Network Capital Limited and/or any other

the SEBI registered stock brokers empanelled by the Company from time to time for its Portfolio Management Services activities.

**8) The Financial Performance of the Portfolio Manager:**

	(Rs in Crore)	
	As at 31.03.2024	As at 31.03.2023
<b><u>ASSETS</u></b>		
<b><u>Financial Assets</u></b>		
Cash and cash equivalents	41.07	54.85
Bank balances other than cash and cash equivalents	4.11	5.96
Trade receivables	77.63	33.47
Loans	457.37	737.06
Investments	3,657.46	3,098.49
Other financial assets	10.04	14.26
<b>Total Financial Assets</b>	<b>4,247.68</b>	<b>3,944.09</b>
<b><u>Non-Financial Assets</u></b>		
Current tax assets (Net)	146.25	159.60
Property, plant and equipment	45.50	53.44
Other intangible assets	2.52	2.89
Other non-financial assets	10.38	4.06
<b>Total Non-Financial Assets</b>	<b>204.65</b>	<b>219.99</b>
<b>Total Assets</b>	<b>4,452.33</b>	<b>4,164.08</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
<b><u>Financial Liabilities</u></b>		
Trade Payables		
i. Total outstanding dues of micro enterprises and small enterprises	0.36	0.03
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	21.25	7.63
Lease liabilities	54.06	60.75
Other financial liabilities	79.73	52.53
<b>Total Financial Liabilities</b>	<b>155.40</b>	<b>120.94</b>
<b><u>Non-Financial Liabilities</u></b>		
Provisions	12.45	14.25
Deferred tax liabilities (net)	143.99	130.76
Other non-financial liabilities	30.96	10.89
<b>Total Non-Financial Liabilities</b>	<b>187.40</b>	<b>155.70</b>

<b><u>EQUITY</u></b>		
Equity share capital	95.56	95.48
Other equity	4,013.97	3,791.96
<b>Total Equity</b>	<b>4,109.53</b>	<b>3,887.44</b>
<b>Total Liabilities and Equity</b>	<b>4,452.33</b>	<b>4,164.08</b>

(Rs in Crore)

	<b>For the year ended 31.03.2024</b>	<b>For the year ended 31.03.2023</b>
<b>Income:</b>		
<b>Revenue from operations</b>		
Interest income	89.57	66.57
Fees and commission income	508.24	259.97
Net gain on fair value changes	120.12	76.40
<b>Total revenue from operations</b>	<b>717.93</b>	<b>402.94</b>
Other income	102.48	152.52
<b>Total Income</b>	<b>820.41</b>	<b>555.46</b>
<b>Expenses:</b>		
Finance costs	5.50	6.13
Fees, sub brokerage and other direct expenses	75.97	55.20
Impairment on financial instruments	(3.65)	1.82
Impairment on investment in subsidiary	88.38	-
Employee benefits expense	183.85	147.03
Depreciation and amortisation expense	10.89	10.44
Other expenses	49.27	38.17
<b>Total expenses</b>	<b>410.21</b>	<b>258.79</b>
<b>Profit before tax</b>	<b>410.20</b>	<b>296.67</b>
<b>Tax expense</b>		
Current tax	88.00	40.15
Deferred tax	13.63	1.29
Tax adjustment of earlier years (net)	(1.03)	(1.22)
<b>Total tax expense</b>	<b>100.60</b>	<b>40.22</b>
<b>Profit for the year</b>	<b>309.60</b>	<b>256.45</b>
<b>Other Comprehensive Income (OCI)</b>		
(i) Items that will not be reclassified to profit or loss		

	For the year ended 31.03.2024	For the year ended 31.03.2023
Remeasurement of defined benefit obligations	(1.61)	(0.18)
(ii) Income tax on above	0.40	0.05
Total Other Comprehensive Income (net of tax)	(1.21)	(0.13)
<b>Total Comprehensive Income</b>	<b>308.39</b>	<b>256.32</b>
<b>Earnings per equity share (EPS)</b>		
(face value of Rs 1/- each)		
<b>Basic EPS (in Rs)</b>	<b>3.24</b>	<b>2.69</b>
<b>Diluted EPS (in Rs)</b>	<b>3.24</b>	<b>2.68</b>

The audited financial statements shall be made available on request.

**9) a. Performance of the Portfolio Manager during the last three years, and in case of discretionary Portfolio Management, disclosure of performance indicators calculated using Time Weighted Rate of Return (TWRR) method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020:**

Investment Approach	2021-22	2022-223	2023-2024	202425 ( as on september 2024
	% Return	% Return	% Return	% Return
<b>Discretionary</b>				
<b>Growth &amp; Value</b>	9.29	-4.47	35.98	26.08
<b>Performance Indicator</b> *Nifty 50 TRI / BSE 500 TRI**	18.88	-0.60	40.16	16.58
<b>India Resurgent Portfolio III</b>	36.00	0.00	38.72	35.22
<b>Performance Indicator</b> BSE 500 TRI / NIFTY 500*	20.96	-2.26	40.16	20.20

<b>Focus</b>	11.51	-3.36	38.90	24.51
<b>Performance Indicator</b> BSE 500 TRI / NIFTY 500*	20.96	-2.26	40.16	20.20
<b>The Opportunistic Equity Portfolio</b>	21.49	1.49	47.23	37.19
<b>Performance Indicator</b> BSE 500 TRI / NIFTY 500*	19.87	-2.00	40.16	20.20
<b>Apex Portfolio</b>	NA	0.25	40.59	25.57
<b>Performance Indicator</b> – BSE 500 TRI / NIFTY 500*	NA	0.48	40.16	20.20
<b>Non Discretionary</b>	17.73	-2.76	21.16	29.49

Above figures are based on the business activity carried out by JMFS before demerger of business undertaking to JMFL.

\* Bench Mark of all the investment approach were changed as per SEBI circular having reference no SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022, applicable from 1st April 2023.

\*\* Benchmark has been changed from BSE TRI 500 to Nifty 50 TRI w.e.f. 1<sup>st</sup> April 2024

#### Notes:

1. The Time Weighted Rate of Return (TWRR) is arrived at by taking into account clients who are active clients and also clients whose accounts are closed during the period. TWRR is arrived at by breaking up the return on an investment portfolio into separate intervals, based on whether money was added or withdrawn from the fund.
2. Above figures also include closed clients during the period.
3. Other information:
  - Growth & Value commenced on 1<sup>st</sup> March 2005.
  - Focus Investment Approach commenced on 15<sup>th</sup> October 2012.
  - India Resurgent Portfolio III commenced on 4<sup>th</sup> March 2015.
  - The Opportunistic portfolio commenced on 4<sup>th</sup> May 2017.
  - Apex Portfolio Commenced on 1<sup>st</sup> February 2023

B. The Risk Matrix computed by the Portfolio Manager for its Discretionary Portfolio strategies as on September 30 ,2024 are as follows:

Measure	Name of Discretionary Portfolio Investment Approach	Benchmark
	Focus	BSE 500 TRI
Standard Deviation	13	13
Sharpe Ratio	1.1	0.9
	Growth and Value	Nifty 50 TRI
Standard Deviation	14	18
Sharpe Ratio	0.8	0.6
	The Opportunistic Equity Portfolio	BSE 500 TRI
Standard Deviation	15	14
Sharpe Ratio	0.4	0.9
	India Resurgent Portfolio	BSE 500 TRI
Standard Deviation	14	14
Sharpe Ratio	0.8	0.8
	Apex	BSE 500 TRI
Standard Deviation	12.37	13.98
Sharpe Ratio	5.75	4.35

Above figures are based on the business activity carried out by JMFS before demerger of business undertaking to JMFL

- Notes: a. All computations above are since inception of the Investment Approaches  
b. Risk free rate of 4% has been assumed when arriving at the above computation

#### 10) Audit Observations with Status

The observations noted by the Statutory Auditor during audit of the Portfolio Manager during the preceding three years:

Sr No.	Year	Audit observations
1	2021-2022	Nil
2	2022-2023	Nil
3	2023-2024	Nil

Above observations if any are based for Sr No 1 & 2 on the statutory audit carried out by JMFS before demerger of business undertaking to JMFL



## **11) Nature of expenses:**

The following are the general costs and expenses to be borne by the Clients availing the services of the Portfolio Manager. However, the exact nature of expenses relating to each of the following services is annexed to the Portfolio Management Agreement in respect of each of the services provided.

