

FORM C  
Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020  
[Regulation 22]

**Fincos Technology Solutions Private Limited**  
Regd. Office: 504, B-Wing, 5<sup>th</sup> Floor, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel.: 91-011-43708987,  
Website: [www.fincossolutions.com](http://www.fincossolutions.com)  
E-mail [office@fincossolutions.com](mailto:office@fincossolutions.com), [info@fincossolutions.com](mailto:info@fincossolutions.com)

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 in the Portfolio Management;
- iii) The Disclosure Document has been duly certified by M/S Kapish Jain Associates (Membership No. 514162/FRN 022743N) an independent Chartered Account having office at 116, New Delhi House, Barakhamba Road, New Delhi-110001, Tel No. 01143708987.

Date: 27<sup>th</sup> Jan '2024

Place: New Delhi

Signature of the Principal Officer

Vinod Dixit  
(Principal Officer)

Address: 504, B-Wing, Statesman house  
148, Barakhama Road,  
Connaught Place, New Delhi  
110001





F.R.N. 022743N

## KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987  
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

### AUDITOR'S CERTIFICATE

1. We, **KAPISH JAIN & ASSOCIATES**, Chartered Accountants, statutory auditor of Fincos Technology Solutions Private Limited, having its Registered Office at 504-B, Wing Statesman House, 148 Barakhamba Road, Connaught Place, Central Delhi, New Delhi, India, 110001, have received a request from the Company to certify the Disclosure Document ("the Document") required as per Schedule V and Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the Regulations").

#### Management's Responsibility:

2. The preparation of the Document is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of this document and applying an appropriate basis, and making estimates that are reasonable in the circumstances.
3. The Company is also responsible for ensuring that the Company complies with the requirements specified by the Regulation for the preparation of the Document.

#### Auditor's Responsibility:

4. It is our responsibility to provide a reasonable assurance that the figures/information stated in the Document have been extracted from the relevant documents like audited financial statements, custodian reports signed agreements with custodian & distributor etc and they are true and correct.
5. We conducted our verification in accordance with Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



**Opinion:**

7. Based on our examination and according to the information and explanation given to us we certify the following:-
- All the disclosures by the Company are in accordance with those specified in Regulations.
  - The disclosure as required to be given in respect of Promoters & Directors of the portfolio manager and their backgrounds are true and correct.
  - The financial figures provided in the Disclosure Document are taken from the Audited Financial Statements of the Company.
8. To the best of our knowledge the disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of their portfolios to the portfolio manager.
9. The Commercial terms (including fee and other charges) as mentioned in the Disclosure Document is as per the discretion of the portfolio manager.
10. The above details have been taken on the basis of records available to us for verification and verbal explanation given by the management.

**Restriction on Use:**

11. The above certificate is being issued at the request of the Company and is explained to be for onward submission to Securities and Exchange Board of India and the potential clients of Portfolio Manager to meet the norms for Portfolio Management Services. This certificate will not be used for any other purpose without our prior and written consent.

**For Kapish Jain & Associates**

*Chartered Accountant*

Firm Regd. No. 022743N



**CA Kapish Jain**

*Partner*

M. No.: 514162

UDIN: 24514162BKBHTK8472

Date: 25.01.2024

Place: New Delhi

## Portfolio Management Services Disclosure Document

**INVESTORS SHOULD NOTE THAT:**

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

This Disclosure Document sets forth concisely the essential information that a prospective investor ought to know about portfolio management services, to assist and enable the prospective investor before engaging a portfolio manager. Prospective investors should carefully read the Disclosure Document before making a decision of appointing a Portfolio Manager.

The particulars of this Disclosure Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and as amended till date.

No person has been authorized to give any information or to make any representations not set out in this Disclosure Document, in connection with this Disclosure Document, and any information or representations not contained herein must not be relied upon as having been authorized by .

The following are the Details of the Portfolio Manager

Name of the Portfolio Manager	Fincos Technology Solutions Private Limited
SEBI Registration Number	
Registered Office Address	504, 5 <sup>th</sup> Floor, Statesman House, Barakhamba Road, New Delhi-110001
Phone	01143708987
Fax No.	
Website	<a href="http://www.fincossolutions.com">www.fincossolutions.com</a>
Email	<a href="mailto:info@fincossolutions.com">info@fincossolutions.com</a>

The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Name of the Principal Officer	Vinod Dixit
Registered Office Address	504,B-Wing, 5 <sup>th</sup> Floor, Statesman House, 148 Barakhamba Road, New Delhi-110001
Phone	01143708987
Email	<a href="mailto:info@fincossolutions.com">info@fincossolutions.com</a>

Please retain this Disclosure Document for future reference.

This Disclosure Document is dated 27<sup>th</sup> Jan'2024, the financial details are effective dated 25<sup>th</sup> Jan 2024 and was certified by Auditor and approved by the Board of Directors of Fincos Technology Solutions Private

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**PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT****1 DISCLAIMER**

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 and it has been filed with SEBI. This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. The performance related information is not verified by SEBI.

**2 DEFINITIONS AND INTERPRETATIONS****2.1 DEFINITIONS**

For the purposes of this Disclosure Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires, the following words and expressions shall have the meanings assigned to them respectively hereinafter:

- 1) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- 2) "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.
- 3) "Accredited investor" means any person who fulfills the eligibility criteria as specified by the Board and is granted a certificate of accreditation by an accreditation agency";
- 4) "Alternative Investment Fund" shall have the same meaning as assigned to it in clause of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- 5) "Affiliate" shall include any company, body corporate, individual or other person who or which is in any manner associated with or related to the Portfolio Manager or any partner or Employee of the Portfolio Manager or any holding company or subsidiary of the Portfolio Manager or any company under common control as the Portfolio Manager;
- 6) "Agreement" means this Discretionary Portfolio Management Agreement and shall include any recitals, schedules, annexures or exhibits to this Agreement and any amendments, modifications, alterations, additions or deletions made to this Agreement by the Parties in writing upon mutual consent;
- 7) "Application Form Means the application form made and submitted by the Client to the Portfolio Manager to place its funds/ securities with the Portfolio manager for discretionary portfolio management services. The application form shall be deemed to form an integral part of this Agreement;
- 8) "Applicable Law" shall mean the Securities and Exchange Board of India (Portfolio Managers) Regulations and all (other) applicable laws, bye-laws, rules, regulations, orders, ordinances and judgments or other requirements of the Government of India or any State or the Union of India or any department thereof, any semi-governmental or judicial or quasi-judicial Person in India or any Person (whether autonomous or not) who is charged with the administration of an Indian Law;
- 9) "AML Laws "means Prevention of Money Laundering Act, 2002, the rules issued there under and the guidelines/ circulars issued by SEBI thereto, as amended from time to time;
- 10) "body corporate" shall have the meaning assigned to it under sub-section (11) of Section 2 of the Companies Act, 2013 (18 of 2013) as amended from time to time;
- 11) "Bank Account" means the bank account(s) opened/ maintained/operated by the Portfolio Manager in the name of Client or in the name of the Portfolio Manager as may be required from time to time.
- 12) "Certificate" means a certificate of registration issued by the Board
- 13) "Client Securities" mean the Securities which forms part of the Portfolio.
- 14) "Closing NAV means the NAV as on the date of the expiry of the term or the date of termination of this Agreement, as the case may be.

- 15) “Change in control” in case of a body corporate –  
 if its shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act;  
 (B) if its shares are not listed on any recognised stock exchange, shall be construed with reference to the definition of control as provided in sub-section (27) of Section 2 of the Companies Act, 2013 (18 of 2013);  
 Explanation. — For the purpose of sub-clause (ii), the expression “controlling interest” means,  
 (A) an interest, whether direct or indirect, to the extent of at least fifty-one percent of voting rights in the body corporate;  
 right to appoint majority of the directors or to control the management directly or indirectly.”
- 16) "Custodian" means any person who carries on the business of custodial services in accordance with the regulations issued by SEBI from time to time.
- 17) “Chartered accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- 18) "Depository Participant (DP) Account" means the separate depository account maintained/operated by the Portfolio Manager or the Custodian in the name of the Client with any SEBI registered depository participant of the Portfolio Manager's or Custodian's choice.
- 19) "Derivative" means a forward, future, option or any other hybrid contract of predetermined fixed duration, linked for the purpose of contract fulfilled to the value of a specified real or financial asset or to an index of securities.  
 a. Derivative Includes:  
 b. Security derived from a debt instrument, share, risk instrument or contract for differences or any other form security; Contract which derives its value from the prices, or index of prices, of underlying securities.
- 20) "Discretionary Portfolio Management Services" or "Services" means the Portfolio Management Services on discretionary basis and/or the investment advisory rendered to the Client by the Portfolio Manager on the terms and conditions contained in this agreement, where-in-under the Portfolio Manager exercises any degree of discretion whilst making decisions for the investments or management of assets Portfolio of the Client.
- 21) "Disclosure Document shall mean the relevant Disclosure Document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to PM Regulations.
- 22) "Effective Date" means the date on which the Portfolio Management account of the client is activated in the books of Portfolio Manager.
- 23) “Eligible fund manager” shall have the same meaning as assigned to it in sub-section (4) of Section 9A of the Income-tax Act, 1961;
- 24) “Eligible investment fund” shall have the same meaning as assigned to it in sub-section (3) of Section 9A of the Income-tax Act, 1961;
- 25) Funds "means the monies managed by the Portfolio Manager on behalf of the client pursuant to this agreement and includes the monies mentioned in the application, any further monies placed by the client minus withdrawal/ redemption made by the client with the Portfolio Manager for being managed pursuant to this agreement, the proceeds of the sale or other realization of the portfolio and interest, dividend or other monies arising from the funds, so long as the same is managed by the Portfolio Manager.
- 26) “Goods” means the goods notified by the Central Government under clause (bc) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative;
- 27) "High Water Mark" means value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (inclusive of any additional funds placed by the Client in that year) and net of (i) the Portfolio Management Fees and (ii) any withdrawals, if any, made by the Client in accordance with this Agreement, for that year.

Provided that in no event shall the High Water Mark be reckoned to be less than the Starting NAV as on the date of activation of account. 17) "Intermediaries" means Custodian, banker to an issue, trustee, registrar to an issue, merchant banker, depositories, depository participants, transfer and, pricing agents, accountants, investee companies, investment advisers, consultants, attorneys, printers, underwriters, brokers and dealers, insurers and any other persons in any capacity who may be associated with the securities market;

- 28) "Investee company" shall have the same meaning as assigned to it in clause (o) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- 29) "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;"
- 30) "Manager" shall have the same meaning as assigned to it in clause (q) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- 31) "Net Asset Value (NAV) is the market value of assets in the portfolio consisting of securities and funds.
- 32) "Parties' means all the signatories to this Agreement and "Party means any party to this Agreement.
- 33) "Portfolio" means the total holdings of all investments, client's securities and funds belonging to the client and maintained/ managed by the Portfolio Manager.  
"Power of Attorney shall mean the power of attorney granted by the Client to the Portfolio Manager in the form set out in "Schedule -A" and/ or any further powers of attorney granted by the Client to the Portfolio Manager;
- 34) "Portfolio Manager" (PM) means Fincos Technology Solutions Private limited, who has obtained certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 2020, vide Registration No. -----, which pursuant to a contract with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or goods or funds of the client, as the case may be:  
Provided that the Portfolio Manager may deal in goods received in delivery against physical settlement of commodity derivatives;
- 35) "Portfolio Management Fee" means the fee payable to the Portfolio Manager in accordance with agreement;
- 36) "principal officer" means an employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for: -
  - (i) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and
  - (ii) all other operations of the portfolio manager.
- 37) "Redemption means the client shall be allowed to redeem (withdraw) its portfolio by filling the redemption form;
- 38) Regulations means the Securities and Exchange Board of India (Portfolio Manager) Regulations, as amended by Securities and Exchange Board of India from time to time;
- 39) "Return" means the difference between the Closing NAV and the Starting NAV and includes realized and unrealized gains/losses;
- 40) "related party" in relation to a portfolio manager, means—
  - (i) a director, partner or his relative;
  - (ii) a key managerial personnel or his relative;
  - (iii) a firm, in which a director, partner, manager or his relative is a partner;
  - (iv) a private company in which a director, partner or manager or his relative is a member or director;
  - (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;



