

KUNVARJI FINSTOCK PRIVATE LIMITED

DISCLOSURE DOCUMENT

[As required under Regulation 22 (3) of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, Clause 4.1 of SEBI Master Circular dated June 07, 2024 bearing reference number SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 and any amendment thereof]

I. Declaration:

- a) The Disclosure Document (hereinafter referred as the “Document”) has been filed with Securities and Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 (3) of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, Clause 4.1 of SEBI Master Circular dated June 07, 2024 bearing reference number SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 and any amendment thereof.
- b) The Document serves the purpose of providing essential information about the portfolio management services in order to assist and enable the investors in making informed decision for engaging Kunvarji Finstock Private Limited (hereinafter referred as the “Portfolio Manager”) as the portfolio manager.
- c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing. The investor is advised to retain the Document for future reference.
- d) The name, phone number, e-mail address of the Principal Officer as designated by the Portfolio Manager along with the address of the Portfolio Manager are as follows:

PRINCIPAL OFFICER	PORTFOLIO MANAGER
Name: Mr. Ravi Diyora Phone :079-6666 9000(Ext. 103/108 128) E-Mail : ravi.diyora@kunvarji.com	Kunvarji Finstock Private Limited. Address: Block B, First Floor, Siddhivinayak Towers, Next to Kataria House, Off. S.G. Highway, Makarba, Ahmedabad, Gujarat – 380051 (SEBI REGN. NO. INP000004540)

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III. Contents:

1) Disclaimer

- a) Particulars of this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020, as amended till date and filed with SEBI.
- b) This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2) Abbreviations & Definitions

- a) Agreement
Means the portfolio management services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- b) Applicable Laws
Means any applicable Indian statute, law, ordinance, regulation including the SEBI Regulations, rule, order, by law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.
- c) Capital Contribution
Means the amounts contributed by the Client for investments in accordance with the terms of the Agreement from time to time during the Term.
- d) Chartered Accountant
A Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
- e) Client / Investor
Means individuals, company/body corporate, partnership firm, trust, society, association of persons, limited liability partnership, and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.
- f) Disclosure Document
This Document issued by the Portfolio Manager-Kunvarji Finstock Private Limited.
- g) Financial Year:
A financial year shall be the period of 12 months commencing on 1st of April and ending on the 31st March of the succeeding year.
- h) Management Fee
Means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

- i) **Performance Fee**
Means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

- j) **Portfolio Manager**
Means Kunvarji Finstock Private Limited, who pursuant to a contract or arrangement with a Client / Investor, advises or directs or undertakes on behalf of the Client / Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client / Investor, as the case may be.

- k) **Portfolio Entity**
Means companies, enterprises, entities, bodies corporate, venture capital funds, trusts, limited liability partnerships, partnership firms or any other entities in the Securities in which the monies of the Portfolio are invested subject to Applicable Laws.

- l) **Portfolio or Client Portfolio**
Means the total holding of all investments, securities and funds belonging to the Client in accordance with the Agreement.

- m) **Portfolio Commencement Date**
Means the date when the Capital Contribution shall be paid to the Portfolio Manager.

- n) **Principal Officer**
An employee of the Portfolio Manager who is designated as the Principal Officer under Regulations by the Portfolio Manager.

- o) **PMS**
Means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement entered with its Client/Investor and in accordance with the terms of this Document.

- p) **PML Laws**
Means the Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.

- q) **Product / Option**
Means the investment products/options with the respective investment strategy / features, introduced by the Portfolio Manager from time to time.

- r) **Regulations**
Means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.
- s) **Securities** means “Securities” as defined under Section 2 (h) of the Securities Contracts (Regulation) Act, 1956 as amended till date.
- t) **SEBI Securities and Exchange Board of India** constituted under the Securities and Exchange Board of India Act, 1992.
- u) **Term** The term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.
- v) **Termination Fee** Means the withdrawal charges payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document, subject to limit as under:
 - (a) In the first year of investment, maximum of 3% of the amount redeemed.
 - (b) In the second year of investment, maximum of 2% of the amount redeemed.
 - (c) In the third year of investment, maximum of 1% of the amount redeemed.
 - (d) After a period of three years from the date of investment, no exit load.

Any term used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.

3) Description

3.1 History, Present Business and Background of Kunvarji Finstock Private Limited, the Portfolio Manager

KUNVARJI FINSTOCK PVT LTD (KFPL), one of the flagship companies of Kunvarji Group having its Registered Office at Block B, First Floor, Siddhi Vinayak Towers, Off S.G.Highway Road, Makarba, Ahmedabad - 380051 is a Stock Broking Company. It was incorporated with the name RONSONS LEASING AND FINANCE LTD on 12.09.1986 and was renamed as KUNVARJI FINSTOCK LTD in the year 1996. The name was again changed to KUNVARJI FINSTOCK PVT LTD in the year 1998 when it acquired membership of AHMEDABAD STOCK EXCHANGE (SEBI Reg. No. INB021019534) on conversion of individual membership. The Company acquired the membership of National Stock Exchange of India. Ltd vide SEBI Registration Number **INB231019531** for Capital Market Segment and **INF231019531** for Futures & Options Segment from 05.12.2005. Then it acquired the membership of Bombay Stock Exchange Limited vide SEBI Registration Number **INB011019537** for cash segment and **INF011019337** Futures & Options Segment. In the year 2008, the company acquired the membership of Currency Derivative Segment of NSE vide SEBI registration Number **INE231019531** and of MCX Stock Exchange vide SEBI Registration Number **INE261019531**. As required under SEBI (Stock Brokers & Sub Brokers) Regulations, 1992 as amended, Kunvarji Finstock Pvt. Ltd. has obtained Single SEBI Registration certificate

Bearing Single SEBI Registration No. **INZ000180436** in the year 2018 in lieu of the above stated Exchange/Segment wise SEBI registration certificates.

The net worth of the KFPL based on audited accounts as on March 31, 2023 is Rs. 90.55 Crore. The Company's core strengths are its wide geographical reach in its own domain and investment research capabilities.

KFPL has following subsidiary:

1. Kunvarji Fincorp Pvt. Ltd.
2. Uniquet Investment Advisor Pvt. Ltd.
3. Left Brain Capital Advisors Pvt. Ltd.
4. Kunvarji TransGraph AIF Management LLP

It has been ensured that key personnel, the systems, back office, bank and securities accounts are segregated activity wise and there exists systems to prohibit access to inside information of various activities. Further, there is no conflict of interest between various businesses activities carried on by KFPL.

The Portfolio Manager has fulfilled capital adequacy requirement under the Regulations, separately and independently, of capital adequacy requirements, if any, for each activity undertaken by it under the relevant regulations.