### **i. Portfolio Management fees:**

The Portfolio Management Fees is for providing the Portfolio Management Services to the Client as may be agreed upon between the Portfolio Manager and the Clients as per the terms and conditions of a particular Investment Approach. The fee may be a fixed fee (maximum upto 10% of Portfolio being managed or linked to portfolio returns achieved (maximum upto 50% of return generated during the F.Y.) or a combination of any of these.

The Portfolio Manager shall charge performance linked fee only on increase in portfolio value in excess of the previously achieved High Water Mark.

High Water Mark Principle: High Water Mark shall be the highest value that the Portfolio/account has reached. Value of the Portfolio for computation of high watermark shall be taken to be the value on the date when performance linked fee is charged.

### **ii. Upfront Fees:**

The Portfolio Manager shall not levy upfront fees to the Client.

### **iii. Exit Charge:**

The Portfolio Manager may charge Exit charges / Early withdrawal fee to the Client for early withdrawal of the Portfolio, either in part or full, as may be agreed upon between the Portfolio Manager and the Clients as per the terms and conditions of a particular Investment Approach.

However, the same shall be within the maximum limit in terms of rate and for the time period as specified herein below or in the Regulations and circulars issued thereunder from time to time, whichever is lower.

- In the 1<sup>st</sup> year of investment: Maximum 3% of the amount withdrawn
- In the 2<sup>nd</sup> year of investment maximum 2 % of the amount withdrawn
- In the 3<sup>rd</sup> year of Investment: Maximum 1% of the amount withdrawn
- After period of 3 years from the date of investment: Nil

### **iv. Services related to regular communication, account statements, operating expenses, etc.:**

Charges relating to regular communication, account statements, operating expenses, etc. shall be in aggregate maximum upto 0.50% p.a. of the asset under management.

**v. Depository/Custodian fee:**

Charges relating to opening and operation of demat account, dematerialisation and rematerialisation, Custodian charges, etc. shall be recovered on actual basis.

**vi. Registrars and Transfer Agents' fees:**

Fees payable to 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 shall be recovered on actual basis.

**vii. Brokerage, Transaction Costs and other Services:**

The brokerage and other charges like stamp duty, transaction cost and statutory levies such as Goods and Services tax (GST), securities transaction tax, turnover fees and such other levies as may be imposed upon from time to time shall be recovered on actual basis.

**viii. Fees, exit loads and charges in respect of investment in mutual funds:**

Mutual Funds including JM Financial Mutual Fund may be recovering expenses or management fees, exit loads and other incidental expenses along with GST, if any, on such recoveries and such fees, exit loads and charges including GST on such recoveries, as per the relevant regulation shall be paid to the Asset Management Company of these Mutual Funds on the Client's account.

**ix. Certification charges or professional charges:**

The charges payable for outsourced professional services like accounting, taxation and any legal services, notarisations, etc. shall be borne by the Client on actual basis.

**x. Securities lending charges:**

The charges pertaining to the lending of securities, costs associated with transfer of securities connected with the lending transactions shall be borne by the Clients on actual basis.

**xi. Any other incidental or ancillary expenses:**

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

## 12) Taxation:

### 1. General

This summary on Indian tax matters contained herein is based on existing law as on the date of this disclosure document. No assurance can be given that future legislation, administrative rulings, or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect.

The following is a summary of certain relevant provisions of the Income-tax Act, 1961 ('ITA') as amended by the Finance (No.2) Act, 2024.

The summary is based on laws, regulations, rulings and judicial decisions now in effect, and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

In view of the nature of tax consequences, each client is advised to consult their own tax advisor with respect to the specific tax consequences arising to them from participation in any of the investments.

It is the responsibility of all prospective clients to be aware of any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the securities.

The Portfolio Manager accepts no responsibility for any loss suffered by any Investor as a result of current taxation law and practice or any changes thereto.

### 2. Tax Rates

The tax rates stated in this tax chapter are exclusive of surcharge and health and education cess (unless stated otherwise).

The tax rates are applicable for the financial year 2024-25. Tax rates (excluding surcharge and cess) for different assessees are as below:

Assessee	% of Income Tax (refer notes below)
Individuals, Hindu Undivided Family ('HUF'), Association of Persons ('AOP'), Body of Individuals ('BOI'), Artificial Juridical Person ('AJP')	Applicable slab rates
Domestic Company having turnover/gross receipt not exceeding INR 400 crores in FY 2022-23	25%

Domestic Company having turnover/gross receipt exceeding INR 400 crores in FY 2022-23 and Partnership Firm including Limited Liability Partnership ('LLP')	30%
Foreign Company	35%

**Note 1:**

Domestic company under section 115BAA of the ITA, has the option to pay tax at the rate of 22%, subject to certain prescribed conditions

Domestic manufacturing company under section 115BAB of the ITA, has an option to pay tax at the rate of 15%, subject to certain conditions.

The option under section 115BAA or 115BAB of the ITA needs to be exercised before the due date for furnishing the return of income for any financial year starting from AY 2020-21 or subsequent AYs. Once exercised, such option cannot be withdrawn for the same or subsequent AYs.

Companies exercising the above options have been excluded from the applicability of Minimum Alternate Tax ('MAT').

The rate of surcharge and health and education cess are as under:

2.1 Surcharge rates are provided below:

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)				
	If income is less than INR 50 lakhs	If income is more than INR 50 lakhs but less than INR 1 Crore	If income exceeds INR 1 Crore but less than INR 2 Crores	If income exceeds INR 2 Crores but less than INR 5 Crores	If income exceeds INR 5 crores
Individual, HUF, AOP, BOI, AJP (Resident and non-resident) (those not subject to tax rates prescribed under section 115BAC(1A) of the	Nil	10%	15%	25%	37%

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)				
	If income is less than INR 50 lakhs	If income is more than INR 50 lakhs but less than INR 1 Crore	If income exceeds INR 1 Crore but less than INR 2 Crores	If income exceeds INR 2 Crores but less than INR 5 Crores	If income exceeds INR 5 crores
ITA)					
Individual, HUF, AOP [other than a co-operative society], BOI, AJP (Resident and non-resident) subject to tax rates prescribed under section 115BAC(1A)	Nil	10%	15%	25%	25%

Type of Investor	Surcharge rate as a % of income-tax (refer notes below)		
	If income does not exceed 1 crore	If income exceeds INR 1 crore but less than INR 10 crores	If income exceeds INR 10 crores
Partnership firm or Limited Partnership Firm (Domestic and foreign)	Nil	12%	12%
Domestic Company (Refer note 4)	Nil	7%	12%
Foreign Company, including FPI	Nil	2%	5%

**Note 1:** In the case where the total income includes any income referred to in Section 111A or Section 112 or Section 112A of the ITA, surcharge on such income shall not exceed 15%.

In case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of income-tax shall not exceed 15%.

**Note 2:** In the case where the total income of foreign institutional investor ('FII') or

foreign portfolio investor ('FPI') includes any income referred to in section 115AD(1)(b) being short-term capital gains or long-term capital gains, surcharge on such income shall not exceed 15%.

