



**SYKES & RAY EQUITIES<sup>TM</sup>(I) LTD.**

**PORTFOLIO MANAGEMENT**

**DISCLOSURE DOCUMENT**

**DISCLOSURE DOCUMENT****(As per the requirement of Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)**

- i) This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020.
- ii) 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 decisions for engaging Sykes & Ray Equities (I) Ltd. as a Portfolio Manager.
- iii) The Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and hence, the investor may be advised to retain the document for future reference.
- iv) The name, phone number, e-mail address of the Principal Officer as designated by the Portfolio Manager are as follows:

**PORTFOLIO MANAGER**

<b>Name of the Portfolio Manager</b>	Sykes & Ray Equities (I) Ltd.
<b>SEBI Registration Number</b>	INP000005795
<b>Registered Office</b>	2 <sup>nd</sup> Floor, Cama Building, Dalal Street, Fort, Mumbai 400 001.
<b>Tel no.</b>	022 – 6193 7300

**PRINCIPAL OFFICER**

<b>Name of the Principal Officer</b>	Mr. Karunesh K. Varma
<b>Tel no.</b>	022 – 6193 7315
<b>Email</b>	kkvarma@sre.co.in

Dated: June 19, 2024

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## **1. Disclaimer:**

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 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.

## **2. Definitions:**

- a. 'Act' means the Securities and Exchange Board of India Act, 1992.
- b. 'SEBI' means Securities and Exchange Board of India established under sub-section (1) of section 3 of the Securities and Exchange Board of India Act, 1992.
- c. 'Client' or 'Investor' means any person who registers with the Portfolio Manager for availing the services of the Portfolio Management.
- d. 'Portfolio Manager' means Sykes & Ray Equities (India) Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 3<sup>rd</sup> Floor, Cama Building, Dalal Street, Fort, Mumbai 400 001.
- e. 'Portfolio' means the total holdings of all investments, securities and funds belonging to the client.'
- f. 'Regulations' means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and 2020.
- g. 'Rules' means the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993 and 2020.
- h. 'Securities' includes : 'Securities' as defined under the Securities Contracts (Regulations) Act, 1956; shares, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and /or by any mutual funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government, or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and any other instruments or investments (including borrowing or lending of securities) as may be permitted by applicable law from time to time.
- i. 'Net Asset value' (NAV) is the market value of assets in portfolio consisting of equity, debt, cash and cash equivalents.
- j. 'Initial Corpus' means the value of the funds and the market value of readily realizable investments, brought in by the client at the time of registering as a client with the portfolio manager and as accepted by the portfolio manager.

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall, in addition, be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing portfolio management services.

## **3. History, present business and background of the Portfolio Manager:**

Sykes & Ray Equities (India) Ltd. (SRE) is a SEBI registered Portfolio Managers vide registration no. INP000005795. It is also a member of National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd. and a Depository Participant registered with Central Depository Services (India) Ltd.

A pioneer in the field of Retail Broking, SRE was promoted and incorporated in 1994 by Mr. Yogesh R. Gupta and Mr. Anup R. Gupta with vast & rich experience in Indian Capital Market.

In the era of rapid changes in Indian stock markets, SRE has been successful in spreading its presence throughout the country in a short span of time. SRE is proud of being one amongst the few conceptual

pioneers of retail cult in Indian Stock Markets. It has taken initiative in spreading the online trading terminals to the length and breadth of country through the network of its Branches/ SEBI registered sub-brokers, Authorized Persons and thereby catering to the needs of a large number of retail investors.

The strategic objective of SRE is to maximize investment values of our clients by being the best performing, client focused broking house with the highest sustainable growth and returns over industry cycles.

SRE provides broking services to Corporate, High Net worth Individuals and retail clients through a network of investment centres spread across the entire country. SRE is also empanelled with many major Indian Financial Institutions & Banks.

The services provided to retail investors, resident Indians as well as the NRIs, are classified as under:

- ☐ Facilitate investment in secondary market at leading stock exchanges in India based on market intelligence.
- ☐ Trading at the Futures & Options segment as an effective tool for hedging the risk.
- ☐ Efficient Depository Services including dematerialization, re-materialization, pledge & Other allied activities.

Fundamental Research desk of SRE provides corporate recommendations, industry overview and macro-economic analysis reports.

SRE imparts broking services with a commitment to disciplined, value-oriented investment strategies and superior client service through the team of Financial Planners.

Quality and timeliness distinguish the investment ideas of SRE. Openness, responsiveness and integrity characterize the relationship with SRE.

