

Portfolio Management Services

DISCLOSURE DOCUMENT

MEHTA EQUITIES LIMITED

DISCLOSURE DOCUMENT OF MEHTA EQUITIES LIMITED
(SEBI Registration No. INP000005971)

(As per the requirement of the Fifth Schedule under Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020)

Key Information and Disclosure document for Portfolio Management Services by Mehta Equities Limited

- The Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI.
- The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation 22(3) of SEBI (Portfolio Managers) Regulation 2020.
- The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging Mehta Equities Limited as a Portfolio Manager.
- The document contains necessary information about the Portfolio Manager required by an investor before investing. The investor is advised to carefully read this entire document before making any investment decision. The investor may also be advised to retain the document for future reference.
- This Disclosure Document is dated September 25, 2023
- The name, phone number, email address of the Principal Officer designated by the Portfolio Manager is:

Details of the Portfolio Manager	
Name of the Portfolio Manager	Mehta Equities Limited
SEBI Registration Number	INP000005971
Registered Office Address	903, Lodha Supremus, Dr. E. Moses Road, Worli Naka, Mumbai 400018
Phone	91-22-61507114
Email	pmscompliance@mehtagroup.in
Website	www.mehtagroup.in

Name of the Principal Officer	
Name of the Principal Officer	Rajat Rakesh Mehta
Registered Office Address	903, Lodha Supremus, Dr. E. Moses Road, Worli Naka, Mumbai 400018
Phone	91-22-61507114
Email	rajat@mehtagroup.in

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1) Disclaimer:

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 as amended till date and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. You are requested to retain the document for future reference. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

Notwithstanding anything contained in the Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time and the circulars/guidelines issues from time to time there under shall be applicable.

2) Definitions:

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

“Accreditation Agency” means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.

“Accredited Investor” means any person who fulfil the following eligibility criteria or such other criteria as may be specified by SEBI from time to time and is granted a certificate of accreditation by an Accreditation Agency.

- a. Individuals, HUFs, Family Trusts and Sole Proprietorships, which meet the criteria as under:
 - i. Annual Income \geq INR 2 Crore; OR
 - ii. Net Worth \geq INR 7.5 Crore, out of which at least INR 3.75 Crore is in form of financial assets: OR
 - iii. Annual Income \geq INR 1 Crore + Net worth \geq INR 5 Crore, out of which at least INR 2.5 Crore is in form of financial assets;
- b. Partnership firms set up under the Indian Partnership act, 1932 in which each partner independently meets the criteria for accreditation.
- c. Trusts (other than family trusts) with net worth greater than or equal to INR 50 Crore.
- d. Body Corporate with net worth greater than or equal to INR 50 Crore.

“Act” means the Securities and Exchange Board of India, Act 1992 (15 of 1992) as amended from time to time

“Agreement” means agreement between Portfolio Manager and its Client in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Portfolio Managers) Amendment Regulation, 2016 issued by Securities and Exchange Board of India and shall include all recitals, schedules, exhibits and Annexure attached thereto and any amendments made to this Agreement by the Parties in writing.

“Application” means the application made by the Client to the Portfolio Manager with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

“Associate” means: (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager

“Assets” means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value), in relation to or arising out of Assets.

“Advisory Services” Investment Advisory Services in terms of SEBI (Portfolio Managers) Regulations 2020 and shall include the responsibility of advising on the portfolio investment approach and investment and disinvestment of individual securities on the client’s portfolio, for an agreed fee structure, entirely at the Client’s risk.

“Bank Account” means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or a pool account in the name of Portfolio Manager to keep the Funds of all clients.

“Board” or **“SEBI”** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992 as amended from time to time.

“Body Corporate” shall have the meaning assigned to it in or under clause (11) of section 2 of the Companies Act, 2013 as amended from time to time.;

“BPS” means basis point.

“Business Day” means days other than:

- a. Saturday and Sunday,
- b. A day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
- c. A day on which the Bombay Stock Exchange and the National Stock Exchange are closed,
- d. a day on which normal business could not be transacted due to storms, floods, bands, strikes etc.

“Certificate” means certificate of registration issued by the Board

“Change in Control”, in relation to a portfolio manager being a body corporate shall be with reference to:

a. The definition of control in terms of regulation 2(1)(e) of SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011 as amended from time to time, if its shares are listed on any recognized stock exchange;

b. In any other case, change in the controlling interest in the body corporate.

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

“Client” means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio and/or funds.

“Client Bank Account” means one or more bank accounts opened, maintained and operated by the Portfolio Manager for the purpose of managing funds on behalf of the Client with any Scheduled Commercial Bank.

“Client Depository Account” means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.

“Corpus” means the value of the funds and the market value of readily realizable investments brought in by the client and accepted and accounted by the Portfolio Manager.

“Custodian” means entity registered under SEBI (Custodian of Securities) Regulations 1996 and providing custodial services define in clause 2 (e) of the said regulation and appointed under Regulation 26 of SEBI (Portfolio Manager) Regulation, 2020.

“Depository”: A Body Corporate as defined in the Depositories Act, 1996 and includes National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)

“Depository Account” means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered with the Client.

“Discretionary Portfolio Management Services” means the portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in the agreement, where under the Portfolio Manager exercises any degree of discretion in the investments or management of assets of the Client.

“Discretionary Portfolio Manager” means a Portfolio Manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the Client, as the case may be.

"Document" means this Disclosure Document.

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

"Funds" means the monies placed by the Client with the Portfolio Manager and any accretions thereto with the Portfolio Manager to be managed pursuant to the Agreement, the proceeds of the sale or realization of the portfolio and any interest, dividend or other monies so long as the same is being managed by the Portfolio Manager.

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

"Fixed Fee Billing Period" means the frequency at which the Fixed Fees will be payable by the Client to the Portfolio Manager as set out in the Fee Schedule".

"Goods" means the goods notified by the central Government under clause (bc) of section 2 of Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative.