Kunvarji Finstock Private Limited is a Private limited company incorporated on 12th, September 1986, under the provisions of the Companies Act, 1956. Kunvarji Finstock Private Limited has been established with the objective of offering Stock Broking, Depository Services, Investment Management, Portfolio Management Services and Advisory Services to its registered clients.

3.2 Promoters of the Portfolio Manager, Directors and their background

The Company is a closely held Company and is promoted by Mr. Nayan K Thakkar. 99.54% of the share capital of the company is held by M/s Kunvarji Growth Corporation LLP, a limited liability partnership owned by Mr. Nayan K Thakkar and his family members.

Directors and their Background:-

1	Mr. Nayan Thakkar:- Mr. Nayan Thakkar, qualification- B.com, has been associated with Kunvarji Finstock Private Limited as Promoter and Director since 1996 till 2021. He has varied experience in setting up a Broking Company, acquiring membership of NSE, BSE, MCX and NCDEX, and operating a Stock Broking business, its systems, processes and operations for over 25 years.
2	Mr. Atul Chokshi: - Mr. Atul Chokshi, qualification- B.com, has vast experience of 40 years in Securities Market. He is well versed with operation of Stock Broker and Depository Participant operation and having thorough understanding and knowledge of Rules, Regulations, Bye-Laws, circulars of Exchanges, SEBI and

	<p>Depositories and also aware about laws relevant for securities market. The brief of experience of Mr. Atul Chokshi is as below.</p> <ol style="list-style-type: none"> 1. In 1980 obtained Membership of Ahmedabad Stock Exchange in name of Atul M. Chokshi. 2. From 1988 to 2004 he had held the position as member of the Governing Council of Ahmedabad Stock Exchange for various terms. He is also a Member of Computerization Committee, Arbitration Committee & Bye-Laws Committee of Ahmedabad Stock Exchange Ltd. 3. Working with Kunvarji as operations Head from 2006. Looking after Exchange and SEBI compliances, overall supervision of operations and business development activities. 4. Mr. Atul Chokshi is appointed as designated director of Kunvarji Finstock Pvt. Ltd. with effect from 09.05.2020.
3.	<p>Mr. Ravi Diyora:- Mr. Ravi Diyora, qualification-M.B.A. was working with Marwadi Financial Services from 15/05/2009 to 08/11/20104 and, his last designation was Assistant Manager (Research Department) at Rajkot (HO) Branch.</p> <p>He is working with us from 09/11/2014 to till date for a period of 9 years 10 months and his Designation is Director and Principal Officer of the Company.</p> <p>His areas of dealings and operations are Investment Advisor, Research Analyst and Operations of the Company.</p>

3.3 Top 10 Group companies/firms of the Portfolio Manager on turnover basis.

1. Kunvarji Comtrade Retail Pvt. Ltd.
2. Kunvarji Infra Properties Pvt. Ltd.
3. Kaizen Comtrade LLP
4. Kunvarji Enterprise LLP
5. Kalyx Global Logistics Pvt. Ltd.
6. Kunvarji Fincorp Pvt. Ltd.
7. Kalyx Warehousing Pvt. Ltd.
8. Kunvarji Finance Pvt. Ltd.
9. Kunvarji Warehousing & Logistics Pvt. Ltd.
10. Kunvarji Realty Brokers

3.4 Details of the services being offered: Discretionary, Non-Discretionary and Advisory

The Portfolio Manager proposes to primarily carry-on discretionary portfolio management services and if opportunity arises thereafter, then it also proposes to render non-discretionary portfolio management services and advisory services. The key features of all the said services are provided as follows:

a. Discretionary Services:

Under the Discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. 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 time during the currency of the agreement or any time thereafter* except on the ground of fraud, malafide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the applicable laws in force from time to time, including the Regulations. Periodical statements in respect of the Client's assets under management shall be sent to the respective Clients. However, the client has right to issue instructions to the Portfolio Manager for not investing in securities belonging to a particular group or particular industry; and the Portfolio Manager shall abide by such instructions.

b. Non - Discretionary Services:

Under the Non-Discretionary PMS, the assets of the client are managed in consultation with the Client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the client. The Client has complete discretion to decide on the investment (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.

c. Advisory Services

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the portfolio strategy and investment and divestment of individual securities on the Clients portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk; to all eligible category of Investors who can invest in Indian market including NRIs, FIIs, etc. The Portfolio Manager shall be solely acting as an advisor to the portfolio of the Client and shall not be responsible for the investment / divestment of Securities and / or any administrative activities on the Client's 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.

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

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Sr. No	Month/Year	Details of violations/observations / matters requiring attention or action	Regulatory / Relevant Authority (SEBI/ Exchange/Others**)	Action taken	Corrective Steps taken by thereupon in respect of observations	Status	Amount (if any)
1	October, 2023	The entity, Kunvarji Finstock Pvt. Ltd , as A Merchant Banker managing open offer of shares in the Target Company M/s Mediaone Global Communications Ltd, failed to ensure that the contents of the Letter of Offer are true, fair and adequate in all material aspects, not misleading in any material particular and are based on reliable sources. It is also alleged that Kunvarji Finstock Pvt. Ltd has failed to exercise diligence and care.	SEBI	SEBI has initiated adjudication proceedings against Kunvarji Finstock Pvt. Ltd vide Show Cause Notice No. SEBI/HO/EAD-8/SKV/DD/2023/41659 dated 10.10.2023 under provisions of Rule 4(1) of SEBI Adjudication Rules read with Section 15I of the SEBI Act, 1992. The proceedings are pending as on date	Kunvarji Finstock Pvt. Ltd has implemented SOP for handling merchant banking assignments with maker and checker concept. The due diligence process is having due emphasis	Pending	NIL
2	June 2020	SEBI through Adjudicating Officer has issued Show Cause Notice to M/s Kunvarji Finstock Pvt. Ltd. under Rule 4 of the SEBI (Procedure for holding	SEBI	Penalty of Rs. 1,00,000/- imposed vide Adjudication Order dated 30.03.2021	M/s Kunvarji Finstock Pvt. Ltd has taken steps to improve its systems	Concluded	Penalty of Rs. 1,00,000/-