#### **4. Directors of the Portfolio Manager and their Background:**

<b>Sr. No.</b>	<b>Name</b>	<b>Qualification</b>	<b>Date of Appointment</b>	<b>Experience (Approx.)</b>	<b>Designation</b>	<b>Directorship in Other Companies</b>
1	Mr. Yogesh R. Gupta	M.A., LL.B., C.F.P.	27 <sup>th</sup> Jun 1994	30 Years	Chairman & Director	1) Sykes & Ray Equities (Mumbai) Pvt. Ltd
2	Mr. Anup R. Gupta	B. Com	28 <sup>th</sup> Jan 2006	26 Years	Whole time Director	1) Sykes & Ray Equities (Mumbai) Pvt. Ltd 2) Ray Trading Pvt. Ltd.
3	Mr. Sudhir M Marathe	B. Com, LL.B.	14 <sup>th</sup> Aug 2014	21 Years	Whole time Director	1) Ray Trading Pvt. Ltd.
4	Mr. Karunesh Kumar Varma	M.M.S., LL.B.	14 <sup>th</sup> Aug 2014	21 Years	Whole time Director	1) Sykes & Ray Equities (Mumbai) Pvt. Ltd
5	Mr. Sidhant Ramakant Prabhu	B.Com	22 <sup>nd</sup> Dec 2022	30 Years	Whole time Director	Not Applicable

## 5. Details of services being offered:

### a) Discretionary Services

Under these services, the choice as well as the timings of the investment decision rest solely with the Portfolio Manager. The Portfolio Manager shall have the sole and the absolute discretion to invest in respect of the Client's account in any type of security as per the agreement and make such changes in the investments and invest some or all of the Client's account in such a manner and in such a market at it deems fit. However, the final decision rests with the Portfolio Manager. The securities invested/disinvested by the Portfolio Manager for the Clients in the same Strategy 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 at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of Portfolio Manager shall be exercised strictly in accordance with the relevant acts, Rules, and Regulations, guidelines and notification in force from time to time.

Based on the Client's profile, overall investment objective and other relevant factors, the Portfolio of the Clients are at present managed under one or more of the following Investment approaches tagged under Equity Strategy:

- i) SRE Ignited Ideas
- ii) SRE Quantitative Growth
- iii) SRE PE Shield
- iv) SRE Inflection Ideas
- v) SRE BIZZI All Seasons FOF
- vi) SRE Small Cap Momentum PMS
- vii) SRE Large & Mid Momentum PMS
- viii) SRE Flexi cap
- ix) Tiger Fund-Growth plus Value Strategy
- x) Noble Minds Wealth Fund

### b) 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. The non-discretionary portfolio management services are provided under investment strategy called **"SRE Non-discretionary PMS"**

**DIRECT ON-BOARDING OF CLIENTS:** The Client has an option to on-board as a direct client without any intermediation of persons engaged in the distribution.

## 6. Services Offered

### (i) **Present investment Objectives and Policies**

The investment objective of SRE as portfolio manager is to maximize the annualized return on the funds placed with SRE through a judicious deployment in capital/money market instruments, mutual fund units or derivatives based on a professional, detailed assessment and evaluation of all relevant macro and micro factors pertaining to the economy and industry.

The investments will be allocated in equity shares, derivatives, mutual funds: equity/ETFs,

debts/ETFs, debentures, government securities or all of them as per the discretion of the fund manager.

Types of Securities in which the funds are generally invested:

- (a) Equity and Equity related securities,
- (b) Units, Magnums and other instruments of Mutual Funds;
- (c) Bank Deposits;

However, in addition to the above and subject to SEBI Regulations, the Funds can also be invested in such securities, capital and money market instruments or in fixed income securities or variable securities of any description, by whatever name called including:

- (a) Convertible Stock and Preference Shares of Indian Companies;
- (b) Debentures (Convertible and Non-convertible), Bonds and Secured Premium Notes, Swaps, Futures and Options, Securitized Debt, Structured Products, Pass Through Certificates and Instruments which are quasi-debt instruments, Tax-exempt Bonds of Indian Companies and Corporations;
- (c) Government and Trustee Securities;
- (d) Treasury Bills;
- (e) Commercial Papers, Certificates of Deposit and other similar Money Market instruments
- (f) Tradable or any other warrants, InvIT or other instruments;
- (g) The Portfolio Manager may invest in private equity investment proposals (unlisted companies) considering their attractive fundamentals and possibility of unlocking significant gains in future on listing, subject to applicable regulations;
- (h) Such other instrument(s) offered in private placements, arrangements, treaties, contracts or agreements for facilitating acquisition and/or disposing of investments as the case may be;
- (i) Any other eligible mode of investment within the meaning of the Regulations issued by SEBI and amended thereto from time to time.

However, no investment will be made in badla financing and lending to corporate or any other bodies and such instruments as may be expressly prohibited by SEBI/other regulatory bodies. SRE hereby agrees not to pledge or loan securities without the written permission of the Investor and the leveraging of portfolio shall not be permitted in respect of investment in derivatives. SRE may, subject to authorization by the client in writing, participate in securities lending.

The derivatives positions will be taken for hedge purpose or for portfolio balancing or as pure investment option. However, the total derivative position will not exceed the portfolio size at any time. No speculative positions will be taken. However, if equity markets at any point of time does not provide enough opportunities for investments, full or part of the portfolio will be parked in short term/ long term debt instruments, debt mutual funds, securitized instruments and/or any other instruments permitted by SEBI.

Efforts will be made to invest full portfolio in predominantly equity and equity linked schemes at any point of time. However, depending on the market conditions, the Portfolio Manager may at his discretion change the allocation of weights between debt / liquid / fixed income schemes and equity schemes. Portfolio of each client may differ from that of other client as per the discretion of the Portfolio Manager. The un-invested amounts in any of the client's portfolio may be deployed in

liquid schemes, debt-oriented schemes of mutual funds, gilt schemes, bank fixed deposits and other short-term avenues for investment as permitted by SEBI.

