Invesco Asset Management (India) Private Limited

PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT

Disclosure Document for Portfolio Management Services by Invesco Asset Management (India) Private Limited.

- This Disclosure Document has been filed with the Securities and Exchange Board of India along with the certificate in the specified format in terms of Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
- The purpose of the document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decisions for engaging Invesco Asset Management (India) Private Limited as a Portfolio Manager.
- The necessary information about the Portfolio Manager required by an investor before investing is disclosed in the Disclosure Document. Investors should carefully read the entire document before making a decision and should retain it for future reference.
- This Document supersedes the Disclosure Document dated September 9, 2021 filed with SEBI.
- The Principal Officer designated by the Portfolio Manager is:

Name of the Principal Officer	Mr. Neelesh Dhamnaskar
Telephone No.	022 - 6731 0000
Email	Neelesh.Dhamnaskar@invesco.com
Registered Address	2101-A, 21st Floor, A Wing, Marathon Futurex, Lower Parel, Mumbai - 400 013

The Disclosure Document is dated July 14, 2022.

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1. **Disclaimer**

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

In this Disclosure Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

"Agreement" or "Portfolio Management Services Agreement" or "PMS Agreement" means the agreement executed between the Portfolio Manager and its Clients in terms of Regulation 22 and Schedule IV of Regulations.

"Client" or "Investor" means any person who enters into an agreement with Portfolio Manager for availing the Portfolio Management Services offered by the Portfolio Manager.

"Direct on-boarding" means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

"Discretionary Portfolio Manager" means a portfolio manager who under a contract relating to portfolio management, exercise or may exercise, any degree of discretion as to the investment of funds or management of the portfolio of securities of the client, as the case may be.

"Disclosure Document" or "Document" means this document prepared pursuant to Regulation 22 and in accordance with Schedule V of the Regulations disclosing inter-alia following: (i) performance of the Portfolio Manager; (ii) portfolio risks; (iii) the quantum and manner of payment of fees payable by a Client; (iv) disclosures in relation to the business and disciplinary history of the Portfolio Manager as well as the terms and conditions on which any advisory services are being offered and affiliations with other intermediaries etc.

"Equity Related Instruments" includes convertible bonds and debentures, convertible preference shares, equity warrants, equity derivatives, FCCBs, equity mutual funds and any other like instrument.

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

"Funds" means the monies managed by the Portfolio Manager on behalf of the Clients' pursuant to the PMS Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the PMS Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the portfolio manager.

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

"Initial Corpus" means the value of the funds and / or the market value of securities brought in by the Client at the time of subscribing to Portfolio Management Services.

"**Investment Approach**" means a broad outlay of the type of securities and permissible instruments to be invested in by the portfolio manager for the Client, taking into account factors specific to clients and securities which shall inter-alia include but not limited to investment objective, description of type of securities, investment horizon and risks associated with the investment approach.

"Non-Discretionary Portfolio Management Services" means a portfolio management services where a Portfolio Manager acts on the instructions received from the Client with regard to investment of funds of the Client under a contract relating to portfolio management and will exercise no discretion as to the investment or management of the portfolio of securities or the funds of the client, as the case may be.

"Portfolio" means total holding of Securities, goods and/or funds managed by the Portfolio Manager on behalf of the Client pursuant to the Portfolio Management Services Agreement and includes any Securities, goods and/or funds mentioned in the account opening form, any further Securities, goods and/or funds placed by the Client with the Portfolio Manager for being managed pursuant to the Portfolio Management Services Agreement, Securities or other realization of the portfolio acquired by the Portfolio Manager through investment of funds and bonus, dividends or other receipts and rights in respect of Securities forming part of the portfolio, so long as the same is managed by the Portfolio Manager under the Portfolio Management Services Agreement.

"Portfolio Manager" means Invesco Asset Management (India) Private Limited, a Company incorporated under the Companies Act, 1956 and registered with the Securities and Exchange Board of India as a Portfolio Manager vide registration certificate no. PM/INP000005273 under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

"Principal Officer" means an employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for: -
(i) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and
(ii) all other operations of the portfolio manager.

"Regulations" or **"SEBI Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time.

"SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

"Securities" means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

The terms and expressions not herein defined shall, where the interpretation and meaning have been assigned to them in terms of the SEBI Act, 1992 or the relevant regulations framed thereunder, Depositories Act, 1996, the Companies Act, 2013 and the General Clauses Act, 1897, have that interpretation and meaning.