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		<p>Inquiry and imposing penalties) Rules, 1995 and Securities Contracts (Regulation) (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 2005 on 08.06.2020 Ref. No. EAD5/MC/VS/2020/10779 alleging violation of various provisions of SEBI circulars. The noticee submitted its reply provided its explanation with documents relied upon denying all the allegations. Upon consideration of the written reply and explanations provided as well as during personal hearing, the adjudicating officer accepted the reply/ submissions by M/s Kunvarji Finstock Pvt. Ltd for 4 out of five allegations and held that M/s Kunvarji Finstock Pvt. Ltd has violated provisions of clause 12 of the Annexure to SEBI Circular No. SEBI/MIRSD/SE/Cir-19/2009 dated 03.12.2009 viz. running account authorisation given by 32 clients was not dated and clause 8.1 of the Annexure to the SEBI Circular No. SEBI/HO/MIRSD/MIRSS2/CIR/P/2016/95 dated 26.09.2016 viz. non-settlement of client's funds and securities balances once in 90/30</p>			<p>and processes to ensure that</p> <ol style="list-style-type: none"> (1)The running account authorization provided by all the clients are dated. (2)All the client's funds accounts are settled at least once in 90/30 days as per client's instructions. 	<p>imposed.</p>
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		days as per client's choice in respect of 31 clients during the inspection period, and imposed penalty of Rs. 1,00,000/-.					
3	<p>1. SEBI order No. WTM/VKC/ID /84/2007 dated 13.07.2007 passed by Mr. V.K. Chopra WTM against Kunvarji Finstock Pvt. Ltd. Sub Broker Reg. No. INS011043937</p> <p>2. Order by Hon'ble SAT dated 13.08.2008 holding the above order to be void and non-est; and setting</p>	<p>M/s Kunvarji Finstock Pvt. Ltd., was registered as a Sub Broker (Sub Broker registration no. INS011043937) of M/s SVS Securities Pvt. Ltd. (Member BSE) and M/s Active Finstock Pvt. Ltd. (Member BSE) (Sub Broker registration no. INS02548214) in the year 2000. M/s Kunvarji Finstock Pvt. Ltd. had executed some trades in the shares of MOH Ltd. listed on BSE through M/s SVS Securities Pvt. Ltd. (Member BSE) and M/s Active Finstock Pvt. Ltd. (Member BSE) on BSE in the year 2000, for its clients.</p> <p>SEBI had conducted investigation into the trading activities in the scrip of MOH Ltd. for trades executed during the year 2000. SEBI had formed an opinion that M/s Kunvarji Finstock Pvt. Ltd., while executing trades in the year 2000 in the shares of MOH Ltd. and had alleged that there were market manipulation in the trading in the shares of MOH Ltd. SEBI had initiated enquiry</p>	SEBI	Since the SEBI order was set aside by SAT terming it as void and non-est, no action was warranted by Kunvarji Finstock Pvt. Ltd.	Kunvarji Finstock Pvt. Ltd. is active member of NSE and BSE since 2005-06 as well as Depository Participant of CDSL since 2007. . Save and except the impugned proceedings, there were no other violations of Rules Regulations and byelaws of Exchanges and Regulator was found in this long span of 15 years. Kunvarji Finstock Pvt. Ltd. has employed a team of professionals looking after its operations and compliance. The company has established processes and systems to ensure due and complete compliance to regulatory provisions. Over the period of past 15 years during various	Closed	NIL

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	<p>aside the same.</p>	<p>proceedings on 24.07.2003 against M/s Kunvarji Finstock Pvt. Ltd. under Enquiry Regulations, for alleged violation of provisions of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992. After considering submissions of Kunvarji Finstock Pvt. Ltd., the Enquiry Officer concluded its enquiry report recommending penalty of suspension of Sub Broker registration certificate of Kunvarji Finstock Pvt. Ltd. for 3 months. During the year 2004, Kunvarji Finstock Pvt. Ltd. applied for surrender of its registration as Sub Broker of M/s SVS Securities Pvt. Ltd. (Member BSE) and M/s Active Finstock Pvt. Ltd. (Member BSE). Based on these applications forwarded through BSE to SEBI, SEBI had cancelled the Sub Broker registration certificates held by Kunvarji Finstock Pvt. Ltd. as Sub Broker affiliated with M/s SVS Securities Pvt. Ltd. (Member BSE) and M/s Active Finstock Pvt. Ltd. (Member BSE). Kunvarji Finstock Pvt. Ltd., thereafter applied for membership of NSE and BSE as member of CM and F&O segment.</p>			<p>inspections conducted by SEBI, Exchanges and Depository for operations of the company Kunvarji Finstock Pvt. Ltd., and there were no major violations noticed by Regulatory Authorities. In fact, Kunvarji Finstock Pvt. Ltd. has, during this period, applied and obtained SEBI registration as Portfolio Manager and Merchant Banker.</p>		
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	<p>These applications were duly approved by NSE, BSE and SEBI and SEBI granted registration to Kunvarji Finstock Pvt. Ltd. as Stock Broker-member of NSE (CM and F&O segment) and member of BSE (Cash and F&O segment). Kunvarji Finstock Pvt. Ltd. also obtained registration as Depository Participant of CDSL in the year 2007.</p> <p>SEBI initiated show cause notice proceedings on 31.05.2005 against Kunvarji Finstock Pvt. Ltd., before its WTM. After considering written reply dated 05.07.2005 and oral submissions in personal hearing dated 09.02.2007 passed an order no. WTM/VKC/ID/84/2007 dated 13.07.2007 suspending the non-existent SEBI Sub Broker registration of Kunvarji Finstock Pvt. Ltd. no. INS011043937 which was already surrendered and cancelled in the year 2004-05.</p> <p>Being aggrieved, Kunvarji Finstock Pvt. Ltd. filed an appeal no. 117of 2007 before Hon'ble Securities Appellate Tribunal. After hearing Kunvarji Finstock Pvt. Ltd. and SEBI, Hon'ble SAT vide its order dated</p>					
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		13.03.2008 set aside the WTM-SEBI order dated 13.07.2007 stating that the said order of WTM-SEBI is void and non-est.					
4	Show Cause Notice No. A&E/GBR/57382/2006 dated 10-01-2006 under Rule 4 of SEBI (Procedure for holding Inquiry and imposing penalties by adjudicating officer) Rules, 1995 to M/s Kunvarji Finstock Pvt. Ltd. alleging violations as per findings recorded in the Report of Inspection.as a member of Ahmedabad Stock	SEBI had conducted inspection of books of Accounts and other records of M/s Kunvarji Finstock Pvt. Ltd – Member of Ahmedabad Stock Exchange for the period 01.04.2001 to 31.03.2003 through a Chartered Accountant appointed by SEBI. The Inspection Report dated 13.08.2003 contained some observations/findings. SEBI had issued a Show Cause Notice No. A&E/GBR/57382/2006 dated 10-01-2006 under Rule 4 of SEBI (Procedure for holding Inquiry and imposing penalties by adjudicating officer) Rules, 1995 to M/s Kunvarji Finstock Pvt. Ltd. alleging violations as per findings recorded in the Report of Inspection as a member of Ahmedabad Stock Exchange Limited (ASE). Kunvarji Finstock Pvt. Ltd. filed a Consent Application with SEBI under section 15T of SEBI Act 1992 read with circular no. EFD/ED/Cir-1/2007 dated 20.04.2007.	SEBI	Over period of time, Kunvarji Finstock Pvt. Ltd has acquired membership of NSE & BSE in 2005-06 and registration as Depository Participant of CDSL in 2007 and Portfolio Manager in 2008. The Kunvarji Finstock Pvt. Ltd. has been operating as a Stock Broker, Depository Participant and Portfolio Manager from the respective date of its registration as such. It has developed and implemented appropriate processes and systems implemented through a team of qualified professionals in due and proper compliance to	Over period of time, Kunvarji Finstock Pvt. Ltd has acquired membership of NSE & BSE in 2005-06 and registration as Depository Participant of CDSL in 2007 and Portfolio Manager in 2008. The Kunvarji Finstock Pvt. Ltd. has been operating as a Stock Broker, Depository Participant and Portfolio Manager from the respective date of its registration as such. It has developed and implemented appropriate processes and systems implemented through a team of qualified professionals in due and proper compliance to	Closed	NIL