SRE shall not borrow funds or securities on behalf of the client. SRE shall not lend securities held on behalf of the clients to a third person except as provided under SEBI regulations.

The policies for investments in associates/ group companies of the Portfolio Manager and the maximum percentage of such investments therein would be subject to the applicable laws/ regulations/ guidelines. SRE currently does not intend to invest in any of its associate or group companies.

## **(ii) Investment Approaches:**

The portfolio manager manages following strategies of the Discretionary Portfolio of the client.

### **I) SRE PE Shield**

**Fund Manager: Mr. Nitesh Chand**

- **Investment Objective:** The strategy aims growth in investment amount by following non-aggressive strategy. It seeks to achieve capital appreciation through investments in Indian companies with growth potential. The strategy predominantly invests in companies that tend to grow earnings at a fast pace and are reasonably priced.
- **Description of types of securities:** Listed Equities, ETFs, Mutual Funds.
- **Basis of selection of such types of securities as part of the investment approach:**  
A combination of top-down approach and bottom-up approach. The top-down approach is used to identify key macroeconomic and sectoral themes and subsequently help identify stocks that will benefit from the same. The bottom-up approach focuses on the analysis of individual stocks and marginalizes the significance of macroeconomic cycles. A portfolio of approx.30-40 stocks is constructed based on ranks and is rebalanced periodically.
- **Allocation of portfolio across types of securities**  
The strategy seeks to invest in equity and equity-related instruments in large-cap, mid-cap and small-cap companies.
- **Benchmark:** S&P NIFTY 50 TRI
- **Indicative tenure or investment horizon:** Long Term
- **Risks associated with the investment approach:**  
**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.  
**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.  
**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.  
**Model portfolio risk:** Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for certain interim periods have portfolios which are different from the model portfolio i.e., that some stocks may be different



or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any:** The investment approach is designed to reduce portfolio risk in the initial stages of investment through a dynamic blend of equity and debt. Equity component is gradually infused in the portfolio taking into consideration market valuations as well as the time factor. It intends to reduce concentration risk through diversification at the stock and sector levels.

## II) **SRE Quantitative Growth**

**Fund Manager: Mr. Nitesh Chand**

- **Investment Objective:** The objective of the strategy is to create wealth for investors by following a systematic investing while buying high quality businesses. It is a long only strategy on Indian stocks having high-quality businesses where the holding period is long term with low portfolio churn.
- **Description of types of securities:** Listed Equities, ETFs, Mutual Funds.
- **Basis of selection of such types of securities as part of the investment approach:**  
The strategy uses a quantitative, objective, unbiased stock picking based on strong business fundamentals. A portfolio of approx.30 stocks is constructed based on ranks and is rebalanced periodically.
- **Allocation of portfolio across types of securities**  
The strategy seeks to invest in equity and equity related instruments of companies diversified across small to midcap companies.
- **Benchmark:** S&P BSE500 TRI
- **Indicative tenure or investment horizon:** Long Term
- **Risks associated with the investment approach**

**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable

direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

**Model portfolio risk:** Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for certain interim periods have portfolios which are different from the model portfolio i.e., that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

**Low liquidity:** Even though Mid Cap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

**Market Fluctuations:** A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

**Less dividends:** Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

**Higher Risk:** Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite. Large companies tend to set procedures and years of experience of executing key projects.

**Management Integrity:** While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any:**

The strategy uses mathematical and statistical techniques.

### III) SRE Ignited Ideas

**Fund Manager: Mr. Nitesh Chand**

- **Investment Objective:** The objective of the strategy is to create wealth for the investors over long term. It aims at generating optimal returns in context with the market volatility.
- **Description of types of securities:** Listed Equities, ETFs, Units of Mutual Funds.
- **Basis of selection of such types of securities as part of the investment approach:**  
The strategy invests in large cap companies, mid cap & small cap companies where value and growth is foreseen. Being sector agnostic, the strategy focuses on businesses and invests on the philosophy of B2C, B2B and B2G (Business with Government) set of companies. Our objective is to have minimal churn.

- **Allocation of portfolio across types of securities**

The strategy seeks to invest in a mix of mid and large cap companies making it a flexi-cap portfolio.

- **Benchmark:** S&P BSE500 TRI

- **Indicative tenure or investment horizon:** Long Term

- **Risks associated with the investment approach**

**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any:**

The strategy does not follow a model portfolio and each client portfolio could be different, depending upon the time the money is available to invest.

#### IV) **SRE Inflection Ideas**

**Fund Manager: Mr. Sunil Shah**

- **Investment Objective:** The objective of the strategy is to create wealth for the investors over long term. It aims at generating optimal returns in context with the market volatility.

- **Description of types of securities:** Listed Equities, ETFs, Units of Mutual Funds, Liquid Bees, Liquid Funds.

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

The strategy invests in large cap companies, mid cap & small cap companies where value and growth is foreseen. Being sector agnostic, the strategy focuses on businesses and invests on the philosophy of B2C, B2B and B2G (Business with Government) set of companies. Our objective is to have minimal churn. The investment approach is to identify businesses that are on the threshold of a change and invest in such companies that can benefit from the future change in the business outlook envisaged. Given that it is a bet on the uncertain future, the scheme contains high risk and also that there could be substantial exposure to mid and small cap stocks hence the volatility in stock prices too could be high in comparison to the market. However, if the

outlook materializes as is envisaged the possibility of alpha generation too could be high in this investment approach.