- (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
- (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:  
 Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any body corporate which is—
  - (A) a holding, subsidiary or an associate company of the portfolio manager; or
  - (B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary;
  - (C) an investing company or the venturer of the portfolio manager;
 Explanation.—For the purpose of this clause, “investing company or the venturer of a portfolio manager” means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate
- (ix) a related party as defined under the applicable accounting standards;
  - (i) such other person as may be specified by the Board:  
 Provided that,
    - (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
    - (b) any person or any entity, holding equity shares:
      - (i) of twenty per cent or more; or
      - (ii) of ten per cent or more, with effect from April 1, 2023;  
 in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;  
 shall be deemed to be a related party;
- 41) SEBI means the Securities & Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992. 28) "Securities includes: "Securities "as defined u/s 2(h) of the Securities Contract (Regulations) Act, 1956;
- 42) “securities lending” means securities lending as per the Securities Lending Scheme, 1997 specified by the Board;
- 43) “Sponsor” shall have the same meaning as assigned to it in clause (w) of sub-regulation of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;

## 2.2 INTERPRETATIONS

- a. Reference to any gender includes any other gender;
- b. In this Disclosure Document, the headings are for convenience only and shall not constrain or affect its construction or interpretation in any way whatsoever;
- c. Where a word or phrase is defined, other parts of speech and grammatical of that word or phrase shall have corresponding meanings;
- d. A word importing the singular shall include the plural and vice versa;
- e. A reference to any statute, documents or any provision therein shall be deemed to be reference to it as amended or any replacement or substitution thereof;
- f. If by the terms of this Disclosure Document, any act would be required to be performed on a day which is Public Holiday, that act shall be deemed to have duly performed, if performed on or within the period ending on the immediately Business Day after that day;
- g. Business Day shall refer to the day on which there is no, or has not been declared, public holiday under the Negotiable Instruments Act, 1881, and shall not include Saturdays and Sundays.

### 3 DESCRIPTION

#### 3.1 HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER - Fincos Technology Solutions Private Limited.

Fincos Technology Solutions Private Limited was incorporated under Companies Act on 12<sup>th</sup> July, 2021 having registration No. 383560 (ROC Delhi) with aim to provide technology solutions specially financial solutions with the support of latest technology. The company is managed by leading financial and technology professionals who has experience of more than 30 years in the field of creation of wealth through best option available in the market and implementing the Latest technology for selecting financial product. Company is doing the business with full of vision, mission, philosophy ethics to built the trust among the investors and customers. Fincos has proven finance strategies designed to meet client risk tolerance and stand up against market volatility and Client can count on unbiased recommendations and impartial guidance based directly on their needs and goals. We have years of experience helping clients prepared for the unknown while meeting their financial goals in the following area of activities:

- Financial planning
- Investment advisory
- Retirement planning
- Education funding
- Estate planning
- Financial restructuring

As an independent financial services firm, we can access many different products so that client can get the right products and services. Every successful financial strategy starts with an excellent client relationship. Our mission and values include exceeding our client's every expectation.

#### 3.2 PROMOTERS AND DIRECTORS OF THE PORTFOLIO MANAGER AND THEIR BACKGROUND IN BRIEF

Name	Designation, Age (yrs.), Qualification	Experience
Vinod Dixit	Director 62 years M.com, LLB	Mr. Vinod Dixit is leading the Portfolio Activities and other alliance activity of the company. He is having about more than 30 years of experience in the field of financial market. His last employment was with Escorts Securities Ltd ((SEBI Registration No. Depository Participant IN-DP-NSDL-8199, Merchant Banking-INM00010726, Portfolio Management - INP000001454) having license of NSE, BSE, MCX, NCDEX, Portfolio Manager as well as Merchant Banking, as Managing Director and CEO for a period of more than 3 years. He was designated as Principle officer of the said entities registered with SEBI. He also having Directorship of Escorts Finance Ltd, a subsidiary of Escorts ltd listed with NSE and BSE. In the past he has worked with Oswal Agro Ltd., Delhi, LLM Ltd. Kanpur and allied computer technique Pvt Ltd registered registrar of share transfer agent.  He has managed the entire Escorts shareholders and debenture holders for a period of more than 25 years and dealt with NSDL, CSDL, BSE, NSE and SEBI. He is having experience of 23 years in Escorts Ltd as Associate Vice President and handled Management of entire functions of the Department. Deals with Depository & Share Department, financial payments of dividend Interest, SEBI & Stock Exchange, RBI, PMLA liaisoning and compliances etc

2. Suneeta Dixit	Director MA LLB	Mrs Suneeta Dixit post graduate in Social Science and having professional degree of Law. She is fully involved in capital market and advising the investment in Mutual Fund ETF, IPO and Stocks. She is well versed with the Annual Report, Corporate Governance, Capital Restructuring , Amalgamation, Merger and Economic and Socio happening in India and abroad. She is associated with in distribution of financial Product and having ARN of Broking house Edlewies. She is also having experience in the field of General insurance and Life Insurance and associated with distribution of various financial product of insurance sector for ICICI prudential insurance for last ten years. Presently she is fully involved with the company for mutual fund for the Company.
3. Sourabh Dixit	Director BTech MS	Sourabh Dixit is having professional qualification of Btech and Master of Science from Dabbling College Ireland. He is well versed with Portfolio Management and Analyzing the Balance sheet and Annual Report. He is associated with the company from inception as Technical Director and having role of technical analysis of various financial product and monitoring the progress of Companies and bringing the Investment ideas from the client.