**Note 3:** Where the total income includes dividend income, surcharge on such income shall not exceed 15%.

**Note 4:** The applicable surcharge rate on income chargeable to tax under sections 115BAA or 115BAB of the ITA shall be 10% irrespective of the income threshold.

**Note 5:** Surcharge on buyback distribution tax shall be at the rate of 12% for buyback made upto 30 September 2024.

2.2 Health and Education Cess at the rate of 4% shall be leviable on aggregate of tax and surcharge.

2.3 In this tax chapter, we have used the term 'applicable slab rates' at many places. The slab rates which are applicable for Individuals / HUF / AOP / BOI/ AJP hereinafter referred to as Old Regime are as follows:

<b>Total Income (Refer notes below)</b>	<b>Tax rates (refer notes below)</b>
Up to INR 2,50,000	Nil
From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 10,00,000	20%
INR 10,00,001 and above	30%

**Note 1:** As per section 87A of the ITA, a rebate on tax is available of an amount equal to 100% of such income-tax or an amount of INR 12,500 (whichever is less) on total income if the income does not exceed INR 5,00,000 for resident individual assessee.

**Note 2:** In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR 3,00,000.

**Note 3:** In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR 5,00,000.

**Note 4:** With effect from FY 2023-24, section 115BAC(1A) is inserted under the ITA, which has introduced lower slab rates as provided under section 115BAC of the ITA and such revised slab rates shall be considered to be the default slab rates. However, the benefit of the lower slab rates will be available subject to the taxpayers forgoing certain exemptions, deductions and set-off of brought forward losses. In case, the taxpayer intends to claim deductions / exemptions, the existing tax rates and slabs will continue to apply. Such person will have the option to be taxed on its total income as per the tax

rates under the old regime. The option is required to be exercised –

- (i) on or before the due date specified under section 139(1) of the ITA for furnishing the return of income for such assessment year, in case of a person having income from business or profession and such option once exercised shall apply to subsequent assessment years; or
- (ii) along with the return of income to be furnished under section 139(1) of the ITA for such assessment year in case of a person not having income referred to in clause (i).

A person having income from business or profession who has exercised the above option of shifting out of the new regime shall be able to exercise the option of opting back to the new regime only once. However, a person not having income from business or profession shall be able to exercise this option every year.

The slab rates which are applicable for Individuals / HUF / AOP / BOI/ AJP hereinafter referred to as New Regime are as follows:

Total Income	Rate of tax
Up to INR 3,00,000	Nil
From INR 3,00,001 to INR 7,00,000	5%
From INR 7,00,001 to INR 10,00,000	10%
From INR 10,00,001 to INR 12,00,000	15%
From INR 12,00,001 to INR 15,00,000	20%
INR 15,00,001 and above	30%

Where the total income of the assessee is chargeable to tax under sub-section (1A) of section 115BAC, and the total income—

- (a) does not exceed seven hundred thousand rupees, the assessee shall be entitled to a deduction, from the amount of income-tax (as computed before allowing for the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to one hundred per cent of such income-tax or an amount of twenty-five thousand rupees, whichever is less;
- (b) exceeds seven hundred thousand rupees and the income-tax payable on such total income exceeds the amount by which the total income is in excess of seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds seven hundred thousand rupees.

**3. Taxability of income in the hands of the Resident and Non-resident Investor. It is envisaged that a portfolio investor, including FPI, could earn the following streams of income from investments made in the portfolio investments:**

- Dividend income;

- Distribution from mutual fund;
- Interest income;
- Gains on sale of securities;
- Premium on redemption; and
- Gains on buy-back of shares.

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

### 3.1 Dividend income on shares

The dividend income shall be taxable in the hands of the shareholders at the applicable rates.

As per Section 80M of the ITA, in case any domestic company receives dividend (forming part of its gross total income) from another domestic company or foreign company or business trust and the dividend is distributed by the first mentioned domestic company before the specific due date (i.e. one month prior to the date of filing tax return under section 139(1) of the ITA), then deduction can be claimed by such domestic company of so much of dividend received from such another domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the specific due date.

The dividend income shall be taxable at the following rates:

#### **Resident investors**

<b>Dividend income earned by</b>	<b>Tax rate for Resident investors</b>
Companies (Refer Note 1 and 2)	30%
Firms / LLPs	30%
Others (Refer Note 3)	As per applicable slab rates, maximum being 30%

**Note 1:** The Finance (No.2) Act, 2024, has prescribed tax rate of 25% (plus applicable surcharge and health and education cess) in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2022-23 (Assessment Year 2023-24).

**Note 2:** The tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.

**Note 3:** Please refer to Note 4 to point 2.3 above

#### **Non-resident investors**



### *Investor being 'FPI'*

Under section 115AD of the ITA, dividend income earned by FPIs shall be taxable at 20% on gross basis. (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent they are more beneficial than the ITA).

### *Other Investors*

Dividend income shall be taxable in the hands of the non-resident investors at the rate of 20% under section 115A of the ITA (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent they are more beneficial than the ITA). In case the investments are made by Non-resident Indians by way of convertible foreign exchange, then such investors may be entitled to be governed by the special tax provisions under Chapter XII-A of the ITA.

**Note 1:** Please refer to Note 4 to point 2.3 above

### Withholding tax by Indian Company

For Resident investor –10% (without applying surcharge and cess) as per the provisions of section 194 of ITA. No tax shall be required to be deducted in case of a shareholder being an individual, if the dividend is paid by any mode other than cash and aggregate amount of dividend distributed or paid or likely to be distributed or paid during the year by the Company does not exceed five thousand rupees. Further, no tax shall be required to be deducted under section 194 of the ITA where specific exclusion is provided.

For Non-resident investors:

- a) Being FPI – 20% (plus applicable surcharge and cess) as per the provisions of section 196D (1) of ITA (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent they are more beneficial than the ITA).
- b) Others - at rates in force being 20% as per the provisions of section 195 of ITA (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent they are more beneficial than the ITA).

### 3.2 Distribution from Mutual Fund

Distributions from mutual funds shall be taxable at the following rates:

#### **Resident investors**

Distribution income earned by	Tax rate for domestic investors
Companies (Refer Note 1 and 2)	30%
Firms / LLPs	30%
Others (Refer Note 3)	As per applicable slab rates, maximum being 30%

**Note 1:** The Finance (No.2) Act, 2024, has prescribed tax rate of 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2022-23 (Assessment Year 2023-24).

**Note 2:** The tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.

**Note 3:** Please refer to Note 4 to point 2.3 above

**Non-resident investors:**

- a) Being FPI – Under section 115AD of the ITA, distribution from mutual fund earned by FPIs shall be taxable at 20% on gross basis (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent beneficial than the ITA).
- b) Others – The non-resident investors (being foreign Company) shall be taxable at the rate of 35%. Non-resident investor (being firms and LLPs) shall be taxable at 30% under the provisions of the ITA and Non-resident investor (others) shall be taxable as per slab rate maximum being 30%. Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent beneficial than the ITA. In case the investments are made by Non-resident Indians, then such investors may be entitled to be governed by the special tax provisions under Chapter XII-A of the ITA.

**Note 1:** Please refer to Note 4 to point 2.3 above

**Withholding tax**

**For Resident investor:**

Flat 10% (without applying surcharge and cess) as per the provisions of section 194K of ITA. No tax shall be required to be deducted in a case where aggregate amount of income credited or paid or likely to be credited or paid during the year does not exceed INR 5,000. Further, no tax shall be required to be deducted if the income is in the nature of Capital gains.

**For Non-resident investors:**

- a) Being FPI – 20% (plus applicable surcharge and cess) as per the provisions of section 196D (1) of ITA (where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent beneficial than the ITA).