- **Allocation of portfolio across types of securities**

The strategy seeks to invest in a mix of mid and large cap companies making it a flexi-cap portfolio.

- **Benchmark:** S&P BSE500 TRI

- **Indicative tenure or investment horizon:** Long Term

- **Risks associated with the investment approach**

**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any:**

The strategy does not follow a model portfolio and each client portfolio could be different, depending upon the time the money is available to invest.

## V) **SRE BIZZI All Seasons FOF**

**Fund Manager: Mr. Nitesh Chand**

- **Investment Objective:** Seeks to achieve long-term capital appreciation with relatively lower volatility through a dynamically balanced portfolio of various asset classes such as equity, debt, commodity and cash. However, there is no assurance or guarantee that the objective of the scheme will be achieved.

- **Description of types of securities:** Direct Equity, ETFs & Open-ended Mutual Funds.

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

A portfolio investing predominantly in Units of domestic Exchange Traded Funds and actively managed mutual funds (collectively called as “Schemes”) with a selective mix of direct equity.

A combination of top-down and bottom-up approach. The top-down approach is used to decide the asset allocation mix based on global and Indian macroeconomic environment. The shortlisting process is based on evaluating the performance ratings of each Scheme and a list of

30-40 Schemes are shortlisted for final evaluation. The bottom-up approach focuses on the analysis of the underlying portfolios of each Scheme and the combined behavior of the FOF on Risk and Return parameters and is rebalanced periodically.

**Equity:**

**Domestic:** The FOF shall invest in various Market Cap, Sector, Theme, Smart Beta strategies-based Schemes or any other Schemes launched in future. The underlying portfolio shall be strategically allocated to Large & Midcap segment with Small caps exposure for tactical allocation if the opportunity is available at attractive valuations. This is to ensure that the majority of the portfolio is comprised of stocks of companies that fall within the top 250 listed companies in India.

Exposure to domestic equities shall be primarily through Equity ETFs & Index Funds where investing through ETFs is not possible. Exposure to direct equity shall be limited to Nifty50 stocks

**International:** Exposure to International equities shall be only through ETFs & FOFs (Overseas).

**Debt:** The portfolio shall invest in various mutual fund schemes that have low to negligible credit risk to ensure very high-quality debt portfolio.

**Commodities:** The portfolio shall invest in Gold & Silver through ETFs only.

- **Allocation of portfolio across types of securities.**

The strategy seeks to invest in units of mutual funds and ETFs and Equity.

- **Benchmark:** S&P BSE500 TRI

- **Indicative tenure or investment horizon:** Long Term

- **Risks associated with the investment approach:**

**Equity risk** is the financial risk involved in holding equity in a particular investment through the underlying Schemes. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely.

**Model portfolio risk:** Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of Schemes and allocation for each. The same is replicated in terms of Schemes and allocation for all future clients. Clients may for certain interim periods have portfolios which are different from the model portfolio i.e., that some Schemes may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in higher risk Schemes. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any:** The investment approach is designed to reduce portfolio risk in the initial stages of investment through a dynamic blend of equity, debt and commodities. Equity component is gradually infused in the portfolio taking into consideration market valuations as well as the time factor. It intends to reduce concentration risk through diversification at the stock and sector levels in the blended portfolio.

## VI) SRE Small Cap Momentum PMS

**Fund Manager: Mr. Nitesh Chand**

- **Investment Objective:** The objective of the strategy is to create wealth for the investors by investing in stocks in top sectors based on quarterly results.
- **Description of types of securities:** Listed Equities
- **Basis of selection of such types of securities as part of the investment approach:**  
The strategy invests in companies where value and growth is foreseen. Being sector agnostic, the strategy focuses on businesses with high growth and low valuation.
- **Allocation of portfolio across types of securities**  
The strategy seeks to invest in a mix of small cap companies making it a small cap portfolio.
- **Benchmark:** S&P BSE500 TRI
- **Indicative tenure or investment horizon:** Medium Term
- **Risks associated with the investment approach**

**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any:**  
The strategy does not follow a model portfolio and each client portfolio could be different, depending upon the time the money is available to invest.

VII) **SRE Large & Mid Momentum PMS**  
**Fund Manager: Mr. Nitesh Chand**

- **Investment Objective:** The objective of the strategy is to create wealth for the investors by investing in companies with substantial growth potential and high momentum.
- **Description of types of securities:** Listed Equities
- **Basis of selection of such types of securities as part of the investment approach:**  
The strategy invests in companies where value and growth is foreseen. Being sector agnostic, the strategy focuses on businesses with high growth and low valuation stocks.
- **Allocation of portfolio across types of securities**  
The strategy seeks to invest in a mix of large and mid-cap companies making it a large & mid-cap portfolio.
- **Benchmark:** S&P BSE500 TRI
- **Indicative tenure or investment horizon:** Medium Term
- **Risks associated with the investment approach**  
**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.  
**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.  
**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.  
**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.  
**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.
- **Other salient features, if any:**  
The strategy does not follow a model portfolio and each client portfolio could be different, depending upon the time the money is available to invest.