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	Exchange Limited (ASE).	SEBI accepted the terms of the consent proposed by the Member and vide order of Mr. Sandeep Deore, Adjudicating officer, SEBI dated 12.11.2008 disposing off the Adjudication proceedings pending against the Member without admission or denial of guilt on the part of the Member to the finding of facts or conclusion of law.		<p>SEBI regulations as well as regulatory provisions of circulars and guidelines issued by Exchanges and CDSL.</p> <p>Over the period of 15 years, SEBI, Stock Exchanges and CDSL have conducted several inspections. Such inspections have not revealed any lapses or violations on the part of the Company.</p> <p>The Kunvarji Finstock Pvt. Ltd. has resources, manpower and systems as well as processes duly implemented and updated from time to time so as to meet regulatory and compliance requirements in timely manner. However, robust internal control system has been installed by</p>	<p>SEBI regulations as well as regulatory provisions of circulars and guidelines issued by Exchanges and CDSL.</p> <p>Over the period of 15 years, SEBI, Stock Exchanges and CDSL have conducted several inspections. Such inspections have not revealed any lapses or violations on the part of the Company.</p> <p>The Kunvarji Finstock Pvt. Ltd. has resources, manpower and systems as well as processes duly implemented and updated from time to time so as to meet regulatory and compliance requirements in timely manner. However, robust internal control system has been installed by Member. The</p>		
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				Kunvarji Finstock Pvt. Ltd. The inspection carried out by Exchanges every year have not found any instances of violations till date.	inspection carried out by Exchanges every year have not found any instances of violations till date.		
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5) Disclosure of Conflict-of-Interest Situations:

1. The Portfolio Manager itself, its directors and the entities owned or controlled by the Portfolio Manager and/or its directors are engaged in buying, selling and dealing in the listed securities on their respective own account. These entities may have long or short positions in securities or in derivative contracts of such securities which the Portfolio Manager may have been holding or buying or selling for its PMS clients. These entities may have engaged in selling securities or taking short position in securities when the Portfolio Manager may be buying same securities for its PMS clients.
2. The Portfolio Manager is also registered with SEBI as a Stock Broker and is engaged in providing services as Stock Broker to its registered clients. Stock Broking clients of the Portfolio Manager may have short or long position in securities or in derivative contracts of such securities which the Portfolio Manager may be buying or selling for its PMS clients. The Portfolio Manager, as a Stock Broker, engages in providing investment advice or trading calls to its clients in the course of its Stock Broking business. Such investment advice or trading calls may be identical or contrary to the view of the Portfolio Manager being implemented by buying and selling securities for its PMS clients.
3. A subsidiary company of the Portfolio Manager M/s Uniquet Investment Advisers Pvt. Ltd is registered as an Investment Adviser with SEBI under SEBI (Investment Advisers) Regulations, 2013. Presently the said investment adviser entity is not having any clients registered with it and it is not providing investment advice to any person presently. However, as and when the said Uniquet Investment Advisers Pvt. Ltd commences its operations and start providing investment advice to its clients, such advice may be identical or contrary to the views of the Portfolio Manager being implemented through buying and selling of securities for its PMS clients.

Mitigation or Remedial Measures undertaken by the Portfolio Manager to mitigate or remedy the conflict-of-interest situations stated above:

The Portfolio Manager has implemented following measures to address the Conflict-of-Interest situations stated above.

1. The Portfolio Manager is maintaining segregation of activities of proprietary account trading by itself, its directors or entities owned or controlled by its directors and its activities as Portfolio Manager.
2. There is segregation of activities between activities of Stock Broking business and activities as a Portfolio Manager.
3. The Board of Directors reviews the operations on daily basis and monitors the activities with specific focus on the above stated conflict of interest situations.
4. The Portfolio Management services is looked after its Principal Officer and Director Mr. Ravi Diyora exclusively. Mr. Ravi Diyora has no demat account and he does not engage in buying, selling or dealing in securities except investment of his own money in mutual funds.

6) Portfolio Management Services Offered and Investment Objective

- 6.1 PMS Product Name: **Kunvarji Multi Cap Portfolio**
- 6.2 Investment Objective: The investment objective of the Portfolio Manager under Kunvarji Multi Cap Portfolio is to generate superior return from investing in medium capitalized segment of Indian equity market on long term basis by investing in growing Indian businesses while keeping the portfolio well diversified.
- 6.3 Description of Types of securities: The Portfolio Manager will predominantly invest in listed equity shares of midcap companies having growth potential and achieve diversification through investment across sectors and companies. The Portfolio Manager may park cash lying unutilized in debt mutual funds with a view to earn return on idle cash while awaiting ideal opportunity for investment.
- 6.4 Basis of selection of securities: The Portfolio Manager will select securities out of universe of largecap as well as midcap listed equity shares based on the fundamentals of companies, growth potential, macro analysis and regulatory environment including perceived forthcoming changes.
- 6.5 Allocation of Portfolio: The Portfolio Manager shall seek to invest up to 100% of the funds in equity shares. While awaiting appropriate investment opportunity, the Portfolio Manager may invest up to 100% of the funds in debt mutual fund. The Portfolio Manager intends to limit exposure to single scrip and will not invest more than 20% of the portfolio in a single scrip.
- 6.6 Benchmark to compare performance and basis for choice of benchmark: The performance of the portfolio shall be benchmarked against S&P BSE 500 Index. Since the Portfolio Manager proposes to invest in quality largecap and midcap equity shares with long term investment horizon, the broad based benchmark popularly

adopted to gauge performance of a portfolio with investment in listed universe of equity shares.