"High Water Mark" means a value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.

"Hurdle Rate of Return" shall mean a certain agreed level of return (as specified in the Fee Schedule) achieved in a Performance Fee Billing Period calculated on the relevant Performance Fee Billing Period's opening NAV.

"Initial Corpus" means the value of the funds and the Market Value of Securities brought in by the client and accepted by the portfolio Manager at the time of entering into an agreement with the portfolio Manager to avail its Portfolio Management Services.

"Inspecting authority" means one or more persons appointed by the Board to exercise powers conferred under Chapter V.

"Investment Advice" means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.

"Investment Approach" means a broad outlay of the type of securities and permissible instruments to be invested in by the portfolio manager for the customer, taking into account factors specific to clients and securities.

"Investment Management Fees" shall have the meaning attributed thereto in Fees Structure attached in 'Performance Fees Schedule' of this Document under Annex 1.

“Large Value Accredited Investor” means an accredited Investor who has entered into an agreement with the Portfolio Manager for a minimum Capital Contribution of ten crore rupees.

“Lock-in period” shall mean the time period during which withdrawal of investment by the client from Portfolio Management Services shall be subject to penal charge in the form of ‘exit load’ being levied by the Portfolio Manager on such withdrawal. Such exit load would be mentioned in the schedules to this agreement and shall be levied in accordance with the terms agreed upon between client and the Portfolio Manager.

“Net Asset Value” The Net Asset Value in respect of a particular quarter shall be determined based on daily average AUM (Assets under Management) over the course of the quarter. The Net Asset Value for any given day will be calculated by aggregating the following:

- (i) The total market value of all Securities as on the end of the day,
- (ii) Cash/Bank balance as at the end of the day,
- (iii) All income (dividend, interest, etc.) accrued on the investments over the course of the day.
- (iv) And reducing from this aggregate the charges, fees, expenses and other costs.
- (v) All receivables and payables due from / to the client at the end of the day

“Minimum Investment” for the purpose of compliance with SEBI’s PMS Regulations shall be computed by aggregating the market value of all securities and cash/bank balance of Client which are being managed by the Portfolio Manager at the time of such computation. Client has to adhere to minimum investment requirement specified by SEBI or the Portfolio Manager, whichever is higher.

“NRI” means Non-Resident Indian or Person of Indian Origin.

“NRO” means Non- Resident Ordinary Account

“Non-discretionary portfolio management services”: Portfolio Management Services under which the Portfolio Manager, subject to expressed prior instructions issued by the Client from time to time in writing, for an agreed fee structure and for a definite described period, invests in respect of the Client’s account in any type of security entirely at the Client’s risk and to ensure that all benefits accrue to the Client’s Portfolio.

“NISM” Means the National Institute of Securities Market established by SEBI

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

“Person” includes any individual, partners in partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.

“Portfolio” means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Portfolio Investment Management Agreement and includes any Securities

mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Portfolio Investment Management Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares or otherwise in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

“Portfolio Manager” means “Mehta Equities Limited” who has obtained the certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 vide Registration No. INP000005971.

“Principal Officer” means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:

- a. The decision 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;
- b. All other operations of the portfolio managers.

“Plan/Product” shall mean plans offered by the Portfolio Manager and accepted by the client for the purpose of investments.

“Related Party” means:

- (i) a director, partner or his relative; or key managerial personnel or his relative.
- (ii) a firm, in which a director, partner, manager or his relative is a partner;
- (iii) a private company in which a director, partner or manager or his relative is a member or director;
- (iv) 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;
- (v) 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.
- (vi) 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) anybody corporate which is –
 - 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. The investing company or the venturer of the 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;
- (x) 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 immediately preceding financial year; shall be deemed to be a related party.

“Regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time;

“Scheduled Commercial Bank” means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

“SEBI” means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the SEBI Act.

“Securities” includes: “Securities” as defined under the Securities Contracts (Regulation) Act, 1956 as amended from time to time and includes:

- I. Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- II. Derivative;
- III. Units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- IV. Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002;
- V. Units or any other such instrument issued to the investors under any mutual fund scheme;
- VI. Government securities;
- VII. Such other instruments as may be declared by the Central Government to be securities;
- VIII. Rights or interest in securities;
- IX. Exchange Traded Funds; and
- X. Liquid Fund.

“Securities Lending” means the securities lending as per the Securities Lending Scheme, 1997 specified by the Board

Interpretation:

- i. Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive.
- ii. They have been included only for the purpose of clarity and shall, in addition, be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.
- iii. All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- iv. All references “Rs.” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.

3) Description:

i. History, Present Business and Background of the Portfolio Manager:

Mehta Equities Limited (MEL) is a registered Stock Broker since-1994 and it is promoted by Mr. Rakesh Mehta, a Chartered Accountant by profession. MEL is providing stock broking services to its clients. MEL has 56700 client base and more than 150 franchisees across India. MEL is Mumbai based Company and is providing services to its clients since more than two decades. Earlier, MEL was registered in SEBI as PMS (INP000001736) on 1st June, 2006 but due to market downfall in 2008 and constrains of business, we did not renew the license looking at the market scenario at that point of time. Now, MEL has re-registered itself and obtained a fresh registration certificate from SEBI (INP000005971) since 3rd April, 2018 and further renewed on 24th March 2021 for period of 3 years.