**4 PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS , FINDINGS OF INSPECTIONS OR INVESTGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY.**

**i) All cases of penalties imposed by SEBI or the directions issued by SEBI under the Act or Rules or Regulations made thereunder.**

No penalties have been imposed on the Portfolio Manager by SEBI and no directions have been issued by SEBI under the Act or Rules or Regulations made thereunder.

**ii) The nature of the penalty/direction.**

Not Applicable

**iii) Penalties/fines imposed for any economic offence and/ or for violation of any securities Laws.**

There are no penalties imposed on the Portfolio Manager for any economic offences and/or for violation of any securities laws.

**iv) Any pending material litigation/legal proceedings against the portfolio manager/key personnel (in its capacity as Portfolio Managers) with separate disclosure regarding pending criminal cases, if any:**

There are no pending material litigation/legal proceedings against the portfolio manager/key personnel (in its capacity as Portfolio Managers).

There are no pending criminal cases against the portfolio manager/key personnel (in its capacity as Portfolio Managers).

**v) Any deficiency in the systems and operations of the Portfolio Manager (in its capacity as Portfolio Manager) observed by SEBI or any regulatory agency:**

Not Applicable

**vi) Any enquiry/adjudication proceedings initiated by SEBI against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there-under.**

No enquiry/adjudication proceedings initiated by SEBI under the Act or Rules or Regulations made there-under.

## **5 Details of the services being offered:**

Services which we are going to offered are as follows:

### **5.1 Discretionary Services:**

A. Under the Discretionary portfolio management services, the Portfolio Manager will have the sole and absolute discretion to deploy the assets brought in by a client (the "Client") in any type of security as per the PMS Agreement and make such changes in the investments and invest some or all of the Client's account in such manner as it deems fit, subject to the investment objectives and other restrictions laid down in the Client-member agreement and/or in this Disclosure Document.

B. The securities invested / disinvested by the Portfolio Manager for Client in the same Portfolio product may differ from Client to Client.

C. The management of the portfolio is of a discretionary nature, although the Client would be allowed to request reasonable restrictions; however, the final decision will rest with the Portfolio Manager.

D. The decision of Portfolio Manager (with due care and in good faith) in deployment of the Clients' Portfolio is absolute and final and cannot be called in question or be open to review at any time during the course of the agreement or any time thereafter except on the ground of conflict of interest, fraud, malafide intent, or gross negligence by the Portfolio Manager.

The Portfolio Manager offers the option of direct on-boarding to clients under the Discretionary Services. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied for the on-boarding. The Client may contact to the official details mentioned below to boarding directly.

Name of the Official: Mr. Vinod Dixit

Designation: Principal Officer

Contact No. 01143708987

Email Id: info@fincossolutions

### **5.2 Non-Discretionary Services:**

Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client. Under this service, the Assets will be managed as per express prior instructions issued by the Client from time to time. The Client will have complete discretion to decide on the investment (Stock Quantity and Price or amount). The Portfolio Manager inter alia manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

### **5.3 Advisory Services:**

The Portfolio Manager will also provide 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 individual securities, AIFs, MFS, ETFs and other financial instruments in the Clients' portfolio, for an agreed fee structure and a period hereinafter described, entirely at the Client's risk.

### **5.4 Types of Securities where Investments may be made by Portfolio Manager**

A) Equity & Equity Related Instruments:

Equity and Equity related instruments including convertible bonds, convertible debentures, warrants, convertible preference shares, etc.

- Equity or indices linked instruments such as ETFS.
- Equity Derivatives including Futures and Options.

B) Debt & Money Market Instruments:

- Certificate of Deposits (CDs)
- Fixed Deposits with Banks
- Commercial Papers (CPs)
- Treasury Bills (T-Bills)
- Collateralised Borrowing and Lending Obligations (CBLO)
- Government Securities
- Non-Convertible Debentures as well as bonds or securities issued by companies / institutions promoted/owned by the Central or State Governments and statutory bodies
- Floating rate debt instruments
- Repo (Repurchase Agreement) or Reverse Repo
- Securitised Debt including Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS)
- Pass Through Certificate (PTC)
- Bills Rediscounting
- Negotiable instruments
- Debt derivative instruments including Interest Rate Swaps and Forward Rate Agreement

C) Units of Schemes of mutual funds registered with SEBI.

D) Any other eligible mode of investment within the meaning of the Regulations issued by SEBI and amended thereto from time to time.

E) The portfolio manager may lend the securities through an approved intermediary, for interest.

### **5.5 Minimum Investment Amount:**

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of and/or funds of an amount prescribed by Portfolio Manager for a specific Portfolio, subject to minimum amount as specified under SEBI Regulations, as amended from time to time. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and/or funds under the service.

**5.6 The investment objective** is to generate steady returns for the client over a period of time by investing in good companies. As a policy, investments are generally made with a time frame of three months and above so that day-to-day fluctuations in the market do not affect the investments. The approach to investment is based on fundamental analysis. Macro factors like state of the economy, interest rates, global trends are studied, and based on these industries that are likely to perform well are chosen. Diversification is achieved by adopting a judicious mixture of investments in different sectors. Within the sectors companies are carefully chosen keeping in mind the quality of management, past track record, future growth plans, investor's

relations and the liquidity of the stock in the market. Investments are churned fairly actively depending on events that may have considerable influence on the market.

**5.7 The policies for investment in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.**

The Portfolio Manager do not have any associate/group companies at present.

## **6 RISK FACTORS**

### 6.1) General Risk Factors:

A. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS agreement will be achieved.

B. The Portfolio Manager does not offer any guarantee / assured returns. The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of securities, market closure, relatively small number of stocks accounting for a large proportion of the trading volume.

C. Past performance of the Portfolio Manager does not indicate the future performance of the same Portfolio or performance of any other future portfolio(s) of the Portfolio Manager. The Portfolio Manager has no previous experience or track record. However, persons in the employment of the Portfolio Manager have investment management experience.