- b) Others – 20% (plus applicable surcharge and cess) as per the provisions of section 196A of ITA (where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent beneficial than the ITA). Further, no tax shall be required to be deducted under section 196A of the ITA where specific exclusion is provided.

### 3.3 Interest income on debt securities

As per the provisions of ITA, interest income shall be taxable at the following rates:

#### **Resident investors**

Interest income earned by	Tax rate for domestic investors
Companies (Refer Note 1 and 2)	30%
Firms / LLPs	30%
Others (Refer Note 3)	As per applicable slab rates, maximum being 30%

**Note 1:** The Finance (No.2) Act, 2024, has prescribed tax rate of 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2022-23 (Assessment Year 2023-24).

**Note 2:** The tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the ITA shall be 22% (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.

**Note 3:** Please refer to Note 4 to point 2.3 above

#### **Non-resident investors:**

- a) Being FPI – Under section 115AD of the ITA, interest earned by FPIs shall be taxable at 20%. (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent they are more beneficial than the ITA).
- b) Others – The non-resident investors (being foreign Company) entity shall be taxable at the rate of 35%. Non-resident investor (being firms and LLPs) shall be taxable at 30% under the provisions of the ITA and Non-resident investor (others) shall be taxable as per slab rate maximum being 30%. (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent beneficial than the ITA). In case the investments are made by Non-resident Indians, then such investors may be entitled to be governed by the special tax provisions under Chapter XII-A of the ITA.

**Note 1:** Please refer to Note 4 to point 2.3 above

### Withholding tax by issuer

#### Resident investors:

At rates in force being 10% (without surcharge and cess). Section 193 of the ITA provides for certain cases where no withholding of tax is required.

#### Non-resident investors:

- a) Being FPI –20% (plus applicable surcharge and cess) as per the provisions of section 196D of ITA (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent they are more beneficial than the ITA).
- b) Others – The non-resident investors (being foreign Company) entity shall be taxable at the rate of 35%. Non-resident investor (being firms and LLPs) shall be taxable at 30% under the provisions of the ITA and Non-resident investor (others) shall be taxable as per slab rate maximum being 30%. (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent they are more beneficial than the ITA).

### 3.4 Gains on sale of securities

#### *Gains characterised as capital gains*

The ITA, provides for a specific mechanism for computation of capital gains. Capital gains are computed by deducting from the sale consideration, the cost of acquisition and certain other expenses. The tax payable on capital gains would depend on whether the capital gains are long-term or short-term in nature. Depending on the period for which the securities are held, capital gains earned by the Investors would be treated as short term or long-term capital gains. The taxability of capital gains is discussed below:

Period of Holding of Capital Assets transferred before 23 July 2024

Type of instrument	Period of holding	Characterisation
Listed Securities (other than a unit), units of equity-oriented funds, units of Unit Trust of India and Zero- Coupon bonds	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Shares of a company (other than shares listed on a recognised stock exchange)	More than twenty-four (24) months	Long-term Capital Asset
	Twenty-four (24) months or less	Short-term Capital Asset
Other securities	More than thirty-six (36) months	Long-term Capital Asset
	Thirty-six (36) months or less	Short-term Capital

		Asset
Units of Specified Mutual Fund acquired on or after 1 April 2023 or a Market Linked Debenture	Not Applicable	Deemed Short-term Capital Asset

Period of Holding of Capital Assets transferred on or after 23 July 2024

Type of instrument	Period of holding	Characterisation
Listed Securities, units of equity-oriented funds, units of Unit Trust of India and Zero-Coupon bonds	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Shares of a company (other than shares listed on a recognised stock exchange) and Other securities except units of Specified Mutual Fund acquired before 1 April 2023, market linked debentures, unlisted bonds and unlisted debentures	More than twenty-four (24) months	Long-term Capital Asset
	Twenty-four (24) months or less	Short-term Capital Asset
Units of Specified Mutual Fund acquired on or after 1 April 2023, market linked debentures, unlisted bonds and unlisted debentures	Not Applicable	Deemed Short-term Capital Asset

Taxability of capital gains under the ITA (without considering the benefits under the Treaty for non-resident investors) should be as follows for transfer before 23 July 2024:

Sr. No	Particulars	Resident investors	Non-resident investors [Note 1]	FPI
		Tax rate (%) excluding applicable surcharge and health and education cess		
1	Short-term capital gains on transfer of listed equity shares, to be listed shares sold through offer for sale, units of an equity-oriented fund and units of a business trust on which securities transaction tax ('STT') has been paid	15%	15%	15%
2	Any other short-term capital gains (Note 7)	30% [Note 2]	30% (in case of firms/LLP/foreign)	30%

Sr. No	Particulars	Resident investors	Non-resident investors [Note 1]	FPI
		Tax rate (%) excluding applicable surcharge and health and education cess		
			non-corporates) / 35% (in case of foreign company) (assumed highest slab rate for individuals – (Note 2)	
3	Long-term capital gains on transfer of: (i) listed equity shares on a recognised stock exchange (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented fund (iv) units of a business trust and on which STT has been paid [Note 3 and 8]	10% [Note 4]	10% [Note 4]	10% [Note 4]
4	Long term capital gains on sale of listed bonds or listed debentures	10% (without indexation) [Note 5]	10% (without indexation) [Note 5]	10% [Note 4]
5	Long term capital gains on transfer of listed securities (other than units, listed bonds and listed debentures) and on which STT has not been paid	10% (without indexation) or 20% (with indexation), whichever is lower	10% (without indexation) [Note 5]	10% [Note 4]
6	Long term capital gains on transfer of units of mutual fund (listed) other than equity-oriented fund (Note 7)	20% (with indexation)	20% (with indexation)	10% [Note 4]
7	Long-term capital gains on transfer of unlisted bonds or unlisted debentures	20% (without indexation)	10% [Note 4]	10% [Note 4]
8	Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures) [Note 6]	20% (with indexation)	10% [Note 4]	10% [Note 4]

Taxability of capital gains under the ITA (without considering the benefits under the Treaty for non-resident investors) should be as follows for transfer on or after 23 July 2024:

Sr. No	Particulars	Resident investors	Non-resident investors [Note 1]	FPI
		Tax rate (%) excluding applicable surcharge and health and education cess		
1	Short-term capital gains on transfer of listed equity shares, to be listed shares sold through offer for sale, units of an equity-oriented fund and units of a business trust on which securities transaction tax ('STT') has been paid	20%	20%	20%
2	Any other short-term capital gains (Note 7)	30% [Note 2]	30% (in case of firms/LLP/foreign non-corporates) / 35% (in case of foreign company) (assumed highest slab rate for individuals – (Note 2)	30%
3	Long-term capital gains on transfer of: (i) listed equity shares on a recognised stock exchange (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented fund (iv) units of a business trust and on which STT has been paid [Note 3 and 8] (v) Unlisted shares [Note 6] (vi) Other securities	12.50% [Note 4]	12.50% [Note 4]	12.50% [Note 4 and 5]
4	Deemed short-term capital gains on transfer of units of Specified Mutual Fund acquired on or after 1 April 2023, Market Linked Debentures, unlisted bonds or debentures (Note 7)	30% [Note 2]	30% (in case of firms/LLP/foreign non-corporates) / 35% (in case of foreign company) (assumed highest	30%

Sr. No	Particulars	Resident investors	Non-resident investors [Note 1]	FPI
		Tax rate (%) excluding applicable surcharge and health and education cess		
			slab rate for individuals – (Note 2)	

Note 1:

In case, the investments are made by Non-resident Indians by way of convertible foreign exchange, then such investors may be entitled to be governed by the special tax provisions under Chapter XII-A of the ITA.

Note 2:

Assuming highest slab rates for individual investors.

In the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the FY 2022-23 (AY 2023-24), the tax rate would be 25% (plus surcharge and health and education cess).