VIII) **SRE Flexi Cap**  
**Fund Manager: Mr. Nitesh Chand**

- **Investment Objective:** The objective of the strategy is to create wealth for the investors by investing in companies with substantial growth potential and high momentum.
- **Description of types of securities:** Listed Equities

- **Basis of selection of such types of securities as part of the investment approach:**
  - The method for stock selection for Investment is basically based on Technical Analysis with some follow up using Fundamental analysis.
  - Trend Analysis and Elliott wave analysis is the most important part of our approach.
- **Allocation of portfolio across types of securities**  
The strategy seeks to invest in a mix of large, mid-cap and small-cap companies making it a large, mid-cap and small-cap portfolio.
- **Benchmark:** S&P BSE500 TRI
- **Indicative tenure or investment horizon:** Medium Term/Long Term.
- **Risks associated with the investment approach**  

**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.
- **Other salient features, if any:**  
The strategy does not follow a model portfolio and each client portfolio could be different, depending upon the time the money is available to invest.

#### IX) Tiger Fund-Growth plus Value Strategy

**Fund Manager: Mr. Anshul Mittal**

- **Investment Objective:** The objective of the strategy is to create wealth for the investors by investing in companies with substantial growth potential and high momentum.
- **Description of types of securities:** Listed Equities
- **Basis of selection of such types of securities as part of the investment approach:**  
Our Investment strategy approach centres around dynamic asset allocation. Recognizing the cyclical nature of the markets, we adjust allocations among momentum factors and hedged exposure based on market conditions and expected returns.
- **Allocation of portfolio across types of securities**



The strategy seeks to invest in a mix of large-cap, mid-cap and small-cap companies making it a large, mid-cap and small-cap portfolio.

- **Benchmark:** S&P BSE500 TRI
- **Indicative tenure or investment horizon:** Medium Term/Long Term.
- **Risks associated with the investment approach**

**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any:**  
The strategy does not follow a model portfolio and each client portfolio could be different, depending upon the time the money is available to invest.

#### **X) Noble Minds Wealth Fund**

**Fund Manager: Mr. Faraz Ahmed**

- **Investment Objective:** The objective of the strategy is to create wealth for the investors by investing in companies with substantial growth potential and high momentum.
- **Description of types of securities:** Listed Equities
- **Basis of selection of such types of securities as part of the investment approach:**  
The strategy invests in companies where value/growth and momentum is foreseen. Being sector agnostic, the strategy focuses on businesses with high growth and low valuation stocks.
- **Allocation of portfolio across types of securities**  
The strategy seeks to invest in a mix of large-cap, mid-cap and small-cap companies making it a large, mid-cap and small-cap portfolio.
- **Benchmark:** S&P BSE500 TRI
- **Indicative tenure or investment horizon:** Medium Term/Long Term.
- **Risks associated with the investment approach**  
**Equity risk** is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

**Systematic Risk** refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

**Concentration risk** is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

**Mismatch risk** occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in small-cap funds. Typically, investors with short investment horizons should focus on less volatile investments.

**Execution Risk** is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any:**

The strategy does not follow a model portfolio and each client portfolio could be different, depending upon the time the money is available to invest.

## **7. Details of penalties, pending litigation or proceedings, findings of inspection or investigations, action taken or initiated by any regulatory authority:**

1. 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.**

2. The nature of the penalty/direction.

**None.**

3. Penalties imposed for any economic offence and/or for violation of any securities laws relating to Portfolio Management Services.

**None**

4. Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.

**None**

5. Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency in relation to Portfolio Management Services for which action may have been taken or initiated.

**None**

6. 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 Regulations made thereunder relating to Portfolio Management Services.

**None**

## **8. Risk Factors:**

Investment in securities is subject to market risks and there is no assurance or guarantee that the

objective of the investments will be achieved.

Past performance of the Portfolio Manager does not indicate the future performance. There are no guaranteed returns through these investments.

The performance of the equity investments may be adversely affected by the performance of the individual companies, changes in the market place and credit rankings and industry specific and macro-economic factors.

The investments in debt and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk and reinvestment risk.

Liquidity in debt and fixed income investments may be affected by trading volumes, settlement periods and transfer procedures

Industry specific stocks may be subject to volatility, high valuations, obsolescence and low liquidity.

The market for derivatives and futures and options is relatively new. These are highly leveraged instruments and require a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value.

Appreciation in any portfolio can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance may also be affected due to any other asset allocation factors.

Sector specific investments may be subject to the risk of concentration or non-diversification risk. If the sector(s), for any reason, fail(s) to perform, the portfolio value will be adversely affected.

Investors are not being offered any guaranteed or assured return either of Principal or appreciation on the portfolio.

The liquidity of portfolio investments is inherently restricted by trading volumes in the securities in which it invests.