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

E. Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.

F. The Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document before entering into this Agreement.

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

H. The tax benefits described in this Disclosure Document are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the Portfolio Manager regarding the law and practice in force in India

and the investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each investor is advised to consult his/ her own professional tax advisor.

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

J. Any policy change / technology change / obsolescence of technology would affect the investments made in a particular industry.

K. Acts of State, or sovereign actions, acts of nature, acts of war, civil disturbances, etc. are extraneous factors which can impact the Portfolio.

L. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolio. The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of securities. Transfer risk may arise due to the process involved in registering the shares, physical and demat.

M. Performance of the Portfolio may be impacted as a result of specific investment restrictions provided by the Client.

N. The benchmark index/indices may not be truly representative of the PMS offering due to the unique nature of the product wherein inter alia:(a) the number of securities may be lower in comparison to the

benchmark index/indices; (b) the securities may be very different from those used in the benchmark index/indices; and (c) the weightages of individual stocks and securities may vary from weightages in the benchmark index/indices.

## 6.2) Risk associated with Equity and Equity Related Securities:

A. Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct.

Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended securities purchases, due to settlement problems, could cause the portfolio to miss certain investment opportunities. Similarly, the inability to sell securities held in the portfolio would result at times, in potential losses to the client, should there be a subsequent decline in the value of securities held in the portfolio. Also, the value of the portfolio investments may be affected by interest rates, currency exchange rates, overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary and/or fiscal policies, changes in government policies and regulations with regard to various factors including industry, exports and taxation may have direct or indirect impact on the investments, and consequently on the growth of the Portfolio.

B. Investments in equity and equity related securities involve a degree of risk and the clients should not invest in the equity portfolio unless they can afford to take the risk of losing their investment.

C. **Liquidity Risk:** Liquidity of investments or securities is often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its

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

**D. Unlisted Securities:** Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The portfolio manager may choose to invest in unlisted securities that offer attractive yields within the regulatory limit. This may however increase the risk of the portfolio. Additionally, the liquidity and valuation of the portfolio due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

### 6.3) Risk associated with Fixed Income and Money Market Securities:

**A. Interest Rate Risk:** It is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments in fixed income securities will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon.

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

**C. Basis Risk:** The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.

**D. Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

**E. Liquidity Risk:** The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.

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

**G. Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the portfolio investments due to their holdings of unlisted securities may be affected if they have to be sold



prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

H. Settlement Risk: Fixed income securities run the risk of settlement which can adversely affect the ability of the Portfolio Manager to swiftly execute trading strategies which can lead to adverse movements in value of the portfolio.

#### **6.4) Risks associated with Investing in Derivatives:**

The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the client. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

#### **6.5) Risks associated with Securities Lending:**

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Portfolio Manager and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Portfolio Manager may not be able to sell such lent securities and this can lead to temporary illiquidity.

#### **6.6) Risks associated with investments in Mutual Funds:**

The Portfolio Manager may invest in schemes of Mutual Funds. Hence scheme specific risk factors of each such underlying scheme will be applicable to the portfolios. In addition, events like change in the fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could effect the performance of the Mutual fund.

#### **6.7) Non-Diversification Risk:**

The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector/ industry and its performance will be dependent on performance of such sector / industry.

## 7 Client Representation:

### Associates or Group companies:

There is no Associate or group company of Fincos Technology Solutions Private Limited as date.

**Format of Client Representation is as below for prospective Associates/ group companies in future.**

(i)

Category of clients No. of clients	No. of Clients	Funds Managed ( Rs. Cr.)	Discretionary/Non-Discretionary ( if available)
Associates/ group companies ( last 3 years)			
Others ( Last 3 years)			
Total			

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

## 8 Financial Performance:

### Capital Structure (Rs. in Crore)

	Year prior to the preceding year of current year	Preceding year	Current year
(a) Paid-up capital	0.05	0.05	2.56
(b) Free reserves (excluding revaluation reserves)	0.25	0.05	2.47
(c) Total (a) + (b)	0.30	0.10	5.03

### Major Sources of Income: (Rs. In Crore)

	Year prior to the preceding year of current year	Preceding year	Current Year
	.73	.16	.15 (Approx)

### Net Profit (Rs. in Crore)

	Year prior to the preceding year of current year	Preceding year	Current Year
	.25	.20	.15 (Approx)

## 9 Performance of Portfolio Manager

Not Applicable at present

Portfolio Manager will follow the terms and method as provided in Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

## **10 Audit Observation:**

There are no observations by the Auditor on accounts of the preceding three years. Therefore, all three- year audit reports for all three years are non- qualified.

## **11 NATURE OF COSTS AND EXPENSES FOR CLIENTS**

The following are the broad types of costs and expenses chargeable to Clients availing the Portfolio Management Services. The exact quantum of the fees/expenses relating to each of the services shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The expense charged may vary from Client to Client.

**A. Portfolio Management Fees:** The Portfolio Management Fees relate to the Portfolio Management Services offered to the Clients. The fee may be a fixed fee or performance-based fee or a combination of both, as agreed by the client in the PMS Agreement. Detail of Management is given in Annexure II.

### **B. Custodian Charges**

The Fee relating to Custodial services will be charged by the custodian from the Client on actual basis.

### **C. Registrar and transfer agent fee**

The Registrar and transfer agent fee will be charged to the Client on actual basis.

### **D. Brokerage and Transaction Cost**

Brokerage and other Government levies like Goods and Services Tax (GST), stamp duty, transaction cost etc. connected with the execution, recording and settlement of portfolio security transactions would be charged on actual basis.

### **E. Other Expenses/Cost**

The Client will pay all of its own expenses, including without limitation: governmental fees; interest charges; taxes; fees and expenses of the Client's independent auditors and legal counsel; insurance premiums; and fees and expenses of the Custodian for all services to the Client, including safekeeping of funds and securities and maintaining required books and accounts on actual basis. Such charges if incurred by the Portfolio Manager on behalf of the Client shall be reimbursed/ billed to the respective Clients.