Value Added Services

MEL is also registered with SEBI as Broker/Research Analyst/DP and providing the respective services thereunder.

ii. Promoters and Directors of the Portfolio Manager and their background:

Promoters :

Mehta Equities Limited was established in 1994. It is among India's most reputed capital market intermediaries and financial service providers, known for its remarkable ability to nurture rewarding relationships with its clients by providing them personalized, value-enhancing services. Its services include Equity Brokerage in Cash, Derivatives & Currency Markets, Depository and Distribution of Financial Products. It has an impressive geographical presence and reach, with over 80 locations spanning across the length and breadth of the country

Directors and their background.

a) Mr. Rakesh Mehta- Chairman

Mr. Rakesh Mehta is a promoter/director of Mehta Equities Limited. He is a fellow member of ICAI and completed Owner/President Management Program (Harvard Business School), Boston, U.S.A. He has experience of more than two decades in Capital Market. He is heading the overall company and he is also heading sales particularly ACQUISITION OF HNI, FII, OCB AND CORPORATE CLIENTS.

b) Mr. Prashant Bhansali - Designated Director

Mr. Prashant Bhansali is a director of Mehta Equities Limited. He is a qualified Chartered Accountant and having more than two decades' experience of Corporate Finance and Wealth Management. He leads the team which advises corporate(s) on fund raising, M&A and restructuring.

c) Mr. Ghanshyam Dadhich- Director

Mr. Ghanshyam Dadhich is a director of Mehta Equities Limited. He is a commerce graduate and he has experience of more than 22 years in Capital Market. He is heading Settlement Department and Admin Department of the Company.

d) Mr. Manoj Maheshwari Designated Director.

Mr. Manoj Maheshwari is a director of Mehta Equities Limited. He is handling day to day Business operations on part of the Company

e) Mr. Sharad Shukla -Independent Director.

Mr. Sharad Shukla is an independent director of Mehta Equities Limited.

Key Management Personnel (Portfolio Management Services)

Rajat Rakesh Mehta : Principal Officer

Mr. Rajat Rakesh Mehta is the Principal Officer of PMS. He has invested in a number of tech-evolved and healthcare start-ups, and has exited a few of them successfully. He advises promoters and founders on their companies, strategy and development of business models.

iii. Group company information (i.e. information related to top 10 Group Companies / firms of the Portfolio Manager on turnover basis) (as per the audited financial statements for the year ended March 2023):

- a) Dowell Fiscal Services Private Limited
- b) Mehta Finstock Private Limited
- c) Mehta Energy LLP
- d) Mangaldeep Infratech LLP
- e) Mehta Foundation
- f) Mumbai Vaish Seva Sansthan.

iv. Details of the services being offered

The Portfolio Manager broadly offers services under the following categories:

a) Discretionary Services:

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The Portfolio Manager may at times and at its own discretion, adhere to the views of the Client pertaining to the investment / disinvestment decisions of the Client's Portfolio. The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per the executed agreement and make such changes in the investments and invest some or all of the Client's account in such manner and in such markets at it deems fit. The Client may give informal guidance to customize the portfolio, however

the final decision rests with the Portfolio Manager. The securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Rules, and Regulations, guidelines and notifications in force from time to time. Under these services, the Clients may authorize the Portfolio Manager to invest their Portfolio funds in specific financial instruments or a mix of specific financial instruments or restrict the Portfolio Manager **MEHTA EQUITIES LIMITED. PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT** from investing in specific financial instruments or securities. Periodical statements in respect of Client's Portfolio shall be sent to the respective Client.

b) Non-Discretionary Services:

Under these services, the Client decides their own investments, with the Portfolio Manager, wherein the portfolio manager facilitates only with research/recommendation and execution of transactions. The Portfolio Manager's role would include but not limited to providing research, structuring of client's portfolios, investment advice, and guidance and trade execution at the Client's request. The Portfolio Manager shall execute orders as per the mandate received from Clients. Portfolio manager and client will have an agreed fee structure for a definite described period, entirely at the Client's risk.

The deployment (investment / disinvestment) of the Client's Funds by the Portfolio Manager on the instructions of the Client is absolute and final and can never be called in question or shall not be open to review at any time during the currency of the Client agreement or at any time thereafter except on the ground of malafide fraud, conflict of interest or gross negligence. The Portfolio Manager executes the investment instructions and follows up with payments, settlements, custody and other back-office functions. The Portfolio Manager will accept funds from the client and provide the client a comprehensive advisory package designed to help the client in his investment decisions. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

The Portfolio Manager's advice (taken in good faith) in deployment of funds is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide fraud, conflict of interest or gross negligence. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the relevant Act, rules and regulations, guidelines and notifications in force from time to time.

The Portfolio manager may identify investment opportunities and showcase the same to the client. The client on the basis of the information and such other checks which he may wish to carry on, could decide to participate in the opportunity. On obtaining his consent the Portfolio manager may process the instruction and execute the deal in the interest of the client. The client is fully aware that the risks and rewards belong to the client and portfolio manager shall not be held responsible for such decisions of the client.

c) Advisory Services:

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the Regulations, which shall be in the nature of investment advisory and shall include the responsibility of advising on the investment and disinvestment of individual securities in the client's portfolio, for an agreed fee structure, entirely at the Client's risk.

The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the client and shall not be responsible for the Investment/Disinvestment of Securities and /or administrative activities of the clients Portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and/or the client from time to time in this regard. It will be the discretion/responsibility of the client whether to execute trades based on the advice of Portfolio Manager.

The advisory services offered to clients may be for investment up to 25% of the assets under management of such clients in unlisted securities, in addition to the securities permitted for discretionary portfolio management.

v. Direct on-boarding of clients by Portfolio Managers

- 5.1 Clients shall have the option to be on-boarded directly to avail the services of the Portfolio Manager, without intermediation of persons engaged in distribution services.
- 5.2 At the time of on boarding of Clients directly, no charges except statutory charges will be levied by the Portfolio Manager.
- 5.3 Currently there are no distributors empanelled with Mehta Equities Limited

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

No penalties / directions have been issued by the SEBI under the SEBI Act or Regulations made there under relating to Portfolio Management Services. There are no pending material litigations or legal proceedings, findings of inspections or investigations for which action has been taken or initiated by any regulatory authority against the Portfolio Manager or its Directors, principal officers or employees or any person directly or indirectly connected with the Portfolio Manager under the SEBI Act and Regulations made there under relating to Portfolio Management Services.