Domestic companies have the option to pay tax on total income at the rate of 22% as per section 115BAB and section 115BAA (plus applicable surcharge and health and education cess).

Please refer to Note 4 to point 2.3 above

Note 3:

The cost of acquisition of equity shares or units of an equity oriented funds acquired before 1 February 2018, shall be higher of:

- the actual cost of acquisition; and
- Lower of:
  - o Fair market value as on 31 January 2018, determined in the prescribed manner; and
  - o Value of consideration received or accruing upon transfer.

The CBDT issued a notification dated 1 October 2018, wherein the list of transactions has been specified in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the ITA shall not apply.

Note 4:

Without considering indexation and foreign exchange fluctuation benefit.



Note 5:

The Indian Revenue Authorities may disregard the said position and apply a tax rate of 20%.

Note 6:

As per section 50CA of the ITA, where the consideration received or accruing on account of transfer of unlisted shares is less than the Fair market value of such share, determined in the prescribed manner, the fair value as determined should be deemed to be the full value of consideration for the purpose of computing capital gains.

The CBDT vide notification dated July 12, 2017 (with effect from April 1, 2017) has issued rules for computation of FMV for the purpose of section 50CA of the ITA. Where the actual sales consideration is disregarded and the fair market value, as computed under section 50CA read with the IT Rules is considered for the purpose of determination of capital gains, the investors or the Fund may be taxable on an amount that may be greater than gains realised. The taxability of such gains would be as discussed above.

The CBDT vide notification<sup>1</sup> has notified Rule 11UAD which provides that the above provision shall not apply for to any consideration received / accruing on transfer from such class of persons and subject to fulfilment of conditions prescribed.

Note 7:

As per section 50AA of the ITA, capital gains on transfer/redemption/maturity of specified mutual funds<sup>2</sup> acquired on or after 01 April 2023 or market linked debentures<sup>3</sup> or unlisted bonds or unlisted debentures shall be deemed to be short term capital gains (irrespective of the period of holding) and such short term capital gains shall be chargeable to tax at the ordinary tax rates (Refer tax rates provided for 'Other short term capital gains' in the table above).

Note 8:

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<sup>1</sup> no. 42 /2020/F. No.370149/143/2019-TPL dated 30 June 2020

<sup>2</sup> As per explanation (ii) to section 50AA of the ITA, "Specified Mutual Fund" means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures. In a scenario where the Scheme fulfils the conditions mentioned for being a specified mutual fund, there is a litigation risk of units of the Scheme being treated as specified mutual fund.

<sup>3</sup> As per explanation (i) to section 50AA of the ITA, "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India.

- i. LTCG above INR 1.25 lakh on following transfers shall be taxable under section 112A at 10% for transfers before 23 July 2024 and at 12.50% for transfers on or after 23 July 2024 (excluding surcharge and cess):
  - a. listed equity shares (STT paid on acquisition and transfer)
  - b. units of equity-oriented fund (STT paid on transfer); and
  - c. units of business trust (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.

The CBDT has issued a notification<sup>4</sup>, to specify the transactions where the condition of payment of STT on acquisition would not apply for applying tax rate under section 112A on transfer of listed equity shares.

Note 9:

The cost of acquisition of bonus shares should be taken as 'Nil' while computing capital gains on transfer of such bonus shares.

Note 10:

The non-resident investors shall be entitled to the beneficial provisions of the DTAA, if any, subject to providing a valid TRC along with Form 10F and claim a lower taxability of such income subject to fulfilment of the relevant conditions under the applicable DTAA.

### **Withholding tax**

Resident investors: Refer to point 4.1 below.

Non-resident investors:

- a) Being FPI – No withholding of taxes
- b) Others – rates in force (being the rates provided above) as per the provisions of section 195 of ITA (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent beneficial than the ITA)

*Gains are characterised as 'business income' - for investors other than FPIs*

If the gains are characterised as business income, then the same should be taxable on net income basis at the rate of 30% for resident investors. Kindly note, we have assumed highest rate for resident individual investors.

The Finance (No. 2) Act, 2024, has prescribed the tax rate of 25% in case of domestic companies having a total turnover or gross receipts not exceeding 400 crores in the FY 2022-23 (AY 2023-24). Also, as provided earlier, domestic companies have the option

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<sup>4</sup> Notification No. 60/2018

to pay tax on total income at the rate of 15% or 22%.

If the gains are characterised as business income, then the same should be taxable on net income basis at 35% for foreign company if it has a business connection/ permanent establishment in India, and such income is attributable to the business connection/ permanent establishment of the non-resident in India. Non-resident investor (being firms and LLPs) shall be taxable at 30% under the provisions of the ITA and Non-resident investor (others) shall be taxable as per slab rate maximum being 30%. The non-resident investors, where treaty benefits are available, shall be entitled to the provisions of the Treaty to extent beneficial than the ITA.

### Withholding tax

Resident investors: Refer to point 4.1 below.

### Non-resident investors:

- c) Being FPI – Not Applicable.
- d) Others – rates in force (being the rates provided above) as per the provisions of section 195 of ITA (Where treaty benefits are available, the taxpayer shall be entitled to the provisions of the Treaty to extent beneficial than the ITA).

### 3.5 Premium on redemption:

Where redemption premium is classified as capital gains, the same shall be taxable at the rate specified against capital gains. If redemption premium is classified as interest, it shall be taxable at the rate specified against interest.

### 3.6 Proceeds on buy-back of shares by a domestic company

As per section 10(34A) of the ITA, gains arising on buy back of shares shall be exempt in the hands of investors up to 30 September 2024. However, a distribution tax at the rate of 20% (plus applicable surcharge of 12% and health and education cess of 4%) shall be payable by the Indian company on distribution of income by way of buyback of its shares up to 30 September 2024 if the buy-back is in accordance with the provisions of any law for the time being in force relating to companies. Such distribution tax shall be payable on the difference between consideration paid by such Indian company for purchase of its own shares and the amount that was received by the Indian company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

As per Finance (No.2) Act, 2024, from 1 October 2024, any payment made by a company on purchase of its own shares from a shareholder shall be considered as dividend u/s 2(22)(f) of the ITA in the hands of shareholder. Buy back of shares would be considered as transfer and hence as per section 46A of the ITA, the cost

of acquisition of the shares which have been bought back would generate a capital loss in the hands of the shareholder as the value of consideration received on such buy back shall be deemed to be nil. No buy-back tax shall be payable by the Indian company from 1 October 2024.

#### **4. Other tax considerations**

##### **4.1 Deduction of tax at source on payment of certain sum for purchase of goods**

Section 194Q of ITA provides that any person (i.e., a buyer) who is responsible for paying any sum to any resident (i.e., seller) for purchase of any goods of the value or aggregate of such value exceeding INR 50 lakhs in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1% of such sum exceeding INR 50 lakhs as income-tax.

For the purpose of this clause, the term "buyer" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed INR 10 crore during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

It should however be noted that CBDT has issued Circular No. 13/2021 dated 30 June 2021 inter alia clarifying that the above provisions shall not apply to:

- to transactions in shares and commodities transacted through recognised stock exchanges/ recognised clearing corporations, including those located in International Financial Service Centres,
- a non-resident purchaser whose purchase of goods from seller resident in India, is not effectively connected with the permanent establishment of such non-resident in India.
- on purchase of goods from a person, being a seller, who as a person is exempt from income tax under the ITA (like person exempt under section 10) or under any other Act passed by the Parliament (e.g., RBI Act, ADB Act etc.). This will not apply where only part of income of the person is exempt.

The provisions of this section 194Q shall not apply to a transaction on which—

- (a) tax is deductible under any of the provisions of this ITA; and
- (b) tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.