3. Description

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

Invesco Asset Management (India) Private Limited ("**IAMI**"/ "**the Company**") is a company incorporated under the Companies Act, 1956 on May 20, 2005, having its Registered Office at 2101-A, 21st Floor, A Wing, Marathon Futurex, Lower Parel, Mumbai - 400 013.

IAMI was earlier a joint venture between Religare Securities Limited (‘**RSL**’) and Invesco Hong Kong Limited (‘**Invesco HK’**) with RSL holding 45.31%, RGAM Investment Advisers Private Limited (‘**RGAM**’) holding 5.69% and Invesco HK holding 49% of the share capital of IAMI. Pursuant to the agreement entered between RSL, Invesco HK and others, there was a change in the controlling interest of IAMI whereby Invesco HK acquired remaining 51% of the total share capital of IAMI (on a fully diluted basis) from the existing shareholders and RSL and RGAM ceased to be the shareholders of IAMI w.e.f. April 7, 2016. Pursuant to change in the controlling interest, IAMI became 100% subsidiary of Invesco Hong Kong Ltd. which in turn is indirect 100% subsidiary of Invesco Ltd.

SEBI vide its letter reference no. IMD/DF1/DJ/OW/33577/2015 dated December 7, 2015 granted its approval for change in the constitution/status of IAMI, pursuant to acquisition of remaining 51% of the total share capital of IAMI by Invesco HK from the existing shareholders.

Post change in the controlling interest/shareholding, Religare Invesco Asset Management Company Private Limited was renamed as Invesco Asset Management (India) Pvt. Ltd. w.e.f. May 3, 2016. Pursuant to change in the constitution/ status, IAMI made an application to SEBI on June 21, 2016 for issue of fresh certificate of registration in the new name.

The registration certificate in the name of Invesco Asset Management (India) Pvt. Ltd. as a Portfolio Manager was renewed and SEBI has issued a certificate of registration bearing registration no. PM/INP000005273 dated August 19, 2019 which is now valid till suspended or cancelled by SEBI.

In addition to acting as a Portfolio Manager, IAMI is also an Asset Management Company to Invesco Mutual Fund under an Investment Management Agreement dated April 27, 2006. Invesco Mutual Fund is registered with SEBI as a Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 vide registration no. MF/052/06/01 dated May 05, 2016. Invesco Mutual Fund originally known as Lotus India Mutual Fund was registered with SEBI vide Registration No. MF/052/06/01 dated May 10, 2013.

As on June 30, 2022, Invesco Mutual Fund had average assets under management of Rs. 38,781.38 crores (excluding AUM of domestic fund of funds scheme). Presently, IAMI is managing following schemes of Invesco Mutual Fund:

Open ended equity schemes
- Invesco India Tax Plan^
- Invesco India PSU Equity Fund
- Invesco India Contra Fund
- Invesco India Midcap Fund
- Invesco India Growth Opportunities Fund
- Invesco India Financial Services Fund
- Invesco India Largecap Fund
- Invesco India Infrastructure Fund
- Invesco India Multicap Fund
- Invesco India Smallcap Fund
- Invesco India Focused 20 Equity Fund
- Invesco India ESG Equity Fund
- Invesco India Flexi Cap Fund

Open ended Fund of Funds schemes
- Invesco India Gold Fund^^

Open ended Fund of Funds schemes investing in overseas funds

- Invesco India - Invesco Pan European Equity Fund ^^
- Invesco India - Invesco Global Equity Income Fund^^
- Invesco India - Invesco Global Consumer Trends Fund of Fund^^
- Invesco India - Invesco EQQQ NASDAQ-100 ETF Fund of Fund^^

Open ended debt schemes
- Invesco India Liquid Fund
- Invesco India Overnight Fund
- Invesco India Ultra Short Term Fund
- Invesco India Short Term Fund
- Invesco India Money Market Fund
- Invesco India Treasury Advantage Fund
- Invesco India Corporate Bond Fund
- Invesco India Banking & PSU Debt Fund
- Invesco India Credit Risk Fund
- Invesco India Gilt Fund
- Invesco India Medium Duration Fund

Exchange Traded Funds
- Invesco India Gold Exchange Traded Fund
- Invesco India Nifty Exchange Traded Fund

Hybrid schemes
- Invesco India Arbitrage Fund
- Invesco India Dynamic Equity Fund
- Invesco India Equity & Bond Fund
- Invesco India Equity Savings Fund

^ An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit.