i	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made there under relating to Portfolio Management Services.	None
ii	The nature of the penalty/direction against the Portfolio Manager.	None
iii	Penalties/fines imposed for any economic offence and/ or for violation of any securities laws against the Portfolio Manager.	None
iv	Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.	None
v	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency.	None
vi	Any enquiry/ adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, Principal Officer or employee, under the Act or rules or Regulations made thereunder.	None

5) **Services Offered:**

Investment approach -Mehta Multi-Focus Strategy (MMFS)

1. Investment Objective - To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.
2. Description of Securities - Under MMFS, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.
3. Basis of Selection of type of security - The MMFS investment approach is based on generating returns by investing in participating instruments of companies which have a proven track record of steady growth in revenues alongside the ability to consistently deliver a return on capital employed in excess of the cost of capital. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

4. Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Equity and equity linked instruments	=>90%
Money market funds / Liquid funds / Bank balance	< 10%

5. Appropriate Benchmark to compare performance - **Nifty 50** and BSE Mid-Cap.
6. Basis for choice of benchmark - Most of the portfolio companies fall in Mid-cap and large-cap category based on market Capitalization.
7. Minimum investment - The minimum value of Funds/investments which will be accepted towards initial corpus under MMFS Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment.
8. Indicative tenure or investment horizon - 3 years - 10 years
9. Minimum tenure - not applicable under this investment approach.
10. Lock-in period - DPMS Investments managed under MMFS Investment Approach shall not be subject to any lock-in period.

11. Exit loads – There shall be no levy of exit load on withdrawal of monies being managed under this approach.
12. Redemptions / Partial withdrawals – Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.
13. Risks associated with the investment approach – Please refer the clause 6 on Risk Factors

NOTE:

- Investment under Portfolio Management Services will be only as per the SEBI Regulations on PMS
- The un-invested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager be held in cash or deployed in Liquid fund schemes, Exchange Traded Index Funds, debt oriented schemes of Mutual funds, Gilt schemes, Bank deposits and other short term avenues for Investment.
- The Portfolio Manager, with the consent of the Client, may lend the securities through an Approved Intermediary, for interest.
- The Portfolio Manager will not invest any of the funds of the Client in the shares, mutual funds, debt, deposits and other financial instruments of group companies of the Portfolio Manager.

Investments in Group/Associate Companies of the Portfolio Manager: None

6) Risk Factors:

The Portfolio Manager is not responsible for the loss if any, incurred or suffered by the Client. The risk factors, as perceived by management, in respect of the portfolio management services offered are enlisted below:

- a. Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
- b. 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, the relatively small number of scrips accounting for the large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- c. The past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.
- d. The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- e. Investment decisions made by the Portfolio Manager may not always be profitable.
- f. Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.
- g. Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
- h. Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- i. Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have a direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- j. Liquidity Risk: Liquidity of investments in equity and equity-related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are

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

k. 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 creditworthiness of the issuer and general market risk.

l. Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.

m. Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.

n. The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration includes default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

o. Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.

p. Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.

q. Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including the performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like a change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect the performance of the investment in mutual fund units.

- r. The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- s. Clients are not being offered any guaranteed/assured returns.
- t. The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or few sector and hence shall be affected by risks associated with those sectors.
- u. The Clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients. The Client may incur a higher rate of TDS/ Dividend Distribution Tax in case the investments are aggregated in the name of the Portfolio Management Portfolio/Product.
- v. 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.
- w. In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
- x. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Clients may suffer opportunity loss.
- y. Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
- z. In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that was negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.
- aa. Changes in Applicable Law may impact the performance of the Portfolio.
- bb. Derivative transactions may be prone to problems of liquidity, mispricing, lack of or improper correlation with assets or such other reasons.
- cc. Derivative transactions require maintenance of margins, adequate control mechanisms forecasting ability, etc.
- dd. Presently, the secondary market for such securitized papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these

secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

ee. Risk arising out of non-diversification, if any.

ff. Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures

i. The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.

ii. The Issuer of Equity index-linked debentures or any of its Agents, from time to time may have long or short positions or make markets including indices, futures, and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities

iii. Structured Products, even after being listed, may not have a market at all.

iv. The returns on the Structured Products, including those linked to they may be lower than prevailing market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures, or less income/return than the Debenture holder may have expected or obtained by investing elsewhere or in similar investments.

v. In the case of Equity Index-Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.

vi. At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down.

vii. The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.

7) **Client Representation**

- i) Portfolio Management Business Details:
Discretionary Portfolio Management Service - For Equity and Liquid funds

Information for period 2020-2021

Sr. No.	Category of Clients	No. of Clients	Funds Managed (amount in Rs. Crores)	Discretionary/Non-Discretionary (If available)
i.	Associates/group companies			
	- Individual	6	2.91	Discretionary
	- Corporate	0	0	
	Subtotal (i)	6	2.91	Discretionary
ii.	Other:			
	- Individual	28	14.93	Discretionary
	- Corporate	3	0.75	
	Subtotal (ii)	31	15.68	Discretionary
	TOTAL (i)+(ii)	37	18.59	Discretionary

Information for period 2021-2022

Sr. No.	Category of Clients	No. of Clients	Funds Managed (amount in Rs. Crores)	Discretionary/Non-Discretionary (If available)
ii.	Associates/group companies			
	- Individual	6	2.91	Discretionary
	- Corporate	0	0.00	
	Subtotal (i)	6	2.91	Discretionary
ii.	Other:			
	- Individual	31	17.69	Discretionary
	- Corporate	4	1.25	
	Subtotal (ii)	35	18.94	Discretionary
	TOTAL (i)+(ii)	41	21.85	Discretionary

Information for period 2022-2023

Sr. No.	Category of Clients	No. of Clients	Funds Managed (amount in Rs. Crores)	Discretionary/Non-Discretionary (If available)
iii.	Associates/group companies			
	- Individual	6	2.91	Discretionary
	- Corporate	0	0.00	
	Subtotal (i)	6	2.91	Discretionary
ii.	Other:			
	- Individual	42	38.72	Discretionary
	- Corporate	7	2.78	
	Subtotal (ii)	49	41.50	Discretionary
	TOTAL (i)+(ii)	55	44.41	Discretionary