- i Indicative Tenure or Investment Horizon: The Portfolio Manager will make investment with an investment horizon of five years to ten years.
- ii Risks associated with the investment approach: Apart from the risks associated with investment in equities as enumerated in Risk Disclosure Document provided to all investors in equity market as well as risks listed in Clause 6 of this document, the portfolio of investment may be affected by concentration risk (risk arising out of investment in few scrips out of large universe of listed equity shares).

The scheme is ideal for Clients who like to invest in companies with higher growth potential with a long- term wealth creation view and can withstand higher volatility in short term.

6.7 The investment policies of the Portfolio Manager to the above-mentioned products are enumerated hereunder:

- (a) The Portfolio Manager shall have the sole and absolute discretion to invest the Capital Contribution in accordance with the Agreement and make changes to the investment pattern and/or invest all or some of the Capital Contribution in a manner that it deems fit.
- (b) Any decision of the Portfolio Manager (taken in good faith) in deployment of the Client Portfolio 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 grounds of malafide, fraud, conflict of interest or gross negligence.
- (c) The Portfolio Manager, in its absolute discretion, may conduct operations and transactions including sale and purchase transactions from the Client Portfolio through agencies, entities, brokers or a panel of brokers at prevalent market prices, subject to the restrictions and limitations prescribed vide clause 3 (iii) and 3 (vi) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated 13.02.2020 and amendment thereof.
- (e) In the management of the Client Portfolio, the Portfolio Manager may, in its sole discretion apply for, subscribe, obtain, buy, accept, acquire, endorse, transfer, redeem, renew, exchange, dispose, sell or otherwise deal in the Securities and generally manage, convert, transpose and vary the investments of the Client's Portfolio. The powers exercised by the Portfolio Manager as above shall be final, binding and irrevocable on the Client and the Client shall be deemed to have approved/ratified any such investment and related activities or deeds that the Portfolio Manager may undertake from time to time.
- (f) Accruals, accretions, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest including dividend, interest, premium, discounts and other rights, benefits and accruals that accrue to the investments in respect of the Client's Portfolio shall be

received by the Portfolio Manager in the name of the Client or in its own name only if so permitted by Applicable Law but would in any event belong to Client Portfolio.

- (g) The Portfolio Manager shall buy and sell Securities on the basis of delivery and shall in all cases of purchases, take delivery of the relevant Securities and in all cases of sale, deliver the relevant Securities and shall in no case put itself in a position whereby it has made a short sale or needs to carry forward a transaction or engage in badla finance, except where it is permitted to trade in derivatives in accordance with the Regulations. The Portfolio Manager may lend securities of the client through Stock Lending and Borrowing Scheme – SLBS available on BSE & NSE subject to such regulations as may be applicable.
- (h) Subject to the fees charged by the Portfolio Manager, and other deductible expenses, all variations in the value including capital appreciation or depreciation, trading profits or losses, dividends, interest, premium, discounts and other rights and accruals on the Securities of the Client's Portfolio, would be to the account of and belong solely to the Client. Subject to the aforesaid, the Portfolio Manager, may from time to time:
- have business relationship with Portfolio Entity/ies whose Securities are held, purchased or sold for the Client's account and may be separately compensated for carrying on such other business activity by the Portfolio Entity/ies; and
 - purchase, hold and sell for the Client's account any Securities that may have been held or acquired by it or by its Clients with whom it has business relationships subject to the provisions of Clause (ii) hereinabove.
- (i) The Portfolio Manager shall keep the funds of the Client in a separate bank account segregated from the accounts of Portfolio Manager. The Portfolio Manager may keep the funds of a Client along with the funds of other clients in the PMS subject to the requirements laid down under Regulations and use the same for the purpose of the purchase and sale of Securities allowed in the Agreement and for payment of allowable expenses/fees and for the purposes set out in the Agreement. The Portfolio Manager shall not use funds of the Client for the benefit of any of its other clients. The Portfolio Manager shall (itself or through an entity appointed by it) ensure that the securities account of the Client is segregated from the accounts of all the other clients of the Portfolio Manager (in accordance with the Applicable Laws).
- (j) The Portfolio Manager shall be free to deploy idle cash balances of the Client, which may arise from time to time, in bank deposits, liquid or money market mutual fund schemes, Bills, or short dated debt Securities. In no case shall the Portfolio Manager deploy the Capital Contribution in unregulated financing mechanism such as discounting of bills of exchange or for the purpose of lending or placement with corporate or non-corporate bodies unless otherwise permitted by SEBI.
- (k) Individual returns of Clients for a particular portfolio type may vary significantly due to factors such as redemptions, individual client mandates, timing of entry and exit, additional flows, etc. There might be variances between the individual portfolio performance and performance depictions. The client shall not make any claims for the reason mentioned above or against any losses under PMS products.

- 6.8 The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.
- 6.9 None of the associate/group companies of the Portfolio Manager have listed their shares or shares of none of such group/associate companies. Hence the question of the Portfolio Manager investing client funds in such scrips do not arise.
- 6.10 Onboarding: A client can onboard directly with the Portfolio Manager without the assistance of any distributor.
- 6.11 Distributor: The Portfolio Manager has not enlisted services of any distributor for canvassing its PMS.

7) Risk factors

- i. Investment in securities are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.
- ii. The past performance of the Portfolio Manager does not imply that its future performance will be same as past performance.
- iii. Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.
- iv. The Client Portfolio may be affected by settlement periods and transfer procedures.
- v. The Portfolio Management Service is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the portfolios would depend on the performance of such companies/industries/sectors of the economy.
- vi. Other risks arising from the investment objectives, investment strategy and asset allocation are stated as under:

Risks associated with investments in equity and equity linked securities

- (a) Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- (b) Execution of investment strategies depends upon the ability of the Portfolio Manager to identify opportunities which may not be available at all times and that the decisions made by the Portfolio Manager may not always be profitable.
- (c) In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
- (d) In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
- (e) The value of the Portfolio, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the

Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.

- (f) Investors may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.
- vii. Risk Factors associated with investments in derivatives
- (a) Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of such strategies to be persuaded by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
 - (b) The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments.
 - (c) As and when the Portfolio Manager on behalf of Clients would trade in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
 - (d) The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
 - (e) The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

- (f) Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

viii. Management and Operational risks

- (a) Reliance on the Portfolio Manager

The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Entities and the structuring of investments.

- (b) Other risks in relation to investment in Securities/Instruments

The in-specie distribution of the Securities by the Portfolio Manager upon termination or liquidation of the Client Portfolio could consist of such Securities for which there may not be a readily available public market. Further, in such cases the Portfolio Manager may not be able to transfer any of the interests, rights or obligations with respect to such Securities except as may be specifically provided in the Agreement with Portfolio Entities. If an in specie distribution is received by the Clients from the Portfolio Manager, the Clients may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.

ix. Portfolio-related Risks

- (a) Identification of Appropriate Investments

The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

- (b) Change in Regulation

Any change in the Regulations and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the PMS.