^^ The investor will bear the recurring expenses of the scheme, in addition to the expenses of the underlying scheme.

Further, IAMI is also acting as Investment Advisers under Investment Advisers Act, 1940. Securities and Exchange Commission ('SEC') vide its order dated December 24, 2016 granted its approval for registration of IAMI as an Investment Adviser. The registration number with SEC is 801-108727.

(ii) **Promoters of the Portfolio Manager, Directors And their Background**

Promoters

Invesco Hong Kong Ltd.
Invesco Hong Kong Ltd. ("**Invesco HK**") is a corporation incorporated under the laws of Hong Kong on October 17, 1972 having its registered office at 41/F, Champion Tower, 3 Garden Road, Central, Hong Kong. Invesco HK is engaged in the business of asset management, dealing in securities, advising on securities and advising on futures contracts. The main business focus of Invesco HK is to undertake investment management activities for retail and institutional clients. It manages a range of asset classes encompassing equity, bond, balanced and money market investments. Today, Invesco HK enjoys a leading position and a strong edge in helping investors achieve their financial objectives in one of the world's most compelling markets. For more information, log on to www.invesco.com.hk

Background of Invesco Group

Established in 1935, Invesco is a leading independent global investment manager, dedicated to helping investors worldwide achieve their financial objectives. Operating in more than 25 countries, Invesco provides a wide range of investment products, strategies and vehicles to retail, institutional and high net-worth clients around the world. Invesco strives to deliver strong, long-term investment performance and service across a comprehensive range of investment products for individuals and institutions around the world. Invesco, as a group, undertakes asset management, real estate and private equity investment activities. Invesco has nearly 8000 employees worldwide, with offices in Australia, Canada, China, Europe, Hong Kong, India, Japan, Korea, Singapore, Taiwan and the United States. For more information, log on to www.invesco.com

Directors of Portfolio Manager

Name	Age/Qualification	Brief Experience
Mr. Andrew Tak Shing LO	60 Years Bachelor of Science & Master of Business Administration from Babson College Wellesley, MA, USA.	Mr. Andrew Tak Shing LO has over 32 years of experience. He is associated with the Invesco Group since 1994. Mr. LO began his career with Chase Manhattan Bank and ultimately became second Vice President of the Trading & Securities Group. In 1988, he joined Citicorp as Vice President of their Investment Management Group. Between 1990 and early 1994, he was Managing Director of Capital House Asia responsible for the Company's operations in Hong Kong. Mr. LO joined Invesco Asia Ltd. (former name of Invesco Hong Kong Limited), a subsidiary of Invesco Ltd., as Managing Director in 1994 and was appointed Chief Executive for Asia in 1998. In 2001, he became CEO for the Asia Pacific region, responsible for Invesco's operations in Australia, Greater China (covering China, Hong Kong and Taiwan), Singapore and Japan. Between 1997-2001, Mr. LO served as a member of the Advisory Committee to the Securities and Futures Commission in Hong Kong. He was also a past member of the Council to the Stock Exchange of Hong Kong between 1997-2000, and from 1996 to 1997 he was the Chairman of the Hong Kong Investment Funds Association. Mr. LO has been a member of Executive Management Committee of Invesco Ltd. since 2007 and his current title is Senior Managing Director and Chief Executive, Asia Pacific.
Mr. PAN San Kong Terry	52 Years BBA in Finance and Real Estate, Southern	Mr. Terry PAN has more than 25 years of industry experience in asset management and financial services, with a proven track record in sales and relationship management across the key Greater China markets. He joined Invesco in February 2015 as Chief Executive Officer, Greater China, Singapore and Korea.