The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yield. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

The Portfolio Manager may, participate in securities lending as may be permitted by SEBI from time to time. The Portfolio Manager may not be able to sell securities which are lent out leading to temporary illiquidity. There are risks inherent in 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. Such failure can result in a possible loss of rights to the collateral, or inadequacy of the collateral, the inability of the Approved Intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

**9. Client Representation:**

<i>Categories of clients</i>	<i>No. of Clients</i>	<i>Funds Managed (Rs. Cr.):</i>
Discretionary (Active clients as on 31 <sup>st</sup> March, 2024)	67	88.05
Non-Discretionary (Active clients as on 31 <sup>st</sup> March, 2024)	NIL	NIL

**10. Disclosure in respect of transactions with related parties:**

A) The Portfolio Manager is registered with Securities and Exchange Board of India for providing various services namely:

1. Securities Broking as member of Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).
2. Depository Services as Depository Participant of Central Depository Services (India) Ltd. (CDSL).
3. Portfolio Management Services as Portfolio Managers registered under the SEBI (Portfolio Managers) Regulations 1993.
4. Research Analyst.
5. Association of Mutual Funds of India (AMFI) registered Distributor of Mutual Fund Schemes and other financial products.

The Portfolio Managers shall avail the aforesaid services for consideration, in managing the Portfolio of the Clients.

B) There may be clients for PMS who may be directly related to one or more Directors or Key Personnel of the Portfolio Managers.

C) There are no group companies or associates of Portfolio Manager, as per definition given by ROC.

# 11.Audited Financial Performance of the Portfolio Manager:

## BALANCE SHEET As at

	31.03.2023	31.03.2022	31.03.2021
	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
<b>SOURCES OF FUNDS</b>			
Share Capital	89.30	89.30	89.30
Reserves & Surplus	10,018.74	8,668.70	6,830.57
Loan Funds	958.80	1,380.13	1,701.47
Deferred Tax	67.34	34.52	-
<b>Total</b>	<b>11,134.18</b>	<b>10,172.65</b>	<b>8,621.34</b>
<b>APPLICATION OF FUNDS</b>			
Net Fixed Assets	1,261.72	1,310.04	1,286.39
Investments	28.80	29.18	3,627.43
Current Assets, Loans & Advances	19,918.30	17,851.61	11,203.92
Less: Current Liabilities & Provisions	-10,074.64	-9,018.18	-7,496.40
<b>Total</b>	<b>11,134.18</b>	<b>10,172.65</b>	<b>8,621.34</b>

## PROFIT AND LOSS ACCOUNT for the year ended

	31.03.2023	31.03.2022	31.03.2021
	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
Total Income	7126.51	7,696.04	4,522.22
Total Expenditure	4780.26	4,842.32	3,059.09
Profit Before Interest, Depreciation & Tax	2,346.25	2,853.72	1,463.13
Interest	207.8	280.06	208.74
Depreciation	113.66	67.91	80.80
Amortisation			-
Profit Before Tax	2,024.79	2,505.75	1,173.59
Provision for Tax	589.32	669.52	183.75
Profit After Tax	1,435.47	1,836.23	989.84

## 12. Performance of the Portfolio Manager

Strategy	<u>One Year</u> 01/04/2023 to 31/03/2024	<u>Two Years</u> 01/04/2022 to 31/03/2024	<u>Three Years</u> 01/04/2021 to 31/03/2024	<u>Since Inception</u> to 31/03/2024
<b>DISCRETIONARY SERVICES</b>				
IGNITED IDEAS (Date of Inception: 16/11/2017)	61.45	59.13	88.36	107.29
Benchmark: S&P BSE500 TRI	40.16	38.89	69.8	144.09
QUANTITATIVE GROWTH (Date of Inception: 28/02/2018)	77.21	53.75	98.51	140.66
Benchmark: S&P BSE500 TRI	40.16	38.89	69.8	135.07
SRE PE SHIELD (Date of Inception: 31/05/2018)	37.98	34.5	50.71	95.7
Benchmark: S&P BSE500 TRI	40.16	38.89	69.8	135.27
SRE LARGE AND MID CAP MOMENTUM PMS (Date of Inception: 30/10/2023)	NA	NA	NA	21.93
Benchmark: S&P BSE500 TRI	NA	NA	NA	21.12
SRE INFLECTION IDEAS (Date of Inception: 08/11/2023)	NA	NA	NA	0.85
Benchmark: S&P BSE500 TRI	NA	NA	NA	18.12
SYKES and RAY EQUITIES INDIA LTD- Small Cap(Date of Inception: 28/11/2023)	NA	NA	NA	6.64
Benchmark: S&P BSE500 TRI	NA	NA	NA	15.07

## 13. Audit Observations

There are no audit observations by Statutory Auditor pertaining to PMS for the preceding three financial years.

## 14. Nature of expenses to be borne by the client:

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 charges and expenses shall be directly debited to clients' account as and when the same becomes due for payment.

- Management Fees:** Management fees related to the Portfolio management services offered to clients. The fee may be a fixed charge or a percentage of the quantum of funds managed (not exceeding 2.5% p.a.) and may be return based or a combination of any of these.
- Custodian Fees:** The charges relating to opening and operation of dematerialized and Bank accounts, custody and transfer charges for shares, bonds and units, dematerialization, re-materialization and other charges in connection with the operation and management of the depository and bank accounts.