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

As required by Accounting Standard 18 (Related Disclosure) issued by the Institute of Chartered Accountant of India reporting for related Party Transactions is given as follows:

Key Managerial Personnel & their relatives

- Mr. Rakesh Mehta - Director
- Mrs. Nidhi Mehta - Relative of Director
- Mr. Rajat Mehta - Relative of Director
- Mrs. Chesta Arora - Relative of Director
- Mrs. Trisha Mehta - Relative of Director
- Mr. Prashant Bhansali - Director
- Mrs. Maya Bhansali - Relative of Director
- Mr. Kailashchand Bhansali - Relative of Director
- Mrs. Ranju Bhansali - Relative of Director
- Mrs. Preskha Bhansali - Relative of Director
- Mrs. Riddhi Bhansali - Relative of Director
- Mrs. Shweta Mehta - Relative of Director
- Mr. Ghanshyam Dadhich - Director
- Mrs. Madhu Dadhich - Relative of Director
- Mr. Manoj Maheshwari - Director
- Mrs. Shashi Maheshwari - Relative of Director
- Mr. Sharad Shukla - Director

Entity under common control of KMP or their relatives

- Rakesh Mehta (HUF)
- Prashant Bhansali (HUF)
- Shri Kushal Education Trust
- Mehta Foundation
- Mehta Capital Management Private Limited
- Mehta Financial Services Limited
- Mehta Finstock Private Limited
- Mehta Commodities Private Limited
- Mehta Energy LLP
- Dowell Fiscal Services Private Limited
- Jai Gurudev Consultancy Services Private Limited
- Mangaldeep Infratech LLP
- Fincurve Financials Private Limited
- Mumbai Vaish Seva Sansthan
- Epilepsy Foundation
- Hayagriva Investment Advisory LLP
- Swajan Consultants LLP

“Funds Managed” indicates market value of Assets Under Management (AUM).

The above figures are given in compliance with amendment to the SEBI (Portfolio Managers) Regulations, 1993.

We, Mehta Equities Limited are also providing services of Stock Broking/Depository Participant/Research Analyst to our client. We will maintain Chinese wall between PMS services and other services. We will also assist the PMS with broking services if and when required maintaining all guidelines for related party transactions.

Transaction has been done with related party for the year ended Amount (in Rs ' 000)

Nature of Transactions	2022-23	2021-22	2020-21
Remuneration Paid			
Rakesh Mehta	7,146.16	6,962.50	1,859
Prashant Bhansali	6,165.40	5,860.00	1,115
Ghanshyam Dadhich	1,605.40	1,420.00	1,103
Manoj Maheshwari	2,015.39	2,129.31	-
Rajat Mehta	3,042.31	2,760.00	1,212
	19,974.66	19,131.81	5,289
Professional Fees / Sitting Fees Paid			
Trisha Mehta	600.00	600.00	-
Sharad Shukla	60.00	310.00	-
	660.00	910.00	-
Commission Paid (w.r.t. Bank Guarantee)			
Nidhi Mehta	3,500.00	2,500.00	-
	3,500.00	2,500.00	-
Rent given			
Rakesh Mehta	5,400.00	5,400.00	5,700.00
Nidhi Mehta	5,400.00	5,400.00	5,700.00
	10,800.00	10,800.00	11,400.00
Brokerage Earned			
Rakesh Mehta	263.32	150.73	174
Prashant Bhansali	7.36	10.56	-
Prashant Bhansali HUF	243.58	310.25	375
Swajan Consultancy LLP	2.14	-	-
Nidhi Mehta	26.70	128.76	219
Ghanshyam Dadhich	0.14	0.15	0
Shweta Mehta	55.81	141.22	194
Rajat Mehta	13.91	62.38	92
Trisha Mehta	0.35	0.72	1
Rakesh Mehta Huf	23.50	72.38	132
Ranju Bhansali	62.33	40.05	112
Maya Bhansali	12.10	38.28	133
Kailashchad Bhansali	1.71	1.04	17
Mehta Financial Services Ltd	97.89	118.19	1,041
Mehta Energy LLP	450.36	576.18	840
Mangaldeep Infratech LLP	54.00	8.85	24
Mehta Finstock Pvt Ltd	5.29	21.38	-

Mehta Foundation	1.20	0.90	-
ManojKumar Maheshwari HUF	4.13	1.85	-
Shashi Manoj Maheshwari	7.16	12.58	11
Vikram Kabra	-	-	2,480
	1,332.97	1,696.44	3,367
Interest Paid			
Dowell Fiscal Services Pvt Ltd	9,985.96	4,002.42	2,724
	9,985.96	4,002.42	2,724
Unsecured Loans/Business Advance Taken			
Dowell Fiscal Services Pvt Ltd	29,74,870.00	28,57,067.00	10,40,076.00
	29,74,870.00	28,57,067.00	10,40,076.00
Unsecured Loans/ Business Advance Repaid			
Dowell Fiscal Services Pvt Ltd	29,88,386.28	28,98,841.13	10,04,164
	29,88,386.28	28,98,841.13	10,04,164
Expenditure on Corporate Social Responsibility			
Mehta Foundation	684.81	-	-
	684.81	-	-
Balances Outstanding at the year end			
Loan taken			
Dowell Fiscal Services Pvt Ltd	-	3,530.32	41,302
	-	3,530.32	41,302
Client Ledger Balances (Including Margins)- Receivable/ (Payable)			
Rakesh Mehta	1,060.84	-	7,566
Rakesh Mehta - HUF	1,909.52	1,715.65	769
Nidhi Mehta	1,060.84	762.51	4347
Rajat Rakesh Mehta	1,060.84	762.51	3,181
Prashant Bhansali HUF	-	-	13,126
Shweta Mehta	1,548.86	1,627.45	2,666
Mehta Energy LLP	19,145.66	15,764.58	21,234
Mehta Financial Services Ltd	-	762.51	4,066
Ranju Bhansali	4,788.96	-	-
	30,575.52	21,395.21	56,956