	Methodist University. MBA, Royal Holloway, University of London. Holder of CFA designation	Mr. Terry PAN began his career in 1994 at J.P. Morgan Asset Management and held a number of roles across different functions. In 2000, he joined 2cube Securities as Vice President, Sales and played a key part in launching one of the first online trading portals in Hong Kong. He rejoined J.P. Morgan Asset Management and served as Managing Director and Head of Hong Kong Business from April 2003 - February 2015. Mr. Terry PAN is a Director of Invesco Hong Kong Limited and Chief Executive Officer for Greater China, Southeast Asia and Korea. He provides strategic leadership and drives strong execution of Invesco's multi-year strategies to further establish Invesco's leadership position across these key markets.
Mr. Paresh Parasnis	60 Years B. Com, F.C.A.	Mr. Paresh Parasnis has over three decades of management experience with major strengths in strategy development, operations & project management and stakeholder engagement. Till recently he was the Chief Executive Officer of Piramal Foundation, where he was responsible for the Piramal Group's philanthropic investments implemented through various initiatives. Prior to that, Mr. Parasnis served as Executive Director & COO with HDFC Standard Life Insurance, and also worked in various capacities with HDFC Limited and with Hindustan Lever. Mr. Parasnis is on the board of non-profits organizations such as Shoshit Seva Sangh, Patna, Collective Good Foundation, Bangalore, ARMMAN, Mumbai and Piramal Swasthya Management & Research Institute, besides serving as an Independent Director on the board of Kotak Mahindra Life Insurance Company Limited & Invesco Asset Management India Limited.
Mr. Sanjay Tripathy	53 Years Advance Management Program - Stanford Executive Program 2017, Stanford University Google CMO Academy 2010 from ISB - Hyderabad	Mr. Sanjay Tripathy has more than 17 years of experience in the finance domain. For the last 3 years he has been working as a management consultant for digital transformation of large BFSI players and fintech companies, as well as helping fintech startups in strategy, market access, fund raising, growth advisory and product market fit. Before that he worked with HDFC Standard Life Insurance Company Limited, the first life insurance company in the private sector, for more than 12 years, heading various functions like Marketing, Products, Direct Sales, Digital, E-commerce, Corporate Communication, etc. and was its Senior Executive Vice President.

	MBA, Institute of Rural Management Anand (IRMA)	Currently he is Chief Executive Officer and Director of Agilio Labs Private Limited and Agilio Digital Solutions Private Limited. He is also an Advisor to Internet & Mobile Association of India (IAMAI).

(iii) Top 10 Group Companies/ Firms of the Portfolio Manager.

Sr. No.	Name of the Companies
1.	Invesco (India) Private Limited
2.	WL Ross (India) Pvt. Ltd.*
3.	Invesco Trustee Pvt. Ltd.
4.	RedBlack Software Pvt. Ltd.

Note - The above list is based on the turnover of Indian Group Companies as per the audited accounts for financial year ended March 31, 2021.
* The winding up process of the Company started in July 2019.

(iv) Details of Services being offered by the Portfolio Manager:

– **Discretionary Services**

Under these services, the Portfolio Manager will exercise sole and absolute discretion as to investment and/ or management of the portfolio of securities or the funds of Clients' as he deems fit and in terms of the Investment Approach & PMS Agreement executed with each Client. The securities invested / disinvested by the Portfolio Manager for Client in the same Portfolio may differ from Client to Client. The decision of Portfolio Manager (taken in good faith) in deployment of the Clients' Portfolio is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.

– **Non-Discretionary Services**

Under these services, the Portfolio Manager executes transactions in securities as per directions of the Client and in terms of the PMS Agreement. The Portfolio Manager's role is limited to providing research, investment advice and trade execution facility to the Client. The Portfolio Manager shall execute orders as per the mandate received from Client.

– **Advisory Services**

The Portfolio Manager will provide advisory services which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy and investment / divestment of individual securities in the Client's Portfolio in terms of the Agreement and within overall risk profile. In such case, the Portfolio Manager does not make any investment on behalf of the Client.

The Portfolio Manager shall be solely acting as an advisor in respect of Portfolio of the Client and shall not be responsible for the investment / divestment of securities and / or administrative activities of the Client's Portfolio.