- (c) Political, economic and social risks

Political instability or changes in the Government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in Government policy, taxation, social and civil

unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless the Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the Government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private and public sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

(d) Inflation Risk

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

(e) Tax Risks

Changes in state and central taxes and other levies in India may have an adverse effect on the cost of operating activities of the Portfolio Entities. The Government of India, State Governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Clients as a result of such changes.

8) Client Representation:

- (a) The Portfolio Manager has limited previous experience/track record in the field of portfolio management services and has obtained a certificate of registration to function as a portfolio manager in August 2014 and started to manage the funds from July 2017 and therefore has very limited record of representing any persons/entities in the capacity of a portfolio manager.

Financial Year	Category of clients	Number of clients	Funds Deposited by Client for Portfolio Management (Rs. in Crores)	Net Asset Value (Rs. in Crores)	Discretionary/Non-Discretionary / Advisory
F.Y. 2023-2024	Associates / Group Companies	1	0.02	0.74	Discretionary
	Others	16	3.02	9.24	Discretionary
	TOTAL		3.04	9.98	-
F.Y. 2022-2023	Associates / Group Companies	1	0.50	0.58	Discretionary
	Others	8	2.93	2.95	Discretionary
	TOTAL	9	0.93	3.53	-
F.Y. 2021-2022	Associates / Group Companies	1	0.50	0.63	Discretionary
	Others	1	0.50	0.48	Discretionary
	TOTAL	2	1.00		-

(b) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India. Refer Audited Accounts attached herewith.

9) The Financial Performance of Portfolio Manager (based on audited financial statements)

Based on the audited financial statements for the given years, the financial performance of the Portfolio Manager is as follows; -

Particulars (Amounts in Indian Rupees)	For the year ended 31.03.2024 (Amount in lacs)	For the year ended 31.03.2023 (Amount in lacs)	For the year ended 31.03.2022 (Amount in lacs)
Revenue from Operations	50296.31	34267.19	7614.55
Other Income	31.93	25.09	12.86
Total Income	50328.23	34292.3	5934.23
Profit/(Loss) Before Tax	6666.39	5558	2042.30
Profit/(Loss) After Tax	4754.85	4157	1517.68
Net worth	13720.11	9055.49	3724.24

10) Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators

calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI Portfolio Managers) Regulations, 2020.

% Returns – Individual Clients	For the Period 01.04.2023 to 31.03.2024	For the Period 01.04.2022 to 31.03.2023	For the Period 01.04.2021 to 31.03.2022
% Returns on Benchmark (TWRR) : BSE500	40.16	78.63	22.26
% Returns (Absolute) on NAV (TWRR)	23.34	65.45	11.50

Note:

- (1) The performance reported above is calculated based on portfolio value as on the 31st March of the previous financial year.
- (2) The cash holdings and investment in liquid funds have been considered for calculation of performance.
- (3) The performance stated above is net of all fees and expenses including STT and GST paid on brokerage and expenses.
- (4) Since commencement, there is no change in investment approach.
- (5) **Kunvarji Multi Cap Portfolio** is the only PMS operated by the Portfolio Manager.
- (6) The above performance related information is neither verified nor certified by SEBI.

11) Audit Observations:-

There were no observations of the auditors for the preceding three years.

12) Nature of expenses

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

- (a) **Investment management and advisory fees**
The Investment management and advisory fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed.
- (b) **Management fee:**
The management fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed.

(c) **Registrars and Transfer Agents' fees:**

Fees payable to the Registrars and Transfer Agents in connection with effecting transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and courier charges.

(d) **Performance fee:**

The performance fee relates to the share of profits charged by the Portfolio Manager, subject to hurdle rate and high water mark principle.

(e) **Other fees and expenses:**

i. Charges relating to custody and transfer of shares, bonds and units, and/or any other charges, brokerage etc. in respect of the investment.

ii. **Depository Charges/Custodian fee:**

Charges relating to opening and operation of demat account, dematerialization and dematerialization, etc.

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

The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees and such other levies as may be imposed from time to time.

(f) **Any other incidental or ancillary expenses:**

All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above arising out of or in the course of managing or operating the Portfolio incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client.

13) Taxation

The following information is based on the law in force in India at the date hereof. The information set forth below is based on the Portfolio Manager's understanding of the tax laws as of this date of Disclosure Document. The client should seek advice from his/her/its own professional advisor if he/she/it is in any doubt regarding the taxation consequences of investing in the Products offered under Portfolio Management Services.

The Union Budget 2023-24 was presented by the Hon'ble Finance Minister Smt. Nirmala Sitharaman on 23rd July, 2024 in the Parliament. It is pertinent to note that corporate tax rates for FY 2024-25 (AY 2025-26) is left unchanged.

With respect to the taxation of individual and HUF following changes are made:

1. Change in slabs as per new regime

Income slab	Tax Rate
0 to 3,00,000	0%
3,00,000 to 7,00,000	5% exceeding 3,00,000
7,00,000 to 10,00,000	10% exceeding 7,00,000 + 20,000
10,00,000 to 12,00,000	15% exceeding 10,00,000 + 50,000
12,00,000 to 15,00,000	20% exceeding Rs. 12,00,000 + 80,000
More than 15,00,000	30% exceeding Rs. 15,00,000 + 1,40,000

2. Increase in standard deduction from 50,000 to 75,000 for individual and HUF

Hence, corporate tax rates as applicable for FY 2023-24 shall remain same for FY 2024-25 and for individual taxpayers, the tax will be charged as per above table if they've opted for new regime. Accordingly, taxpayers can select either of below 2 options. Further, once the old option is selected the taxpayer can only rollback once from old to new regime if the taxpayer has business income.

3. Tax payers will be allowed to opt to pay income tax at lower rates as per New Tax regime on the condition below mentioned exemptions and deductions will not be allowed to assess :-

- i. Profession tax;
- ii. House Rent Allowance;
- iii. Housing Loan Interest;
- iv. Leave Travel Allowance;
- v. Deductions under Chapter VIA of the Income tax Act, 1961 such as section 80C (life insurance premium), section 80CCC (pension premium), 80D (health insurance premium), 80TTA (bank interest), etc.;
- vi. Conveyance allowance;
- vii. Relocation allowance;
- viii. Helper allowance;
- ix. Children Education allowance;
- x. Other special allowance under section 10(14) of Income Tax Act, 1961.

4. The assessee can avail abovementioned rebates and exemptions by staying in the old regime and paying tax at the existing higher rate.