8. Financial Performance of Portfolio Manager (Based on audited financial Statements):

a) Capital Structure (Amount Rs. in '000)

Particulars	As on	As on	As on
	31-Mar-21	31-Mar-22	31-Mar-23
	Audited	Audited	Audited
a) Paid-Up Capital	30,570	30,570	30,570
b) Free Reserves	2,15,042	2,86,347	3,36,743.58
Total	2,45,612	3,16,917	3,67,313.58

b) Deployment of Resources (Amount Rs. in '000)

Particulars	As on	As on	As on
	31-Mar-21	31-Mar-22	31-Mar-23
	Audited	Audited	Audited
a) Fixed Assets (Intangible Assets)	214	16	1677.46
b) P, P, & E	27,355	22,238	16,991.56
c) Investments	17,905	7,142	7,142
d) Others	00	00	00
Total	45,474	29,369	25,811.02

c) Major Sources of Income: (Amount Rs. in '000)

Particulars	As on	As on	As on
	31-Mar-21	31-Mar-22	31-Mar-23
	Audited	Audited	Audited
a) Revenue from Operations	7,14,812	2,79,354	2,40,650.66
b) Other Income	19,059	36,689	67,570.69
Total	1,93,871	3,16,042	3,08,221.35

d) Net Profit (Amount Rs. in '000)

Particulars	As on	As on	As on
	31-Mar-21	31-Mar-22	31-Mar-23
	Audited	Audited	Audited
a) Profit Before Tax	10,754	92,777	63,027.53
b) Profit After Tax	7,132	71,304	50,397.01

9) **Portfolio Management performance:**

Portfolio Management performance of the Portfolio Manager for the last 3 years and in case of discretionary Portfolio Manager disclosure of performance indicators calculated using weighted average method in terms of regulation 14 of the SEBI (Portfolio Managers) Regulation 1993

Strategy Wise Report (in %)			
Strategy Name	Mehta Multi Focus Strategy		
Year wise	Benchmark Index		Portfolio Returns (%)
	Nifty Fifty	BSE MIDCAP	
2020-2021	70.8%	90.9%	47.0%
2021-2022	18.8%	19.4%	49.0%
2022-2023	-0.6%	-0.2%	2.4%

10) **Audit Observations**

There are no audit observations made by the statutory auditor pertaining to the Portfolio Management services for the preceding three financial years FY 2020-21, FY 2021-22 and FY 2022-23.

11) **Nature of Expenses:**

The following are indicative types of costs and expenses for clients availing the Portfolio Management Services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements. The below mentioned fees, charges and expenses shall be directly debited to the clients account as and when the same becomes due for payment.

I. Investment Management & Advisory Fees:

Management and Advisory fees charged may be a fixed fee or a return based fee or a combination of both as detailed in the Schedule to the Portfolio Management Services agreement. The Fees may be charged upfront and/or at the end of a specified tenure as agreed between the Client and the Portfolio Manager.

II. Custodian Fees:

Custodian fees are charged as on actual basis by custodian i.e. Kotak Mahindra Bank Limited.

III. Registrar & Transfer Agent Fees: NIL

IV. Brokerage & Transaction Cost:

The investments under Portfolio Management would be done through registered members of the Stock Exchange(s) who charge brokerage up to a maximum of 2.5% of contract value.

In addition to the brokerage, transaction cost like network charges, turnover charges, stamp duty, transaction costs, turnover tax, Securities transaction tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker (including Mehta Equities Ltd.) Entry or exit loads (if any) on units of Mutual Funds will also be charged from Clients.

V. GST:

As applicable from time to time.

VI. Depository Charges:

As may be applicable from time to time.

VII. Entry Load /Exit Load

As may be mutually agreed to between the Client and the Portfolio Manager.

VIII. Certification and professional charges:

Charges payable for out sourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarization, certifications, attestations required by bankers or regulatory authorities including legal fees etc.

IX. Incidental expenses:

Charges in connection with day-to-day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account, distribution charges or any other out of pocket expenses as may be incurred by the Portfolio Manager.

12) Taxation

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

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

- a. Dividends declared, are taxed in the hands of the recipient as per the tax slab.
- b. Interests on Investment are taxable except in certain cases where it is exempted from tax under Income Tax Act 1961.
- c. In case the securities are sold within one year (for listed securities except for units other than units of equity oriented mutual funds) or within two years (for unlisted securities) from the date of purchase, the resultant gains or losses are termed as short-term capital gains or losses. Short term gains arising out of transfer of equity shares if the securities are sold on a recognized stock exchange in India and on which securities transaction tax has been paid are taxed at a concessional rate of 15% currently (as increased by surcharge plus education cess), in other cases they would be taxed at the slab rate applicable to the respective PMS client type.

In case the securities are sold after one year (for listed securities) or two years (for unlisted securities) and three years for units other than units of equity oriented mutual funds from the date of purchase, the resultant gains or losses are termed as long term capital gains or losses and the gain is arising out of transfer of equity shares which are sold on a recognized stock exchange in India and on which securities transaction tax has been paid would be taxed at 10% currently (as increased by surcharge plus education cess) in case of listed securities and 20% currently (as increased by surcharge plus education cess) in case of unlisted securities and units other than units of equity oriented mutual funds.

From A.Y. 2019-20, Long Term capital gain (where STT is paid) in excess of Rs. 1 Lakh will be chargeable at the rate of 10% without the benefit of indexation.

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

"Unlisted Securities" means securities other than listed securities.

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

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

Tax on Long Term Capital Gain:

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

Grandfathering Provisions Under Section 112A of Income Tax Act

The rollout of Section 112A abolished tax exemption on long-term capital gains earned from sale of shares or units of mutual funds. However, the grandfathering provision allowed an exemption for all gains till January 31 2018.