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

A. All cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act, 1992 or Rules or Regulations made thereunder.
None

B. The nature of penalty / direction.
None

C. Penalties/fines imposed for any economic offence and/or for violation of any securities laws.

a. A penalty of Rs. 6,00,000 (Rupees Six Lakhs Only) was levied against the Portfolio Manager on March 6, 2017 under Section 112(a) of the Customs Act, 1962 by the Additional Commissioner of Customs (Import) in relation to certain equipments that were imported by the Portfolio Manager based on inaccurate documents submitted by a third party on behalf of the Portfolio Manager. The Portfolio Manager has been made whole by that third party for the amount paid and that activity is in no way related to the activities performed in its capacity as a Portfolio Manager.

b. In 2014, Invesco Asset Management (India) Private Limited ('the Portfolio Manager') had made a proprietary investment of Rs. 5,00,000 (Rupees Five Lakhs only) into MF Utilities India Private Limited ('MFU'). The said investment in MFU was made by the Portfolio Manager under the belief that the activities of MFU fell under an exempt category for making foreign direct investment i.e. it would fall under the automatic route under the FEMA laws and no prior approval was required. In September 2016, the Reserve Bank of India ("RBI") issued a notification stating that the activities of MFU would henceforth, fall under an exempt category i.e. it would not require pre-clearance from the Department of Economic Affairs ("DEA"). However, the DEA observed that prior to the issue of the said notification, the business activities of MFU did not fall under an exempt category and hence, it required the Portfolio Manager to seek pre-clearance of the DEA before making the investment. The Portfolio Manager thereafter sought and received the post facto approval from the DEA. The approval required the Portfolio Manager to approach the RBI to compound the contravention. As directed by the RBI, vide its compounding order dated August 9, 2018, INR 52,500 (Rupees Fifty Two Thousand five hundred only) was paid by the Portfolio Manager to the RBI.

D. Any pending material litigation/legal proceedings against the portfolio manager /key personnel with separate disclosure regarding pending criminal cases, if any.
None

E. Any deficiency in the systems and operations of the portfolio manager observed by SEBI or any regulatory agency.

Pursuant to inspection of Portfolio Management Services division of IAMI conducted by SEBI officials for the period from April 1, 2016 to August 23, 2017, SEBI vide its letter dated October 17, 2017 forwarded the inspection report to IAMI seeking its observation / comments on the findings in the inspection report.

The inspection report has pointed out following deficiencies:

- In certain KYC and account opening forms, signature of clients taken on documents and the certain fields (such as investment objective, annual investment experience in securities market, etc.) left blank in account opening form.

- By not disclosing the details of risk foreseen by the Portfolio Manager and risk relating to the securities recommended by the Portfolio Manager for investment or disinvestment, Invesco has, prima facie, violated Regulation 21(1)(e) of PMS Regulations.

IAMI vide its letter dated November 2, 2017 filed its responses and steps taken to rectify the deficiencies pointed out in the inspection report.

Subsequently, vide letter dated November 10, 2017 SEBI informed that it has taken note of IAMI responses and advised IAMI to be careful and cautious in future and to ensure strict compliance with the provisions of SEBI Act, 1992, SEBI (Portfolio Managers) Regulations, 1993 and the directives / circulars issued by SEBI from time to time while carrying out the activities as a Portfolio Manager.

F. Any enquiry/adjudication proceedings initiated by SEBI against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the SEBI Act, 1992 or Rules or Regulations made thereunder.

<u>For Portfolio manager, its directors, principal officer or employee:</u>

a. Pursuant to inspection conducted by SEBI for the period September 2004 to December 2005 of PMS division of Religare Securities Ltd. (RSL), enquiry officer was appointed to conduct enquiry into various observations in the inspection report. Pursuant to submissions made by RSL to the enquiry officer, SEBI has issued show cause notice dated October 22, 2009 as to why appropriate penalty, as Designated Member consider appropriate should not be imposed on RSL. Subsequent to transfer of PMS registration certificate from RSL to RIAMC, the proceedings were taken over by RIAMC. RSL made representations on the matter before the SEBI at the personal hearing granted by SEBI on January 8, 2010. SEBI vide its letter dated March 2, 2010 granted RIAMC/RSL an opportunity to attend Internal Committee Meeting on March 11, 2010 with SEBI officials and present the case. SEBI vide its letter dated May 18, 2010 has communicated that the panel of Whole Time Members, SEBI have not accepted the terms of consent. Accordingly, RIAMC filed application for consent order with revised terms of settlement on May 21, 2010. SEBI vide its consent order dated September 27, 2010 has disposed of the proceedings initiated vide Show Cause Notice dated October 22, 2009.