The following Income Tax slab rates are notified in new tax regime vs old tax regime:

Income Tax Slab	Tax rates as per new regime	Income Tax Slab	Tax

Rs. 0- Rs 3,00,000	Nil	Rs. 0- Rs 2,50,000	Nil
Rs 3,00,001- Rs 7,00,000	5%	Rs 2,50,001- Rs 5,00,000	5%
Rs 7,00,001- Rs 10,00,000	Rs. 20,000 + 10% of total income exceeding Rs. 6,00,000	Rs 5,00,001 – Rs 10,00,000	Rs 12,500 + 20% of total income exceeding Rs. 5,00,000
Rs 10,00,001- Rs 12,00,000	Rs. 50,000 + 15% of total income exceeding Rs. 9,00,000	Above Rs. 10,00,000	Rs 1,12,500 + 30% of total income exceeding Rs. 10,00,000
Rs 12,00,001- Rs 15,00,000	Rs. 80,000 + 20% of total income exceeding Rs. 12,00,000		
Above Rs 15,00,001	Rs. 1,40,000 + 30% of total income exceeding Rs. 15,00,000		

Tax rates for Senior Citizens and Super senior Citizens*

Income Tax Slab	Tax Rate for Individuals Above the Age of 60	Tax Rates for Super Senior Citizens at the age of 80 Years
Up to Rs. 3,00,000	NIL	NIL
Rs. 3,00,001 to Rs 5,00,000	5%	NIL
Rs. 5,00,001 to Rs 10,00,000	20%	20%
Above Rs. 10,00,000	30%	30%

5. Surcharge rates for Individual / HUF/ AIFs:-

The surcharge applicable on the basis of income thresholds as follows:

- **10% - For Total Income above Rs. 50 lakh and up to Rs. 1 crore;**
- **15% - For Total Income above Rs. 1 crore and up to Rs. 2 crore;**
- **25% - For Specified Income above Rs. 2 crore and up to Rs. 5 crore;**
- **37% - For Specified Income above Rs. 5 crore.**

Surcharge on Specified income Surcharge on dividend income, Short Term Capital Gains as Prescribed under section 111A (i.e. on STT paid shares at the time of sale of shares) & any Long term capital Gains is summarized below:

Criteria for surcharges rates	Surcharge Rates on Capital gain (STT paid shares) For Individuals/HUF/AOP/BOI	Surcharge Rates on Capital gain (STT paid shares) For Companies under Old regime	Surcharge Rates on Capital gain (STT paid shares) For Companies under New Regime
Total Income >50Lacs but Below 1Cr	10%	7%	10%
Total Income >1Cr but Below 2Cr	15%	7%	10%
Above 2 Cr	15%	7%	10%
Total income above 10 Cr	15%	12%	10%

In addition to above Health & Education Cess @4% would be levied Basic Tax & Surcharge for ALL Assesses.

Income Tax Rates & Surcharge for Domestic Companies for FY 2024-25

Turnover Particulars	Tax rates as per Old regime	Tax rates as per New regime
Gross turnover up to 400 Cr. in the FY 2022-23	25%	NA
Domestic Co other than above	30%	22%
MAT tax rate	15%	NA

6. Taxability on Dividend received from Domestic Company or Mutual Fund (Equity Oriented or Debt Mutual Funds) :-

Effective 1 April 2020 the Dividend received on the shares and units of above Mutual Funds held in the Products offered under the Portfolio Management Services are subject to tax in the hands of investor as w.e.f. 1st April 2020 at the applicable slab rates. No Dividend Distribution tax on the amount of

dividend/income distribution declared to be paid by domestic Co or Mutual fund will be applicable.

7. Taxability on Capital Gains:-

For Individuals, HUF, Partnerships Firm and Indian Companies

a) Long Term Capital Gains

From July 23, 2024 in case of all capital assets the tax on Long Term Capital Gain arising to resident and non- resident, is raised @ 12.5% if Capital gain is more than Rs.1.25 Lacs with a grandfathering clause only for listed equities and MF.

Further, w.e.f. 23rd July, 2024 indexation will not be provided for any asset which is treated as long term capital asset.

The holding period of all the long-term capital assets are now reduced to 24 months from earlier 36 months, and in case of all securities including listed units shall be now 12 months, whereas earlier for units other than equity oriented units and units of UTI all other units, like AIF, hybrid MFs, etc. were 24 months.

b) Short Term Capital Gains

Short-term Capital Gains is added to the total income is chargeable to tax as per the relevant slab rates. However, tax on short term capital gains on sale of shares and units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax, would be @ 15% (plus applicable surcharge and an education cess). W.e.f. 23rd July, 2024 any listed securities where STT is deducted is now increased to 20%

Taxability on debt schemes (Invest in debt securities, money market instruments, G-secs, corporate bonds and municipal bonds), Floater funds (Invest minimum 65% in debt instruments) and conservative hybrid fund (Invest 10% to 25% in equity and 75% to 90% in debt instruments) would be considered as short term capital gain irrespective of holding period if purchase on or after 01-April-2023. As per newly inserted section 50AA, Capital gain on redemption of MLD instruments will be taxed as short term capital gain at applicable tax rate which is previously taxed at 10% without indexation as long term capital gain.

8. Provisions regarding Bonus

According to the provisions of Section 94(8) of the Act, if an investor purchases units within 3 months before the record date (for entitlement of bonus) and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus units.

9. Buyback of shares

W.e.f. 1st October, 2024, bonus shall be treated as deemed dividend in the hands of the shareholders and will be taxed at applicable rates. The sale consideration will be deemed to be NIL and any loss arising from buyback will be allowed to be set-off against the gain under the capital gains.

10. Switching from one scheme to another

As stated in the respective Scheme Information Documents, switching from one Scheme / option to another Scheme / option will be effected by way of redemption of units of the relevant Scheme / option and reinvestment of the redemption proceeds in the other Scheme / option selected by the unit holder. Hence, switching will attract the same implications as applicable on transfer of such units.

11. Consolidation of Schemes

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of mutual fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. Further, transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

12. Tax with holding:-

A. Resident Investors: -

Also w.e.f. 1st April 2020 mutual fund shall be required to deduct TDS at 10 per cent only on dividend payment (Above Rs. 5000) & No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain.

B. Foreign Institutional Investors (FII)/Foreign Portfolio Investors (FPI)

Under section 196D of the Act, no tax is required to be deducted at source on income way of capital gains earned by a FII/FPI. As per recent amendments, dividends received by FII from Indian companies post April 1, 2020 would be liable to pay tax at the rate of 20% (plus applicable surcharge and cess) and the Indian portfolio companies would be liable to withhold taxes at such rates. to withhold tax at 20% or rate specified in tax treaty, whichever is lower, subject to availability of tax residency certificate.