- c) **Registrar and Transfer Agent Fees:** Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage, stamp and courier charges.
- d) **Brokerage and transaction costs:** The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments. It may be noted that the Portfolio Manager is registered as a Stock Broker (with BSE, NSE etc.), a Depository Participant (of the CDSL) and a Portfolio Manager (with SEBI). The Portfolio Manager shall avail of the services of securities broking, depository and distribution of financial products including mutual funds, IPOs etc., in managing the portfolio of the clients. The client will bear the cost, if any, of these services.
- e) **Certification and professional charges:** Charges payable for outsourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.
- f) **Incidental Expenses:** Charges in connection with the courier expenses, stamp duty, Goods & Services Tax, statutory levies, postal, telegraphic, opening and operation of bank accounts etc.

Investors may note that, the fees/ expenses that may be charged to Clients mentioned below are indicative only. The same will vary depending upon the exact nature of the services to be provided to investors.

Sr No	Particulars	Charges
1	Management and Performance Fees 1) Fixed Fee 2) Performance Linked Fee as permitted under the Regulations	Up to 2.5% Up to 50% of the Returns
2	Custody and fund accounting Charges (on average monthly assets under management)	5 bps per annum payable monthly
3	Transaction Charges • Equity • Derivatives (Future and Options) • Mutual Funds Transaction (including Fund Transfer for the txn) • Others (IPO, Debt, etc.)	1 bps on Transaction Value 0.1 bps on Transaction Value INR 100 per Transaction  INR 100 per Transaction
4	SEBI Fees (Actuals)	0.0005% on AUC
5	• Depository Charges • Transaction Charges • Stamp Duty • Securities transaction tax • Annual Maintenance Charges (AMC) • Agreement & stamp paper charges	INR 10 per ISIN At Actuals At Actuals At Actuals At actuals At actuals
6	Out of Pocket Expenses (viz charges for CA certificate, Stamp Paper Costs, consultant fee, courier charges, etc.)	At Actuals
7	Exit Load	In the 1st year of investment: 1% of the amount redeemed

## 15.Taxation:

### a) General

In view of the individual nature of tax consequences, client is advised to consult his/her tax advisor with respect to the specific tax consequences to him/her for availing of Portfolio Management Services. The Portfolio Manager shall not be responsible for assisting in or

completing the fulfillment of the Client's tax obligations. Tax implications mentioned herein are effective as on the date of issue of this document and may change due to modifications in existing legislation.

**b) Tax Deduction at Source**

Presently, tax is withheld at source for non-residents. 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.

**c) Advance tax installment obligations**

It shall be the client's responsibility to meet the obligations on account of advance tax installments payable on the due dates under the Income Tax Act, 1961.

**d) Capital Gains**

Investments held for 12 months or more than 12 months may be classified as long term capital assets. Investments held for less than 12 months may be classified as short term capital assets. Tax liability or exemption would be as per the provisions of the Income Tax Act, 1961. Currently, long term capital gains of more than Rs.1 lakh on the sale of equity shares or equity-oriented units of a mutual fund attract a long term capital gains tax of 10% (plus applicable cess). Short term capital gains arising from the transfer of equity shares in a company or a unit of an equity oriented mutual fund will be charged to tax @15% plus applicable surcharges and education cess under section 111A of the Income Tax Act, 1961, provided such transactions have been subject to Securities Transaction Tax (STT). The capital gains will be payable at the normal tax slabs as applicable for different entities from time to time for the transactions not routed through stock exchanges and on which STT has not been paid.

**e) Dividend Income**

Dividend income on equity shares and mutual funds is liable for tax in the hands of the investors from F.Y. 2020-2021

**f) Income from Business or Profession**

In case gains are treated as income from business or profession, the same is taxable at normal rates prevailing from time to time.

**16.Accounting Policies:**

The following Accounting policies will be applied for the portfolio investments of clients:

- a. Investments in Equities, Mutual Funds and Debt instruments will be valued at the 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 cut-off date or the market value of the debt instrument at the cut-off date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned.
- b. Realized gains/losses will be calculated by applying the first in-first out (FIFO) principle. The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of investment or accounting the same as may be mutually agreed between them on a case specific basis.
- c. For derivatives and futures & options, unrealized gains & losses will be calculated by marking to market the open positions. The guidelines issued by Institute of Chartered Accountants of India from time to time will also be considered for valuing the derivative instruments.
- d. Unrealized gains/losses are the differences between the current market values/NAV and the historical cost of the securities.
- e. Dividend income earned by the Portfolio 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 ex-dividend date or record date.

- f. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to Interest Recoverable Account.

Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.

Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisition through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the portfolio obtains an enforceable obligation to pay the price or, in the event of a sale, when the portfolio obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

All Income will be accounted on accrual or receipt basis, whichever is earlier.

All expenses will be accounted on due or payment basis, whichever is earlier.

- g. Securities Transaction Tax (STT) is recognized on the trade day when the securities are accounted for on which such STT is levied.
- h. Bonus Share, to which the portfolio becomes entitled, 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, right entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis.
- i. The Cost of investments acquired or purchased shall include grossed-up brokerage, stamp charges and any charge customarily included in the broker's note. In respect of privately placed debt instruments, any front-end discount offered may be reduced from the cost of the investment. The investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

## **17. Investors Services**

### **Details of the Investor Relations Officer**

Name: Mr. Sidhant R. Prabhu

Address: 2<sup>nd</sup> Floor, Cama Building,  
Dalal Street, Fort,  
Mumbai 400 001.