b. In case of TV commercial of Religare Invesco PSU Equity Fund, an open ended equity scheme, SEBI vide its show cause notice dated November 13, 2009 issued to Religare Invesco Mutual Fund, Religare Invesco AMC and Chief Executive Officer of Religare Invesco AMC stating that the display and voice over for standard warning was less than 5 seconds and was unintelligible. Religare Invesco AMC filed its response with relevant supporting documents stating that display and voice over for standard warning in TVC was 5 seconds and intelligible. SEBI granted personal hearing before the Whole Time Member, SEBI. After considering the submission made by Religare Invesco AMC, Whole Time Member, SEBI vide its order dated February 9, 2010 disposed of the proceeding initiated vide the show cause notice dated November 13, 2009 with a direction to Religare Invesco AMC, Religare Invesco Mutual Fund and CEO of Religare Invesco AMC to abide strictly by the stipulations on advertisement by mutual funds, issued by SEBI from time to time, both in letter and spirit.

<u>For any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee:</u>
None

5. Services Offered

(i) The Portfolio Manager offers Discretionary Portfolio Management Services, Advisory Services and Non-Discretionary Portfolio Management Services as per Portfolio Management Services Agreement executed with each Client.

Portfolio Manager under Non-Discretionary or Advisory Services may invest or advise up to 25% of the assets under management of the client in unlisted securities, in addition to the securities permitted for discretionary portfolio management.

Portfolio Manager shall not invest the clients' funds in the portfolio managed or administered by another portfolio manager or based on the advice of any other entity.

The Portfolio Manager under its Discretionary Portfolio Management Services offers Investment Approaches with different investment objectives and policies to cater to requirements of individual Client.

The Portfolio Manager shall invest predominantly in the securities specified in Investment Approach. However, the Client's funds may be invested in any of the Equity Instruments, debt and money market instruments and other securities allowed under the Regulations which will, inter-alia, include but not limited to:

- **Equity & Equity Related Instruments:**
  1. Equity and Equity related instruments including convertible bonds, convertible debentures, warrants, convertible preference shares, etc.
  2. Debt instruments linked to Equities or other asset class
  3. Equity Derivatives including Futures and Options

- **Debt & Money Market Instruments:**
  1. Debt Instruments: Tri-party Repo or in an alternative investment as may be provided by RBI
  2. Government Securities / Treasury Bills
  3. Non-Convertible Debentures as well as bonds or securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies
  4. Floating rate debt instruments
  5. Securitised Debt including Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS) and Pass Through Certificate (PTC)
  6. Bills Rediscounting
  7. Cash Management Bills issued by Government of India
  8. Debt derivative instruments including Interest Rate Swaps and Forward Rate Agreement
  9. Ujjwal Discom Assurance Yojna (UDAY) Bonds
- Money Market Instruments includes commercial paper, trade bill, treasury bills, certificate of deposit and usance bills.
- Investment in Units under Direct Plan of the schemes of mutual fund under registered with SEBI including schemes of Invesco Mutual Fund.
- Fixed /Term deposits with Scheduled Commercial Banks.

- The portfolio manager may lend the securities through an automated screen based platform of stock exchanges for securities lending and through an approved intermediary.

(ii) Investment Approaches

The Portfolio Manager shall deploy the Securities and/ or funds of the Client in accordance with the investment objectives stated in the Investment Approach selected by the Client. At present the Portfolio Manager is offering following Investment Approaches:

<table>
<tr><td>1.</td><td>Investment Approach</td><td>Invesco India Large Cap Core Portfolio</td></tr>
<tr><td></td><td>Investment Objective</td><td>The investment objective of the portfolio is to generate steady capital appreciation by investing in companies that are fundamentally strong and are available at attractive valuations.</td></tr>
<tr><td></td><td>Basis of selection of such types of securities as part of the investment approach</td><td>Portfolio will aim to provide a fair balance between growth, safety and returns. The focus of this portfolio would be on identifying companies which exhibit above average earnings growth. It will follow a blend of growth and value style investing. The portfolio would employ bottom up stock selection approach with a bias towards Large Cap stocks with an ability to take asset allocation calls based on market conditions and availability of suitable investments opportunities. The portfolio generally would comprise of 15 – 25 stocks, with sector allocation (at time of purchase) ranging between 25% - 200% of the sector weightage of defined benchmark Index.</td></tr>
<tr><td></td><td>Type of Securities</td><td>Equity & Equity Related Instruments, Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td></tr>
<tr><td></td><td>Allocation of portfolio across types of securities</td><td>Under normal circumstances, the asset allocation of the portfolio shall be as follows:
<table>
<tr><th>Instruments</th><th>Indicative Allocations (% of portfolio value)</th></tr>
<tr><td>Equity & Equity Related Instruments</td><td>80% to 100%</td></tr>
<tr><td>Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td><td>0% to 20%</td></tr>
</table>
The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.</td></tr>
<tr><td></td><td>Benchmark & Basis of Benchmark Section</td><td>Nifty 50
Basis of Benchmark Section: The benchmark Nifty 50 represents big companies which qualify as large cap stocks; an appropriate representative of the universe of stocks that the portfolio endeavours to invest in.</td></tr>
<tr><td></td><td>Indicative tenure or investment horizon</td><td>The portfolio is suitable for investors seeking long term wealth creation by investing in equities with an investment horizon of 4 years and above</td></tr>
<tr><td></td><td>Risks associated</td><td>The portfolio invests in stocks of large companies exhibiting leadership in their industry either in terms of their financials or market share or industry</td></tr>
</table>