##### **4.2 Withholding Taxes with respect to any benefit / perquisite**

Section 194R is inserted in the ITA, which provides that any person responsible for providing any benefit or perquisite (whether convertible into money or not) arising

from carrying out of a business or exercising of a profession by such person, to another resident, should deduct tax at source at 10% of the value of such benefit or perquisite as specified in the ITA, before providing such benefit or perquisite, as the case may be.

#### 4.3 Application to Assessing Officer for credit of TDS

Finance Act 2023 has introduced provision to provide that where any income has been included in the return of income furnished by an assessee under section 139 of the ITA for any assessment year (herein referred to as the relevant assessment year) and tax on such income has been deducted at source and paid to the credit of the Central Government in a subsequent financial year, the Assessing Officer shall, on an application made by the assessee in such form, as may be prescribed, within a period of two years from the end of the financial year in which such tax was deducted at source, amend the order of assessment or any intimation allowing credit of such tax deducted at source in the relevant assessment year. However, the credit of such tax deducted at source shall not be allowed in any other assessment year.

#### 4.4 Collection of tax at source on sale of goods

Under Section 206C(1H) of the ITA, the seller who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding INR 50 lakhs, at the time of receipt of such amount, shall collect from the buyer, a sum equal to 0.1 % of the sale consideration exceeding INR 50 lakhs as income-tax. Further, in case the buyer does not furnish his Permanent Account Number ('PAN') or Aadhaar number to the seller, then the tax shall be collected by the seller at the rate of 1%. Provided further, that the provision of section 206C(1H) of the ITA shall not apply, if the buyer is liable to deduct tax at source under any other provisions of the ITA on the goods purchased by him from the seller and has deducted such amount.

For the purpose of this clause, the term "seller" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed INR 10 crore during the financial year immediately preceding the financial year in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

It should however be noted that CBDT vide circular No. 17/2020 has clarified that the above provisions are not applicable to transactions in shares and commodities transacted through recognised stock exchanges/ recognised clearing corporations, including those located in International Financial Service Centres.

In a transaction where both TCS provision – Section 206(IH) and TDS provision – 194Q of the ITA are applicable, then in such transaction, Section 194Q shall prevail.

#### *TCS at higher rate*

Section 206CCA of the ITA applies on any sum or amount received by a person from a specified person. The TCS rate in this section is higher of the following rates:

- a. twice the rate specified in the relevant provision of the ITA; or
- b. the rate of 5%.

If the provision of section 206CC of the ITA is applicable to a specified person, in addition to the provision of this section, the tax shall be collected at higher of the two rates provided in this section and in section 206CC of the ITA.

For the purposes of section 206CCA of the ITA “specified person” has been defined to mean a person who has not filed the returns of income for the assessment year relevant to the previous years immediately prior to the previous year in which tax is required to be collected, for which the time limit of filing return of income under section 139(1) of the ITA, has expired; and the aggregate of tax collected at source in his case is rupees fifty thousand or more in each of these two previous years. It is also provided that such specified person shall not include a non-resident who does not have a permanent establishment in India.

The rate of TCS under section 206CCA shall not exceed 20%<sup>5</sup>.

#### 4.5 Default in providing PAN

The income tax provisions (section 206AA of the ITA) provide that where a recipient of income (who is subject to withholding provisions) does not furnish its Permanent Account Number (‘PAN’), then tax is required to be deducted by the payer at the higher of the following i.e., (i) rates specified in the relevant provisions of the ITA; (ii) rates in force; or (iii) at 20%.

In the case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents. The CBDT had issued a notification granting certain relaxations from deduction of tax at a higher rate in the case of non-resident investors or a foreign company. The provisions of section 206AA of the ITA shall not apply in respect of payments to be made which are in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, provided the deductee furnishes certain details and specified documents to the deductor.

Accordingly, in the case of investors who do not have a PAN, the tax would be required to be deducted at a minimum rate of 20%, unless certain prescribed information / documents are provided by such investors, being non-residents.

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<sup>5</sup> As amended by Finance Act 2023 w.e.f. 1 July 2023.

#### 4.6 Withholding at a higher rate on account of non-filing of Return of Income

Where any sum or income or amount is paid, or payable or credited, by a person to a specified person and tax is required to be deducted at source as per provisions of the ITA (except where taxes have been withheld under certain sections of the ITA), tax shall be deducted at higher of the followings rates:

- i. twice the rate specified in the relevant provision of the ITA; or
- ii. twice the rate or rates in force; or
- iii. the rate of 5%

The provisions of section 206AB of the ITA shall not apply to a non-resident payee who does not have a permanent establishment in India and as per Finance Act 2023, a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and who is notified by the Central Government in the Official Gazette in this behalf.

Where the provisions of section 206AA and 206AB of the ITA are found to be applicable together, the higher of the two rates under the respective sections shall be applicable for deduction of taxes.

#### 4.7 Advance tax instalment obligations

It will be the responsibility of the investors to meet the advance tax obligation instalments payable on the due dates prescribed under the ITA.

#### 2.4 STT:

STT is applicable on various transactions as follows:

Transactions/Particulars	Payable by Purchaser	Payable by Seller
Delivery based purchase transaction in equity shares entered into in a recognised stock exchange	0.1%	N.A.
Delivery based sale transaction in equity shares entered in a recognised stock exchange	N.A.	0.1%
Delivery based sale transaction of unit of equity oriented fund	N.A.	0.001%
Non-delivery based sale transaction in equity shares or units of equity oriented fund entered in a recognised stock exchange	N.A.	0.025%
Sale of options in securities	0.125% of the difference between the strike price and	0.1%

	settlement price of the option (In case option is exercised)	
Sale of futures in securities	N.A.	0.02%
Sale of a unit of an equity oriented fund to the Mutual Fund	N.A.	0.001%
Sale of unlisted shares under an offer for sale	N.A.	0.2%
Sale of unlisted units of business trust under an offer for sale	N.A.	0.2%

#### 4.8 Transfer of unquoted shares at less than Fair market value

As per Section 50CA of ITA, if there is a transfer of unquoted shares of a company at a value lesser than the Fair market value, then the Fair market value should be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has notified rules for computation of FMV for the purpose of section 50CA of the ITA.

The CBDT vide notification no. 42 /2020/F. No.370149/143/2019-TPL dated 30 June 2020 has notified Rule 11UAD of the Income-tax Rule, 1962 (IT Rules) which provides that the above provision shall not apply to any consideration received / accruing on transfer from such class of persons and subject to fulfilment of conditions as prescribed.

#### 4.9 Deemed income on investment in securities

Section 56(2)(x) of the ITA provides that if any assessee receives any property (including securities) without consideration or for inadequate consideration in excess of INR 50,000 as compared to the Fair market value, Fair market value in excess of such consideration shall be taxable in the hands of the recipient. The CBDT vide Notification No. 40/2020/F. No.370149/143/2019-TPL dated 29 June 2020 has in Rule 11UAC of the IT Rules provided that above provision shall not apply to any sum of money or any property received from such class of persons and subject to fulfilment of conditions as prescribed.

The CBDT has issued rules for computation of FMV for the purpose of section 56(2)(x) of the ITA.

Accordingly, such other income should be chargeable to tax (i) at the rate of 30% (plus applicable rates of surcharge and cess) in case of resident investors (assuming highest slab rate for resident individual) (ii) at the rate of 35% (plus applicable rates of surcharge and cess) in case of foreign companies (ii) at the rate of 30% (plus applicable rates of surcharge and cess) in case of non-resident firms/LLPs. The rates would be subject to availability of benefits under the Treaty, if any in case of non-resident investors.