For securities bought prior to February 1 2018, COA (Cost of Acquisition) calculation would include the following steps:

- a. First, take the lower of the FMV (Fair Market Value) as of January 31 2018, with the sale consideration.
- b. Compare the result with the purchase price and then consider the higher among the two

TDS

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

Advance Tax Obligations

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

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

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

- a. An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause

(a) or clause

(b) of Sec. 44AB during the previous year immediately preceding the financial year.

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

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

b. Corporate/ Partnership Firms / LLP

This implies, the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the clients.

Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on residential status, the facts, and circumstances of each case. The client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his income or loss and the expenses incurred by him as a result of his investment in the services offered by the Portfolio Manager.

13) Accounting Policies:

All the accounting related activity are outsourced to Kotak Mahindra Bank Limited who also is appointed as custodian for PMS related services like account opening in NSDL, Fund accounting and custody.

The following Accounting policy will be applied for the investments of Clients:

- a) Investments in Equities, Mutual funds, Exchange Traded Funds and Debt instruments will be valued at closing market prices of the exchanges (BSE or NSE as the case may be) or the Repurchase Net Asset Value declared for the relevant scheme on the date of the report or any cutoff date or the market value of the debt instrument at the cutoff date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned. In case of structured products, the portfolio will be valued at the face value of the product until the expiry of the tenure.
- b) Realized gains/ losses will be calculated by applying the first in / first out principle. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case specific basis.
- c) For derivatives and futures and options, unrealized gains and losses will be calculated by mark to market the open positions.
- d) Unrealized gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.
- e) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, Mutual Fund dividend shall be accounted on receipt basis. Other income like bank interest, interest on FD etc. shall also be accounted on receipt basis.
- f) Right entitlement shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- g) The cost of investment acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the brokers contract note.

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

14) Investor Services:

Details of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:

Name of the person	Mr. Rajat Mehta
Designation	Principal Officer
Address	903, Lodha Supremus, Dr. E. Moses Road, Worli Naka, Mumbai-400 018
Email	info@mehtagroup.in
Telephone	+91-22-61507100

15) Grievance Redressal and dispute settlement mechanism:

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of the court in Mumbai only and are governed by Indian laws.

All disputes, differences, claims and questions whatsoever arising from (i) the Agreement between the Client and the Portfolio Manager and (ii) the services to be rendered by the Portfolio Manager and / or their respective representatives shall be attempted to be resolved by discussions between the parties and amicable settlement. Where the Client has any grievances, he should promptly notify of the same to the Portfolio Manager in writing, giving sufficient details to enable the Portfolio Manager to take necessary steps. The Portfolio Manager, upon receipt of any such grievance shall take prompt action to redress the same. In case the disputes remain unsettled for 30 days, the same shall be referred to a sole arbitrator and such arbitration shall be 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. Such Arbitration proceedings shall be held at Mumbai.

Arbitration shall be held in English. The arbitration award shall be treated as final and shall be binding on the Parties. This arbitration clause is subject to the jurisdiction of courts in Mumbai only.

SEBI has introduced an online platform "SCORES", where investors can lodge complaints against the registered intermediaries.

SCORES enables investors to lodge and follow up their complaints and track the status on Redressal of such complaints online. All the activities, starting from lodging a complaint till its closure by SEBI is carried out online in an automated environment. Since this is a web-based service, it is available around the clock. A client can register complaints and reminders at the SCORES website (<http://scores.gov.in>).

16. Prevention of Money Laundering:

The Prevention of Money Laundering Act, 2002 (PMLA Act) came into force with effect from July 1, 2005, forming the core of the legal framework to combat money laundering. As per the provisions of the PMLA Act, Intermediaries, including portfolio managers, have certain obligations regarding verification of the identity of their clients, maintaining records and furnishing information to the Financial Intelligence Unit-India (FIU-IND). SEBI vide its various circulars issued has directed all Intermediaries, including portfolio managers to formulate and implement policies and procedures for dealing with money laundering and adoption of 'Know Your Customer' (KYC) Policy. The client should ensure that the amount invested in the Portfolio Management Service is through legitimate sources only and does not involve and is not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of the PMLA Act, the Prevention of Money Laundering Rules, 2005, Income Tax Act, Anti Money Laundering Guidelines, Prevention of Corruption Act, Act or any other applicable laws enacted by the Government of India from time to time.

17. Diversification Policy:

Portfolio diversification is a strategy of risk management used in investing, which allows to reduce risks by allocating the funds in multiple asset types. It helps to mitigate the associated risks on the overall investment portfolio.

The Portfolio Manager shall invest in equity and equity related securities. However, from time to time on opportunistically basis, may also choose to invest in money market instruments, units of mutual funds, ETFs or other permissible securities/products in accordance with the Applicable Laws. The Portfolio Manager may also, from time to time, engage in hedging strategies by investing in derivatives and permissible securities/instruments as per Applicable Laws.

18. PMS Fee Schedule

Mehta Multifocus Strategy - Fee Structure	
Nature of Fees	Fees %
Fixed Management fees based on AUM	0.25% every quarter based on daily weighted average
Hurdle Rate	10.00%
Performance based Management fees	15.00% profit sharing on high watermarking basis with catch up clause
Exit Load:	Less than 1 Year - 3% , Between 1 to 2 years - 2%, More than 2 years - 0%
Custodian Fees	Waived
Depository Charges	Waived
Brokerage	As Applicable at Actuals
Service Tax, Security Transaction Tax & Other Statutory levies	As Applicable at Actuals

(Please refer to Annexure-1 for Illustrations on the Fees and Expenses)