<table>
<tr><td></td><td>with the investment approach</td><td>positioning. The portfolio may tend to underperform if the underlying companies lose their market dominance or competitive advantages. Regulatory and technology changes may affect industries and companies operating in them. Adverse tactical asset allocation between equities & cash could affect the performance of the portfolio.</td></tr>
<tr><td></td><td>Other salient features, if any.</td><td>Not Applicable</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>2.</td><td>Investment Approach</td><td>Invesco India Caterpillar Portfolio</td></tr>
<tr><td></td><td>Investment Objective</td><td>The investment objective of the portfolio is to achieve capital appreciation over a long term by investing in a diversified portfolio.</td></tr>
<tr><td></td><td>Basis of selection of such types of securities as part of the investment approach</td><td>The Portfolio shall invest in mid and small cap stocks that can get re-rated either because of growth in earnings, change in business environment or companies that may have been overlooked or are out of favour. While selecting stocks, the portfolio would prefer companies which exhibit scalable business model coupled with sustainable growth prospects and companies operating in niche or emerging business areas. For shortlisting opportunities, the portfolio would screen companies with good quality management, sound corporate governance, competitive advantages, attractive returns on capital employed, adequate cash flow, potential for earning growth and P/E multiple expansion. The portfolio would filter manufacturing companies based on Return on Capital Employed & Free Cash Flow and Financial Companies on the basis of Return of Equity & Return on Assets. The portfolio follows a bottom up stock selection approach and would normally invest in 15 - 25 stocks, with no single stock having more than 8% exposure of the portfolio value and no single sector having more than 40% exposure of the portfolio value at time of investment.</td></tr>
<tr><td></td><td>Type of Securities</td><td>Equity & Equity Related Instruments (Including Equity Derivatives), Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td></tr>
<tr><td></td><td>Allocation of portfolio across types of securities</td><td>Under normal circumstances, the asset allocation of the portfolio shall be as follows:
<table>
<tr><th>Instruments</th><th>Indicative Allocations (% of portfolio value)</th></tr>
<tr><td>Equity & Equity Related Instruments (Including Equity Derivatives)#</td><td>90% to 100%</td></tr>
<tr><td>Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td><td>0% to 10%</td></tr>
</table>
The Portfolio may have exposure to derivatives upto 30% of portfolio value in accordance with guidelines issued by SEBI. The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.</td></tr>
<tr><td></td><td>Benchmark & Basis of</td><td>Nifty Midcap 100
Basis of Benchmark Section: The Nifty Midcap 100 index consist most actively traded mid-sized companies which captures the movement of the</td></tr>
</table>