#### 4.10 General Anti Avoidance Rules ('GAAR'):



The GAAR regime as introduced in the ITA shall be effective from April 1, 2017. GAAR may be invoked by the tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
- It results in directly / indirectly misuse or abuse of the ITA;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

#### 4.11 FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and Other reportable accounts (i.e. under CRS).

Further, if a person who is required to furnish the statement under section 285BA provides inaccurate information in the statement, and where –

- the inaccuracy is due to a failure to comply with the due diligence requirement prescribed under sub-section (7) of section 285BA or is deliberate on the part of that person; or
- the person knows of the inaccuracy at the time of furnishing the statement of financial transaction or reportable account, but does not inform the prescribed income-tax authority or such other authority or agency; or
- the person discovers the inaccuracy after the statement of financial transaction or reportable account is furnished and fails to inform and furnish correct information within the time specified under sub-section (6) of section 285BA, then, the prescribed income-tax authority may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.

Further, the Finance Act, 2023 has inserted a new sub-section (2) in the section 271FAA

of the ITA which provide that if there is any inaccuracy in the statement of financial transactions submitted by a prescribed reporting financial institution and such inaccuracy is due to false or inaccurate information submitted by the account holder, the prescribed income-tax authority shall direct that the reporting financial institutions shall in addition to the penalty of fifty thousand rupees (as mentioned above), pay a sum of five thousand rupees for every inaccurate reportable account and the reporting financial institution shall be entitled to recover the amount so paid on behalf of the account holder or retain out of any moneys that may be in its possession or may come to it from every such reportable account holder.

#### 4.12 Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty. On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Once MLI evolves and is implemented in future, one would need to analyse its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Revenue authorities and applied.

#### 4.13 Minimum Alternate Tax

As per the ITA, if the income-tax payable on total income by any company is less than 15% (excluding applicable surcharge and health and education cess) of its book profits, the company will be required to pay MAT which will be deemed to be 15% of such book profits (excluding applicable surcharge and health and education cess). Further, MAT provisions shall not be applicable to a foreign company if such company is a resident of

a country or a specified territory with which India has a Tax Treaty and the company does not have a permanent establishment in India. Also, MAT provisions are not applicable if the company is a resident of a country or a specified territory with which India does not have a Tax Treaty, but the company is not required to seek registration under any law in relation to companies.

Further, the MAT credit is allowed to be carried forward up to 15 assessment years. The Finance Act, 2017, has introduced the framework for computation of book profit for IndAS compliant companies in the year of adoption and thereafter.

In case where the domestic company opts to be taxed as per the rates and manner prescribed under Section 115BAA and 115BAB of the ITA, then MAT provisions shall not be applicable to such domestic companies. Also, MAT credit (if any) shall not be allowed to be carried forward once the company exercises the option to avail reduced tax rates as mentioned above.

#### 4.14 Alternate Minimum Tax

As per the ITA, if the income-tax payable on total income by any person other than a company is less than the alternate minimum tax, the adjusted total income shall be deemed to be the total income of that person and he shall be liable to pay income-tax on such total income at the rate of 18.5% (excluding applicable surcharge and health and education cess). Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Further, the AMT credit is allowed to be carried forward up to 15 assessment years.

These above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the ITA. Also, AMT credit (if any) shall not be allowed to be carried forward once the person exercises the option to avail reduced tax rates as mentioned above.

#### 4.15 Bonus stripping

Where any person buys or acquires any securities or units, as defined in section 94(8), within a period of three months prior to the record date, as defined in section 94(8), for the purposes of entitlement of the holder of the securities or units to receive additional securities or unit without any consideration and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original units.

#### 4.16 Dividend stripping

Section 94(7) of the ITA, provides that losses arising from the sale or transfer of units purchased within 3 months prior to the record date fixed for declaration of dividend or income on units and sold within 9 months after such date, will be ignored to the extent of income distribution on such units claimed as tax exempt by the unit holder.

Section 94(7) of the ITA, also provides that losses arising from the sale or transfer of securities purchased within 3 months prior to the record date fixed for declaration of dividend or income on such securities and sold within 3 months after such date, will be ignored to the extent of the income distribution on such securities claimed as tax exempt by the holder of the securities. As per this Section, securities include stocks and shares.

The above provisions should not apply where the dividend received by the shareholders are taxable in their hands.

#### 4.17 Carry-forward of losses and other provisions (applicable irrespective of the residential status)

In terms of section 70 read with section 74 of the ITA, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

#### 4.18 Goods and Services Tax

From July 1, 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST should be applicable on services provided.

#### 4.19 Changes in Law

While the comments outlined in this section factor in the prevalent general industry practices and current interpretations of tax laws, such positions may not have been specifically addressed or endorsed by the revenue / judicial authorities and could be subject to scrutiny.

Further, there can be no assurance that there will not be future legislative, judicial, or administrative changes in the law or interpretations thereof. Any such changes, which could be retroactive could adversely affect the consequences, including the tax consequences, of an investment in the Fund. In view of the nature of tax consequences, each client is advised to consult their respective tax advisor with respect to the specific

tax consequences to the client arising from participation in the investment approaches. Clients are best advised to take independent opinion from their tax advisors/ experts for any income earned from such investments.

### **13) Accounting Policies**

#### **A. Portfolio Valuation**

The following policy will be applied for reporting Portfolio to the Client and for assessing performance of the Portfolio:

#### **Investments in Equities**

Investments in equities will be valued at the closing market price on the NSE. In case any of the securities are not listed on NSE or the securities are not traded on NSE on a particular day, closing price on BSE will be used for valuation purpose. In case the closing price of any of the securities is not available either on NSE or on BSE, then the closing price of the securities on the previous working day will be taken for the valuation purpose.

#### **Investment in Derivatives**

For derivatives including futures and options, unrealized gains and losses will be calculated by marking to market the open positions

#### **Investments in Mutual Funds**

Investments in units of exchange traded funds (“ETF”) and close-ended schemes of mutual funds, which are listed on NSE, will be valued at the closing market price on NSE. In case the units of mutual fund are not listed on NSE or the units are not traded on NSE on a particular day, closing price on BSE will be used for valuation purpose. In case the closing price of any of the units of the mutual fund is not available either on NSE or on BSE, then the closing price of the units on the previous working day will be taken for the valuation purpose.

Investments in units of mutual funds, which are not listed on stock exchanges (NSE/BSE), will be valued at the NAVs published by the Mutual Fund Houses on a particular day. Where no NAV is published for a particular day, the previous working day’s published NAV will be taken for the valuation purpose.

#### **Investment in Unlisted Securities**

Unlisted Equity / Securities would be valued in accordance with the guidelines prescribed by APMI from time to time. Debt instruments and money market instruments would be valued accordance with the guidelines prescribed by APMI from time to time.

**Fixed Deposits** with the banks will be valued at the amount deployed in the Fixed Deposit. The interest accrued by the respective banks on the above Fixed Deposits would also be taken into consideration in the above valuation as and when the credit is given by the banks. TDS on interest on Fixed Deposits will be considered as withdrawal of Portfolio and will be excluded accordingly.

## **B. Basis of Accounting**

The following accounting policies will be applied for accounting the investments of the Client and reporting to them:

- (i) The Books of Account of the Client is maintained on a historical cost basis.
- (ii) Realised gains/losses will be calculated by applying the first in/first out method.
- (iii) For derivatives/futures and options transactions, unrealised gains and losses will be calculated by marking all the open positions to market.
- (iv) Unrealised gains/losses are the differences between the current market values/NAV's and the cost of the securities/price at which securities are valued on the date of admitting as a corpus.
- (v) All income will be accounted on accrual or receipt basis, whichever is earlier.
- (vi) All expenses will be accounted on due or payment basis, whichever is earlier.
- (vii) The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investment or for accounting the same, as may be mutually agreed between them on a case-by-case basis.
- (viii) Purchase and Sale transactions are accounted for on contract date basis.
- (ix) Purchases are accounted at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities Transaction Tax, Demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- (x) Securities Transaction Tax paid on purchase/sale of securities including derivatives, during the financial year is recognized as an expense in the books of accounts.
- (xi) Bonus shares are recorded on the ex-benefit date (ex-date).
- (xii) Dividend income is recorded on the ex-dividend date (ex-date).