Tel. No: 022-61937408

Email Id: [compliance@sre.co.in](mailto:compliance@sre.co.in) and [info@sre.co.in](mailto:info@sre.co.in)

## **18. Grievance Redressal and Dispute Settlement Mechanism:**

The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the investor remains

dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and /or their respective representatives shall be settled in accordance with and subject to the provisions of The Arbitration and Conciliation Act 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or at such other place as the Portfolio Manager thinks fit.

## **19.General**

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

**Approved by the Directors of Sykes & Ray Equities (India) Ltd.**

	<b>Name of the Director</b>	<b>Signature</b>
	Mr. Karunesh Varma	_____ <b>Sd/-</b>
Date: June 19, 2024		
Place: Mumbai	Mr. Sidhant Prabhu	_____ <b>Sd/-</b>



**NILESH N. SHAH**  
**B.Com., F.C.A.DISA (ICA)**

**NILESH N.SHAH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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601 Amartaru No 1, Nagardas Cross Road, Andheri (East), Mumbai 400 069  
Phone no – 022-40061011 / 9820167010 Email – [nileshnshah2000@rediff.com](mailto:nileshnshah2000@rediff.com)

### **CERTIFICATE**

To  
The Board of Directors,  
Sykes & Ray Equities (India) Ltd.  
3<sup>rd</sup> Floor,  
Cama Building,  
Dalal Street,  
Fort,  
Mumbai-400001.

You have requested us to provide a certificate on the Disclosure document for Portfolio Management services ("the Disclosure Document") of Sykes & Ray Equities (India) Ltd ("the Company"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").

1. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the SEBI Regulation") and the Guidelines issued by SEBI dated February 13, 2020 is the responsibility of the management of the company. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

We have examined the Disclosure Document for Portfolio Management Services prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 by Sykes & Ray Equities (India) Ltd., (Portfolio Manager – Registration No. INP000005795) having its office at 3<sup>rd</sup> Floor, Cama Building, Dalal Street, Fort, Mumbai-400001.

Based on our examination of Disclosure Document, audited annual accounts of Sykes & Ray Equities (India) Ltd., and other financial records and information furnished by the Management, we certify that the Disclosure Document for Portfolio Management Services are true, fair and adequate to enable the investor to take a well informed decision.

2. In respect of the information given in the Disclosure document, we state that:
- The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the company.
  - The Promoters and director's qualification, experience, ownership details are as declared by them and have been accepted without further verification.
  - We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.
  - We have relied on the representation made by the management regarding the Assets under management of Rs. 88.05 Crore as on 31<sup>st</sup> March, 2024.
- 3 Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated 23<sup>rd</sup> May, 2024 are true and fair in accordance with the disclosure requirements laid down in Regulation 22 read with Schedule V to the SEBI Regulations to enable the investor to take a well informed decision.
- A management certified copy of the disclosure document is enclosed herewith.

This certificate has been issued for sole purpose of submitting to the Securities and Exchange Board of India and should not be used or referred to for any other purpose without our prior written consent.

For Nilesh N Shah & Associates.  
Chartered Accountants

Nilesh  
Navinchandra Shah

Digitally signed by Nilesh  
Navinchandra Shah  
Date: 2024.06.24 10:40:45  
+05'30'

(Nilesh N Shah )

Proprietor

Membership No. 101609

FRN: 117282W

UDIN : **24101609BKFVMW4503**

Place: Mumbai

Date: 24<sup>th</sup> June, 2024.

FORM C

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

**Portfolio Manager: SYKES & RAY EQUITIES (INDIA) LTD.**

3<sup>rd</sup> Floor, Cama Building, Dalal Street,  
Fort, Mumbai 400 001.

Dear Investor,

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 Services;
- iii. The Disclosure Document has been duly certified by an Independent Chartered Accountants – M/s Nilesh N Shah & Associates, Chartered Accountants, 601, Amartaru No. 1, Nagardas Cross Road, Andheri (East), Mumbai – 400 069 bearing registration no. 101609 FRN:117282W and having telephone no. 022-40061011, on 24<sup>th</sup> June 2024 (vide UDIN: 24101609BKFVMW4503).
- iv. The copy of the Chartered Accountant's certificate is enclosed.

This Disclosure Document has been filed with SEBI along with the certificate (Form C) in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

The purpose of this Document is to provide essential information about our portfolio services in a manner to assist and enable the investors in making informed decision for engaging us as a Portfolio Manager.

The necessary information about us as a Portfolio Manager required by investors before investing is provided in this Document. The investors are also advised to carefully read this entire Document before making a decision and retain this Document for future reference.

All the intermediaries involved in the Portfolio Management Services are registered with SEBI as on the date of this Document.

The details of the Principal Officer are given below:

Name: Karunesh Kumar Varma

Designation: Director.

E-mail ID.: [kkvarma@sre.co.in](mailto:kkvarma@sre.co.in) & [pms@sre.co.in](mailto:pms@sre.co.in)

Phone No.022-61937315 / 61937300

Date : 24<sup>th</sup> June, 2024

Place: Mumbai

For Sykes & Ray Equities (India) Ltd.  
**For Sykes & Ray Equities (I) Ltd.**

  
**Director / Authorised Signatory**  
(Karunesh kumar Varma)

Director