## **12 TAXATION:**

Clients will be responsible and liable for taxes under the provisions of the Income Tax Act, 1961 for any income generated out of the investment made in the portfolio management scheme including advance tax installment obligations. If any tax is required to be withheld on account of any legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. The Portfolio Manager will provide adequate statements to the client for accounting and tax purposes. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of clients tax obligation.

A brief schedule on Taxation is mentioned in Annexure I

### 13 ACCOUNTING POLICIES:

- A. The Books of Account of the Client is maintained on an historical cost basis.
- B. Transactions for purchase or sale of investments shall be recognised as of the trade date. 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 . Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- C. 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 at closing price on NSE on the date of withdrawal. 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.
- D. 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.
- E. In determining the holding cost of investments and realised gains/losses on sale of investment "first in/first out (FIFO)" method would be applied.
- F. For derivatives/futures and options, unrealised gains and losses will be calculated by marking to market all the open positions.
- G. Unrealised gains/losses are the differences between the current market values/NAV and the historical cost of the securities/price at which securities are valued on the date of admitting as a corpus.
- H. All income and expenses will be accounted on accrual basis.
  - 1. Dividend income shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the on the date of declaration.
    - In respect of interest-bearing investments, income would be accrued on a day to day basis as it is earned.
- K. Bonus shares shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-right basis.

#### **Portfolio Valuation:**

- A. Investments in Equity or Equity Related instruments, Debt Securities/units of mutual funds listed on NSE/BSE are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE). If on a particular valuation date, a security is not traded on NSE, the value at which it is traded on The Stock Exchange, Mumbai (BSE) is used. If a particular security is not listed on the NSE, then it is valued at the last quoted closing price on the BSE on the valuation date.
- B. Non-traded/unlisted equity securities, are valued at fair value as determined in good faith by Fincos.
- C. Non-traded Fixed Income Instruments will be valued at cost plus interest accrual till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instrument.
- D. 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 the date of the report. Where no NAV is published for a particular day, the last working day's published NAV will be taken for the valuation purpose.
- E. Pending listing on BSE/NSE, securities resulting from a demerger are valued at their

apportioned costs as per the ratios/values in terms of the scheme

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

#### 14 INVESTORS SERVICES:

(i) Name Address and telephone number of investor relation officer who shall attend the queries and complaints :

Vinod Dixit/ Kamlesh Patial  
Desination: Principle Officer/Compliance Officer  
Fincos Technology Solutions Private Limited  
B-504, 5<sup>th</sup> Floor, B-wing  
Statesman House, 148 Barakhamba Road  
Connaught Place, New Delhi  
New Delhi-110001  
Tel: 01143708987  
Email: [info@fincossolutions.com](mailto:info@fincossolutions.com)

#### **(ii) Grievance Redressal Policy:**

Fincos Technology Solutions Private Ltd endeavors to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable time and manner. Shade realizes that quick and effective handling and resolution of customer's complaints is essential to. provide excellent customer service.

To achieve this Company has a clearly documented policy for redressal of customer grievances. Through this policy, the company shall ensure that a suitable mechanism exists for receiving and addressing complaints from its customers with specific emphasis on resolving such complaints fairly and expeditiously.

The Policy seeks to ensure that:

Grievance, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism of the Portfolio Manager and in compliant to the SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time.

- Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the resolution needs time, an interim response, acknowledging the complaint shall be issued.

The Compliance Officer shall give monthly report of the client's complaint to the Directors with the details as Name of the Client, Nature of the Complaint, Date of Receipt of the Complaint and Status of resolving the same. For complaints remaining unresolved for a period of more than 15 days from the date of receipt, the Compliance Officer shall provide the justification to the Directors.

- The Compliance Officer shall also keep proper records of all the grievances/ complaints received and resolved.
- All employees at the customer facing channels and other support departments will be periodically trained in handling of complaints.
- The quality of customer service rendered by the Portfolio Manager shall be reviewed / examined by Company's Top Management at regular intervals.

## Grievance Redressal Mechanism

The Client can approach the office of Portfolio Manager for redressal of their Grievances/Complaints Ms Kamlesh Patial. has been appointed as Investor Relations Officer. He can be contacted at:

Fincos Technology Solutions Private Limited  
B-504, 5th Floor, B-wing  
Statesman House, 148 Barakhamba Road  
Connaught Place, New Delhi  
New Delhi-1  
Tel: 01143708987  
Email: [info@fincossolutions.com](mailto:info@fincossolutions.com)

All client complaints will be directed to the Investor Relations Officer who is responsible for coordinating and ensuring responses to all client complaints.

- On receiving a complaint, the Investor Relations Officer will be required to look into the matter and respond as soon as possible unless the complaint is of a serious nature. The Compliance Officer will be consulted to determine whether a complaint is serious in nature or not.
- On completion of investigation, a reply will be sent to the concerned investor. The reply will be drafted in consultation with the Compliance Officer.

Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the complaint is of a serious nature and the resolution needs time, an interim response, acknowledging the complaint shall be issued.

- All complaints will be logged in and a record of the complaint and the disposition or resolution is maintained in a register.

If the client remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, he/she can contact Mr. Vinod Dixit, Principal Officer at:

Fincos Technology Solutions Private Limited  
B-504, 5th Floor, B-wing  
Statesman House, 148 Barakhamba Road  
Connaught Place, New Delhi  
New Delhi-110001  
Tel No. Tel: 01143708987  
Email: [info@fincossolutions.com](mailto:info@fincossolutions.com)

SEBI Complaints Redress System (SCORES) platform:

"If the client not satisfied with response of the portfolio manager he/she may lodge his/her grievances with SEBI at <http://scores.gov.in> or may also write to any of the offices of SEBI. For any queries, feedback or assistance the client may contact SEBI office on toll free help line at 1800 22 7575/1800 266 7575,"

#### 15 DETAILS OF INVESTMENTS IN SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER

Not Applicable.