- (xiii) Interest on Debt instruments/ Fixed Deposit with banks is accounted on accrual basis.
- (xiv) Tax deducted at source (TDS) on interest on Fixed Deposits is considered as withdrawal of Portfolio and debited accordingly.
- (xv) Portfolio received from the Clients in the form of securities will be accounted at previous day's closing price on NSE. Where the Client withdraws Portfolio in the form of securities, the same will be accounted on the date of withdrawal at the previous closing price. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, closing price on BSE will be used for aforesaid accounting purpose.

The Client may contact the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

#### **14) Investors' Services**

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

Aanchal N Sharma  
2nd Floor, B Wing, Suashish IT Park, Plot No. 68E,  
Off. Dattapada Road, Opp. Tata Steel,  
Borivali (East),  
Mumbai 400 066.  
Tel : 022-4505 7149  
Email : aanchal.sharma@jmfl.com; lgpms@jmfl.com

**(b) Client may also approach Compliance Officer whose details are given herein below :**

5th Floor, Cnergy, AppaSaheb Marathe Marg, Prabhadevi;  
Mumbai: 400025  
Tel : 022-6630 3030 ; Email : [compliance.pms@jmfl.com](mailto:compliance.pms@jmfl.com)

**(c) Details of SEBI online portal (SCORES) to lodge the complaint online:**

The Client can also lodge his/her/its grievances with SEBI at <https://scores.sebi.gov.in/>  
For any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800 22 7575 / 1800 266 7575.

If the party raising dispute/differences is not satisfied with the outcome of the redressal through SCORES such dispute/difference may be submitted to dispute

resolution mechanism as per the framework notified by SEBI vide its circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 (and any amendment or clarificatory circulars that may be issued by SEBI from time to time) (“SEBI ODR Circular”) for Online Resolution of Disputes in the Indian Securities Market (<https://smartodr.in/login>)

**(ii) Grievance Redressal and Dispute Settlement mechanism:**

**Grievance Redressal:**

- i. The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query or concern as soon as practicably possible.
- ii. All Clients’ complaints are escalated to the Compliance department immediately on receipt of complaint.
- iii. The Compliance Department reviews and monitors the status of Client’s complaint and takes necessary action for quick resolution of the same.
- iv. If during the review of complaint, it is noticed that the complaint is due to some procedural lapse or due to any other identifiable reasons, then necessary corrective steps are taken immediately.
- v. Complaints are 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.

**Dispute Settlement Mechanism:**

All disputes, differences, claims and questions whatsoever, which shall arise either during the subsistence of the agreement with the Client or afterwards with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising there from or the interpretation of any provision therein shall be, at the first instance settled by mutual discussion, failing which the same shall be referred to, and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration proceedings shall be held in Mumbai and conducted in English.

The agreement with the Client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with the Client or the performance of the agreement by either party of their obligations will be conducted exclusively in courts located within the city of Mumbai in the State of Maharashtra in India.

**15) Details of Diversification policy for portfolio manager:**

The Portfolio Manager aims to provide optimal diversification based on the investment strategy of the Investment approach, to minimize the concentration risk in the client portfolio. The Portfolio Manager shall endeavour to achieve diversification of the



portfolio at a company/stock level by allocating between 15 to 30 investment ideas based on the stated investment strategy. Portfolio managers may also book profits from time to time, to lower the weight in the portfolio, if the stock price increases significantly and weight in the portfolio increases disproportionately high, and investment strategy calls for such an approach.

The Portfolio Manager will also make endeavour to achieve diversification across various sectors based on assessment of macro-economic outlook and the investment strategy. We avoid taking aggressive sector concentration risk, unless the portfolio strategy allows us to do so. E.g. Diversification across sectors may not be needed for sectoral / thematic / opportunistic strategies, due to the nature and stated objective of the strategies.

In a customised & advisory type client mandates, the diversification is as per the clients need and approval from time to time.

Further, the investments made by the Portfolio Manager into associate/related parties of the Portfolio Manager shall be with prior consent of the Investor and in accordance to the SEBI Master Circular dated 20th March 2023 point 3.4 to 3.7 or as notified by SEBI from time to time.

Sr. No.	Name of the Director	Signature
1.	Mr. Vishal Kampani	<div>Vishal Nimesh Kampani</div> <div>Digitally signed by Vishal Nimesh Kampani Date: 2025.01.03 13:13:46 +05'30'</div>
2.	Mr. Adi Patel	<div>Adi Rusi Patel</div> <div>Digitally signed by Adi Rusi Patel Date: 2025.01.03 13:12:41 +05'30'</div>

**Place : Mumbai**


**Date : January 03, 2025**

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

**JM Financial Ltd  
5<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi Mumbai: 400025  
Telephone: 022 67040404  
Fax: 022 67043139**

We confirm that:

- i) 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;
- ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager.
- iii) the Disclosure Document has been duly certified by an independent chartered accountant M/s M.P. Chitale & Co. Chartered Accountants, 1<sup>st</sup> Floor , Prabhadevi Industrial Estate, Veer Savarkar Marg Prabhadevi, Mumbai 400025, bearing registration no 101851W dated Jan 03, 2025.

  
**Signature of Principal Officer  
Mr. Ashish Chaturmohta  
Executive Director – PMS  
5<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi Mumbai: 400025**

Date: January 03, 2025

**JM Financial Limited**

Corporate Identity Number : L67120MH1986PLC038784

**Regd. Office:** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.  
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com

# **M. P. Chitale & Co.**

## **Chartered Accountants**

1/11, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 • Tel.: 43474301-03

**The Board of Directors,**

**JM Financial Limited,**

7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai 400 025.

### **Certificate under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020**

1. We have been requested by management of JM Financial Limited ('the Company'/'the Portfolio Manager') to certify the contents of Disclosure Document dated 03<sup>rd</sup> January 2025, for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations'). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI") and to the clients of the Company.

#### **Management's responsibility**

2. The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.
3. The preparation of Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

#### **Auditor's responsibility**

4. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
5. For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

- a) The list of persons classified as group companies and list of related parties of the company are verified as per audited financial statements provided to us by the Company;
- b) The promoters and directors' qualifications, experience, ownership details are as confirmed by the Portfolio Manager and have been accepted without further verification;
- c) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to penalties or litigations against the Portfolio Manager, as mentioned in the Disclosure Document;
- d) We have reviewed the figures for performance disclosed in the Disclosure Document on the basis of performance data provided to us by the Company;
- e) We have reviewed the transactions with the related parties during the quarter ended September 2024 as per the list of related parties and transactions data provided by the Portfolio Manager;
- f) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to the investment objectives and policies / investment philosophy;
- g) We have reviewed nature of fees and expenses as per the agreements and representations provided by the Company; and
- h) We have verified the financial figures disclosed in the Disclosure Document with the audited financial statements for the respective years.

### **Conclusion**

6. Based on the procedures performed as stated above, evidence obtained and information and explanations provided by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

Based on our review of attached Disclosure Document, audited annual accounts of the Portfolio Manager and its other group companies and its other relevant records and information furnished by the Portfolio Manager along with representation provided, we certify that the disclosures made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well informed decision.

7. This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons other than being part of Disclosure Document without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

**For M.P. Chitale & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 101851W**



**Vidya Barje**  
**Partner**  
**M. No. 104994**  
**Mumbai, January 03, 2025**  
**UDIN: 25104994BMIDHM7793**