Term & Conditions

1. Fixed Management Fees will be charged quarterly in arrears (i.e. 0.25% every quarter), based on daily weighted average assets under Management. On Exit during a financial year the Fixed Management fee will be charged on pro-rata basis.
2. Performance Based Management Fees will be charged only, when threshold are achieved on total profits (refer Annexure I) based on high watermarking.
3. High Watermarking would be adjusted for infusion and withdrawal-
 - 1) Returns for the purpose of calculating Performance Based Management Fees will be after deducting all statutory charges for all Resident Indian clients and Non-Resident clients.
 - 2) Performance Based Management Fees will be charged for all accounts opened during the year till 31st March. It would subsequently be normalized on a financial year-basis i.e. April 1 to March 31.
 - 3) Return for the purpose of calculation of Performance Based Management Fees shall be ascertained as on the date the fees will be charged i.e. on 31st March every year.
4. Withdrawals: All withdrawals from PMS would be after the written communication from the client. The withdrawals may be in form of shares or in cash at the end of the agreed period as per the terms & conditions of the Portfolio Investment Management Agreement-
 - 1) Withdrawals shall be for a minimum amount of One Lac only. (Acceptance/Processing of applications for withdrawal of Assets less than the specified minimum amount shall be at the discretion of the Portfolio Manager).
 - 2) Exit Fee will be charged on all Withdrawals. In case of withdrawals in the form of securities, Exit fee will be charged on the Net Asset Value of the securities withdrawn
 - 3) The Portfolio Manager has the discretion to sell securities held in the client's accounts for the recovery of any of the fees charged to the clients account.
5. The Portfolio Manager will have the discretion to appoint any broker/s for execution of the transactions of the Portfolio Management Strategies.
6. The other terms and conditions of the Portfolio Investment Management Agreement entered into with the Portfolio Manager and any supplemental agreement thereto shall continue to remain in full force and effect as applicable.

The client is required to write the following in the space below in his own handwriting:
"I/We hereby understand and agree to the above fee structure and terms and conditions."

General

The Portfolio Manager reserves the right to take all steps and actions, including recording clients telephonic calls and/or obtaining and retaining all documentation for establishing the identity of the Client, proof of residence, source of funds etc. in accordance with applicable law from the client and/or the custodian as may be required to ensure appropriate identification/verification and re-verification of the Client, the course of fund etc. under its KYC policy as may be amended and updated from time to time. If at any time the Portfolio Manager believes that the transaction is suspicious in nature in accordance with applicable law, the Portfolio Manager shall have the absolute discretion to report the transaction to FIU-IND and/or any other statutory body that the Portfolio Manager is bound to report to from time to time. The Portfolio manager can also reject any application, freeze the account, compulsorily close the Client account and pay out the proceeds to the Client, at its option. The Portfolio Manager shall have no obligation to inform the Client or its agent/power of attorney holder in the event of such reporting.

The Portfolio Manager and its directors, employers, officers, agents and persons acting on its behalf shall not be responsible/liable for any loss suffered by the Client in any manner whatsoever due to any reporting to the FIU-IND by the Portfolio Manager, the rejection of any application or freezing or compulsory closure of any Client account or termination of the Agreement due to any non-compliance by the Client with the provisions of any applicable law, rule, regulation, KYC policy and/or where the Portfolio Manager has reported a suspicious transaction to FIU-IND.

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement for Portfolio Management Services.

For Mehta Equities Limited



Prashant Bhansali
Director

Place: Mumbai

Date: September 25, 2023

Please note that as & when the PMS scheme is registered with SEBI & the scheme name is approved, we will upload the set model disclosure documents on our website www.mehtagroup.in.

Form - C

Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 (Regulation 22)

Name of the Portfolio Manager	Mehta Equities Limited
Address	903, Lodha Supremus, Dr. E. Moses Road, Worli Naka, Mumbai- 400 018
Email	info@mehtagroup.in
Phone No	91-22-61507100 Fax No: 91-22-61507102

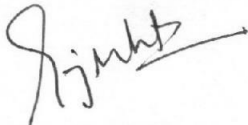
We confirm that,

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

The disclosure made in the Disclosure Document are true, fair and adequate to enable the investors to make a well informed decisions regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Off/Option.

The Disclosure Document has been duly certified by an independent chartered Accountant Deepak N. Maheshwarii, Chartered Accountants ICAI Memb. No.103834, Address; 109, Neha Industrial Premises Co operataive Society Ltd, off Datta pada Road, Borivali (East) Mumbai 400066 on dated 25th September 2023.

For and on behalf of Mehta Equities Limited

Sd/- 

Rajat Rakesh Mehta
Principal Officer

Date: September 25, 2023

Place: Mumbai

(DISCLOSURE DOCUMENTS CERTIFICATE TO BE ENCLOSED)



Date: 25th September, 2023

To,
Mehta Equities Limited.
903, Lodha Supremus,
Dr. E. Moses Road, Worli Naka,
Mumbai - 400018

We have been requested by Mehta Equities Limited ('the Portfolio Manager') No. INP000005971) having office at 903, Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai – 18, to certify the contents and information provided in the Disclosure Document required to be filed with the Securities and Exchange Board of India (SEBI) as per Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (the Regulations) as amended from time to time

We have reviewed the Disclosure Document dated 18th September, 2023 for portfolio management prepared in accordance with Regulation 22 of the Regulations.

We certify that the disclosures made in the attached Disclosure Document for the Portfolio Manager are true, fair and adequate to enable the investors to make a well-informed decision, based on our examination of the following:

- Copy of Previous Disclosure document submitted to SEBI;
- We have relied on the representation given by the Management about the penalties or litigations, group companies, performance calculation of the portfolio Manager and audit observations (if any) against the Portfolio Manager Mentioned in the Disclosure Document.

This certificate has been issued for onward submission to Securities and Exchange Board of India for the sole purpose of certifying the contents of Disclosure Document for the Portfolio Management and should not be used or referred to for any other purpose without our prior written consent.

Place : Mumbai
Date : 25st September, 2023



Deepak N Maheshwarii

Deepak N Maheshwarii
Chartered Accountants
ICAI Memb. No. 103834
UDIN : 23103834BGXMLL7195