There is no related parties of the Portfolio Manager.

#### 16 DETAIL OF DIVERSIFICATION POLICY OF PORTFOLIO MANGER:

Diversification is achieved by adopting a judicious mixture of investments in different sectors. Within the sectors companies are carefully chosen keeping in mind the quality of management, past track record, future growth plans, investor's relations and the liquidity of the stock in the market. Investments are churned fairly actively depending on events that may have considerable influence on the market.

The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector/ industry and its performance will be dependent on performance of such sector / industry.

For **Fincos Technology Solutions Private Limited**



**Vinod Dixit**  
( Director)

Place: New Delhi  
Date: 27<sup>th</sup> Jan'2024



**Suneeta Dixit**  
( Director)

Place: New Delhi  
Date: 27<sup>th</sup> Jan'2024



## Annexure-I

### TAX IMPLICATIONS FOR CLIENTS

The following information stated is based on the general understanding of tax laws in force as on the date of the Disclosure Document and is provided only for general information to the Client. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document / the date of making investment in any of the PMS services shall endure indefinitely. Further statements with regard to benefits mentioned herein are expressions of opinion and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest in any of the PMS services. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of individual nature of tax benefits, the Client is advised to consult with his or her or their own tax consultant, with respect to the specific tax implications arising out of his or her or their portfolio, managed by the portfolio manager.

Tax implications of the following income received by the client from investments in securities are discussed as follows:

- With effect from 1st April 2020, the provisions of section 115-0 related to chargeability to tax on distribution of profits by the domestic companies, i.e., dividend distribution tax, have become inoperative. And now the investor is required to pay tax on the dividends received as per the rates of tax applicable according to their tax status, i.e., individual, firm, company, etc.
- With effect from 1st April 2020, the companies are required to deduct tax at source under section 194, if the dividend paid to the shareholder during a year exceeds Rs. 5,000/-.
- With effect from 1st April 2020, the provisions of Section 10(34) & 10(35) of the ITA allowing exemption to dividend income have become inoperative. The shareholders or unit holders are now required to pay tax on the dividends received as per the rates applicable to their tax status.

•With effect from 1st April 2020, the provisions of Section 115BBDA of the ITA which taxes dividend in excess of Rs. 10 Lakhs has become inoperative with the introduction of taxability of dividend income in the hands of recipient.

•When income arises to an investor being a shareholder on buy back of shares by the company in view of section 115QA of the ITA and tax is paid by the company in terms thereof, then the consideration so received by the shareholder on such buy back is exempt from income-tax u/s 10(34A) of the ITA.

In terms of Section 94(7) of the ITA, losses arising on sale of securities or units of a mutual fund purchased within 3 months prior to the record date for entitlement of dividend, if exempted and sold within 3 months (9 months in case of units of mutual funds) after such record date, is to be ignored to the extent of the dividend, if exempted, received or receivable on such securities or units for the purpose of computing the taxable income.

In terms of Section 94(8) of the ITA, where additional units of mutual fund have been issued to any person without any payment, on the basis of existing units held by such person on the record date, the loss on sale of the original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired by other person within 3 months prior to the record date fixed for the receipt of additional units and sold within 9 months from such record date. However, the loss so ignored shall be considered as the cost of acquisition of such additional units held on the date of sale by such person.

• In terms of Section 2(42A) of the ITA, a capital asset will be considered as short term capital asset if it is held by an assessee for a period of not more than 36 months (12 months in case of a security (other than a unit) listed on a recognized stock exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963) or a unit of an equity oriented fund or a zero coupon bond). Unlisted shares would be treated as long term if they are held for more than 24 months. Capital gain arising on transfer of a short-term capital asset is termed as short term capital gain.

In terms of Section 111A, short term capital gains, arising on sale of equity shares in a Company or units of an equity oriented mutual fund which is charged to securities transaction tax, are taxed at a rate of 15% plus applicable surcharge and education cess. Short-term capital gains arising on transfer of equity shares in a company or units of a mutual fund on which securities transaction tax (STT) is not charged are taxed at the normal tax rates (plus applicable surcharge and education cess).

• In terms of section 2(29A) of the ITA, long term capital asset means a capital asset which is not a short



term capital asset. A capital gain arising on transfer of a long-term capital asset is termed long term capital gain.

In terms of section 10(38), long term capital gains arising on sale of equity shares in a company or units of an equity oriented fund, the transaction of sale being chargeable to STT, are exempt from tax. As amended by the Finance Act 2017 in case of shares acquired post 1st October 2004, the benefit of section 10(38) would be available only if STT was also paid at the time of acquisition of such shares subject to certain exceptions. Consequently any long term loss arising on such transaction is also to be ignored. The exemption of Section 10(38) has now been withdrawn by the Finance Act 2018 for transactions made on or after 1st April 2018.

- New Section 112A has been introduced w.e.f. FY 2018-19 (i.e., AY 2019-20) levying tax @ 10% on long term capital gains on sale of equity shares or units of an equity oriented fund on the amount of such capital gain exceeding Rs. 1 lakh.

- However, the cost of acquisition of the equity shares or units referred to in section 112A, acquired before 1st February 2018, shall be calculated as per the newly inserted clause (ac) under Section 55(2) which states it to be higher of:

a) the actual cost of acquisition of such asset; and

b) the lower of-

(i)- FMV on 31st January 2018; and

(ii) full value of consideration received or accrued as a result of transfer of the capital asset.

In terms of section 112A, long term capital gain arising on transfer of equity shares in a company is payable if STT has been paid on such shares both at the time of acquisition and transfer or in case of transfer of an equity oriented fund or a unit of a business trust if STT has been paid on transfer of such capital asset. As per the proviso inserted by Finance Act 2018 under Section 48, the benefit of indexation shall not be available on transfer of such long term assets.