C. Non-Resident Investors other than FPI's

Under Section 195 of the Act, the Mutual Fund is required to deduct tax at source at the rate of 12.50% on any long-term capital gains arising to non-resident investors from units other than units of an equity oriented scheme. Long term capital gains from equity oriented schemes & listed equity shares are liable to be withhold @10.50% if the capital gain exceed Rs 1.25Lakh during the financial year w.e.f 23rd July 2024.

In respect to short-term capital gains from units other than units of an equity oriented scheme, tax is required to be deducted at source at the rate of 30% if the payee unit holder is a non-resident non- corporate and

at the rate of 40% if the payee unit holder is a foreign company. In case of equity oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non-corporate non-resident unit holders.

Further, the aforesaid tax to be deducted is required to be increased by surcharge and Health & Education Cess, as applicable.

As per circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

Please note:

The tax incidence to investors could vary materially based on residential status, characterization of income (i.e. capital gains versus business profits) accruing to them. The Information provided here is general in nature & can be changed in future by Department or Govt. Please consult your financial planner/ Advisor before taking decision.

D. Details under FATCA/Foreign Tax Laws

Tax regulations require us to collect information about each investor. In order to answer questions about your tax residency, please contact your tax advisor. Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Tax Reform Act 2017. Applicants (including joint holders, Guardian, POA holder) are required to refer and mandatorily fill/sign off a separate "FATCA Declaration form". Applications without this information/ declaration being filled/ signed off will be deemed as incomplete and are liable to be rejected. Investors are requested to note that the contents of the information to be provided/declaration in the application form may undergo a change on receipt of communication/guidelines from SEBI.

14) Accounting Policies

Following key accounting policies shall be followed:

- All investments will be marked to market.
- In determining the holding cost of investments and the gains or loss on sale of investments, the 'first in first out' method shall be followed.
- The cost of investments acquired or purchased would include brokerage, stamp charges, STT/CTT and any charge customarily included in the broker's contract note.
- Accounting norms prevalent in the portfolio management services industry and as may be prescribed / applicable from time to time.

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.

15) Investors Services

The Portfolio Manager seeks to provide the portfolio clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. The Client servicing essentially involves: -

- Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- Attending to and addressing any client query with least lead time;
- Ensuring portfolio reviews at predefined frequency.

Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints:

Name	Mr. Ravi Diyora
Address	Block B, First Floor, Siddhivinayak Towers, Next to Kataria House, Off. S.G. Highway, Makarba, Ahmedabad – 380051
Contact No	079-6666 9000 (Ext 103/108)
Email id	ravi.diyora@kunvarji.com

Grievance redressal and dispute settlement mechanism:

The aforesaid personnel of the Portfolio Manager shall attend to and address any client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle client complaints.

The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the client. Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

- (a) Quick action-** As soon as the grievance arises, it would be identified and resolved. This will lower the detrimental effects of grievance.
- (b) Acknowledging grievance-** The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
- (c) Gathering facts-** The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
- (d) Examining the causes of grievance-** The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.

- (e) **Decision-making** - After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analyzed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
- (f) **Review** - After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Mr. Atul M. Chokshi and subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. The Compliance Officer will endeavor to address such grievance in a reasonable manner and time. The coordinates of the Compliance Officer are provided as under:

Name	Mrs. Kavisha Vora
Address	Block B, First Floor, Siddhivinayak Towers, Next to Kataria House, Off. S.G. Highway, Makarba, Ahmedabad – 380051
Contact No	079-66669000 (Extn. 243)
Email id	Kavisha.vora@kunvarji.com

If the client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Offer, the Client and the Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be before three arbitrators, with each party entitled to appoint an arbitrator and the third arbitrator being the presiding arbitrator appointed by the two arbitrators. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. Such arbitration proceedings shall be held at Ahmedabad and the language of the arbitration shall be English. The Courts of Ahmedabad shall have exclusive jurisdiction to adjudicate upon the claims of the parties.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System accessible at <http://scores.gov.in>), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same.

16) General

Prevention of Money Laundering

Prevention of Money Laundering Act, 2002 ('PML Act') came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its circular No. ISD/CIR/RR/AML/1/06 dated January 18, 2006 and Master Circular dated December 31, 2010 has mandated that all intermediaries including Portfolio Managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a "Know Your Customer" (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by Clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by Clients. SEBI has further issued circular no. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the PML Act requiring *inter alia* maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND). SEBI has further strengthened the KYC and client risk assessment requirements under its circular no. CIR/MIRSD/1/2014 dated March 12, 2014. The PMLA, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended and modified from time to time, the guidelines/circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as 'PML Laws'.

The Client(s), including guardian(s) where Client is a minor, should ensure that the amount invested through the services offered by the Portfolio Manager is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under.

To ensure appropriate identification of the Client(s) under its KYC policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. The Client agrees to provide all information and submit to the Portfolio Manager, or its agent, all documents as may be required to verify the Clients identity and comply with its KYC and PML policies. The Portfolio Manager may re-verify identity and obtain any incomplete or additional information for this purpose, including through the use of third party databases, personal visits, or any other means as may be required for the Portfolio Manager to satisfy themselves of the investor(s) identity, address and other personal information.

The Client(s) and their attorney(ies), if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/passport/driving license/PAN card, etc. and/or such other documents or produce such information as may be required from

time to time for verification of the personal details of the Client(s) including *inter alia* identity, residential address(es), occupation and financial information by the Portfolio Manager. The Portfolio Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND (and any other competent authorities and self-regulating bodies) that it believes are suspicious in nature within the purview of the PML Laws and/or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise investors or distributors of such reporting. The KYC documentation requirements shall also be complied with by the persons becoming the Client by virtue of operation of law e.g. transmission, etc.

The Portfolio Manager will not seek fresh KYC from the Clients who are already KRA compliant and the ones who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The KYC requirements shall also be applicable for all joint holders, legal representatives, legal heirs, estates, nominees of the Client. The KYC documentation requirements shall also be complied with by the person(s) becoming beneficial owner of the account by virtue of operation of law for e.g. transmission cases and nominees/legal heirs on the death of the Client. In case of minor Client, KYC documentation requirements shall be complied by the Client on attaining the "major" status.

The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the client account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy and/or where the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws and/or for reporting the same to FIU-IND.

Client Information

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner and the investor is duly entitled to invest the said funds.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client is holding the funds/Securities in his name is legally authorized/entitled to invest the said funds through the services of the Portfolio Manager, for the benefit of the beneficiaries.

Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. Clients/Investors are advised to read the Document carefully before entering into an Agreement with the Portfolio Manager.

For and on behalf of Kunvarji Finstock Private Limited.

**Mr. Ravi Diyora
Director**

**Mr. Atul Chokshi
Director**

Date: 05.12.2024

Place: Ahmedabad