- In terms of section 112, long term capital gains arising on transfer of capital assets is charged to tax at the rate of 20% with indexation benefits. In case of long term capital gains arising from transfer of securities (other than a unit) or zero coupon bond listed on recognized stock exchange is charged to tax at the rate of 20% (with indexation) or at the rate of 10% (without indexation), whichever is beneficial to the assessee (plus applicable surcharge and education cess). In case of long term capital gains arising from transfer from units of mutual funds listed on recognized stock exchange in India, tax is charged at the rate of 20% (plus applicable surcharge and education cess) with Indexation benefit.

- In terms of sixth Proviso to Section 48, any STT paid is neither allowed as a deduction in computing the income chargeable under the head "capital gains" nor allowed as a deduction from the amount of income tax payable on capital gains.

Special Provisions applicable to Incomes of Non Resident Indian (NRI)

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

Specified foreign exchange assets include shares of an Indian company which are acquired/purchased/subscribed by NRI in convertible foreign exchange.

As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus applicable surcharge and education cess).

As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than covered by the provisions of newly inserted section 112A) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (plus applicable surcharge and education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. As per provisions of Section 115H of the Act, where a person, who is a NRI, in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he/she is first assessable as a resident, to the effect

that the provisions of the Chapter XII-A shall continue to apply to him/her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

In terms of section 90(4) as amended by the Finance Act, 2013, the benefit of a double tax avoidance agreement would not be available to a non-resident assessee unless a certificate of his/her being a resident of the other country is obtained from the Government of that country. Hence a tax residency certificate certifying the residence of the assessee would be required to be furnished if the benefit of a treaty is sought to be claimed by a non-resident assessee. Further, in terms of section 90(5) of the ITA the assessee is also required to furnish documents and information as prescribed in Form No. 10F vide Notification No. 57/2013/ F.No.142/16/2013-TPL/ SO 2331(E) dated 01 August 2013 issued by the Central Board of Direct Taxes.

- As per provisions of Section 1151 of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

- Tax to be deducted at source on income and capital gains arising to NRI under section 195 of the Act.

Investment income & LTCG from other than specified asset	20%
Long term capital gains referred to in section 112A & (from specified asset)	10%
Short Term capital gains on sale of equity shares or units of an equity- oriented fund and chargeable to securities transaction tax referred to in section 111A	15%
Other Income	30%

Note: Surcharge and Education Cess, as applicable would be leviable on the above rates.

### **Taxation of derivatives transactions**

Clause (d) of section 43(5) of the Income Tax Act, 1961, and explanation thereto, provides that, an eligible transaction as defined in the aforesaid section, carried out in respect of trading in derivatives on a recognized stock exchange, shall not be treated as speculative transaction. Accordingly, the profit or loss on such derivative transactions would form part of profits and gains of business of the client. For the purposes of the aforesaid section, the currently notified recognized stock exchanges are National Stock Exchange and Bombay Stock Exchange Limited.

### **Rationalization of provisions relating to STT**

As per the Finance Act (No. 2) 2019, in case of exercise of option, the securities transaction tax shall now be levied on the "intrinsic value", i.e., the difference between the strike price and the settlement price. This amendment is effective from 1st September, 2019.

## Annexure II

### FEES & OTHER CHARGES :

#### Plan A: Pay for Performance

Particulars	Basis of Charge	Frequency/Interval/Period
Fixed Fees	NIL	Quarterly, calculated on daily weighted average NAV basis (a) In the first instance, upon the end of the calendar quarter in which the PMS Agreement becomes effective and (b) thereafter, at the end of every quarter thereon. Upon the termination of the Agreement by the client, the client shall be liable to pay the Fixed Fee mentioned above on proportionate basis for the quarter in which the agreement is terminated.
Exit Fees	1Year - 2% on Net amount 2 Year -No Exit Load	Charged only when the value of portfolio at the time of withdrawal is more than the initial investment made by client
Performance Fees	20% of profits net of expenses	Annually

**OR**

#### Plan B: Hybrid

Particulars	Basis of Charge	Frequency/Interval/Period
Fixed Fees	2.5% p.a	Monthly/Quarterly, calculated on daily weighted average NAV basis (a) In the first instance, upon the end of the calendar quarter in which the PMS Agreement becomes effective and (b) thereafter, at the end of every quarter thereon. Upon the termination of the Agreement by the client, the client shall be liable to pay the Fixed Fee mentioned above on proportionate basis for the quarter in which the agreement is terminated.
Exit Fees	1Year - 2% on Net amount 2 Year -No Exit Load	Charged only when the value of portfolio at the time of withdrawal is more than the initial investment made by client.
Performance Fees	20% of profits net of expenses above hurdle rate. Hurdle rate for 1 <sup>st</sup> year 8% Hurdle rate for 2 <sup>nd</sup> year 8.5% Hurdle rate for 3 <sup>rd</sup> year and above 9%	Annually

**OR**

Plan C:

Particulars	Basis of Charge	Frequency/Interval/Period
Fixed Fees		Quarterly, calculated on daily weighted average NAV basis (a) In the first instance, upon the end of the calendar quarter in which the PMS Agreement becomes effective and (b) thereafter, at the end of every quarter thereon. Upon the termination of the Agreement by the client, the client shall be liable to pay the Fixed Fee mentioned above on proportionate basis for the quarter in which the agreement is terminated.
Exit Fees		Charged only when the value of portfolio at the time of withdrawal is more than the initial investment made by client.
Performance Fees		Annually

### **1. Other Charges**

The Portfolio Manager shall also recover the following charges from the client on actual basis

- i. Demat Charges;
- ii. Brokerage +GST+ Securities Transaction Tax (STT)+ Exchange Transaction Charges + Stamp Duty + any other statutory Levies;
- iii. Bank Charges;
- iv. Custody Charges;
- v. Fund Accounting Charges;
- vi. Fees, entry/exit loads and charges in respect of investment in mutual fund;
- vii. Certification charges or professional charges;
- viii. Registrar and Transfer Agent's Fees
- ix. Taxes (including GST) as applicable from time to time;
- x. Such other cost & expenses incurred by the Portfolio Manager directly in connection with the provision of the services.