<table>
<tr><td></td><td>Benchmark Section</td><td>midcap segment thus providing an appropriate representative of the universe of stocks that the portfolio endeavors to invest in.</td></tr>
<tr><td></td><td>Indicative tenure or investment horizon</td><td>The portfolio is suitable for investors seeking long term wealth creation by investing in equities with an investment horizon of 5 years and above</td></tr>
<tr><td></td><td>Risks associated with the investment approach</td><td>The portfolio invests in relatively smaller companies commonly referred to as mid cap and small cap stocks. These companies may lack operational strength, which may make them vulnerable during weaker economic cycles. Additionally, stocks of these companies usually have lower trading volumes on the exchanges, which may result into higher impact costs and longer execution time compared to large cap stocks. These companies tend to be less researched compared to large cap stocks and this may result into longer waiting period for the stock to reach their potential intrinsic value.</td></tr>
<tr><td></td><td>Other salient features, if any.</td><td>Not Applicable</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>3.</td><td>Investment Approach</td><td>Invesco India Cash Management Portfolio</td></tr>
<tr><td></td><td>Investment Objective</td><td>To provide reasonable returns, commensurate with low risk while providing a high level of liquidity, by investing in units of mutual fund schemes which invest primarily in money market securities and short term debt securities.</td></tr>
<tr><td></td><td>Basis of selection of such types of securities as part of the investment approach</td><td>The portfolio would aim to identify and invest in SEBI registered mutual fund schemes which offers investors an opportunity to manage their cash asset better. The portfolio may invest in one or more mutual fund schemes. The selection of mutual fund schemes will be at the sole discretion of the Portfolio Manager.</td></tr>
<tr><td></td><td>Type of Securities</td><td>Units of Debt / Liquid / Money Market / Overnight Mutual Fund Schemes & Cash</td></tr>
<tr><td></td><td>Allocation of portfolio across types of securities</td><td>Under normal circumstances, the asset allocation of the portfolio shall be as follows:<table>
<tr><th>Instruments</th><th>Indicative Allocations (% of portfolio value)</th></tr>
<tr><td>Units of Debt / Liquid / Money Market /Overnight Mutual Fund schemes</td><td>0% to 100%</td></tr>
<tr><td>Cash</td><td>0% to 100%</td></tr>
</table>
The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.</td></tr>
<tr><td></td><td>Benchmark & Basis of</td><td>CRISIL Liquid Fund Index</td></tr>
</table>

<table>
<tr><td></td><td>Benchmark Section</td><td colspan="2">Basis of Benchmark Section: CRISIL Liquid Fund Index seeks to track the performance of a debt portfolios which invests in debt securities with low duration of not more than 91 days.</td></tr>
<tr><td></td><td>Indicative tenure or investment horizon</td><td colspan="2">The portfolio is suitable for investors with a 3 to 4 month investment horizon.</td></tr>
<tr><td></td><td>Risks associated with the investment approach</td><td colspan="2">The Portfolios may invest in schemes of Mutual Funds. Hence scheme specific risk factors of each such underlying scheme will be applicable to the portfolios.</td></tr>
<tr><td></td><td>Other salient features, if any.</td><td colspan="2">Not Applicable</td></tr>
<tr><td></td><td></td><td colspan="2"></td></tr>
<tr><td rowspan="11">4.</td><td>Investment Approach</td><td colspan="2">Invesco India Active Investment Portfolio</td></tr>
<tr><td>Investment Objective</td><td colspan="2">The investment objective of the portfolio is to generate steady capital appreciation by investing across asset classes.</td></tr>
<tr><td>Basis of selection of such types of securities as part of the investment approach</td><td colspan="2">The portfolio will seek to achieve a balance between risk and return by creating a well diversified portfolio comprising of equity and other asset classes.</td></tr>
<tr><td>Type of Securities</td><td colspan="2">Equity & Equity Related Instruments (including Equity Derivatives), Units of Equity and Debt oriented Mutual Fund schemes, Money Market Instruments and Cash & Cash Equivalents</td></tr>
<tr><td rowspan="7">Allocation of portfolio across types of securities</td><td colspan="2">Under normal circumstances, the asset allocation of the portfolio shall be as follows:</td></tr>
<tr><td>Instruments</td><td>Indicative Allocations (%of portfolio value)</td></tr>
<tr><td>Equity & Equity Related Instruments (Including Equity Derivatives)#</td><td>0 to 100%</td></tr>
<tr><td>Units of Equity and Debt oriented Mutual Fund schemes</td><td>0 to 100%</td></tr>
<tr><td>Money Market Instruments and Cash & Cash Equivalent</td><td>0 to 100%</td></tr>
<tr><td colspan="2"># The Portfolio may have exposure to derivatives upto 100% of portfolio value in accordance with guidelines issued by SEBI.</td></tr>
<tr><td colspan="2">The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.</td></tr>
</table>

<table>
<tr><td></td><td>Benchmark & Basis of Benchmark Section</td><td>Nifty 50
Basis of Benchmark Section: The NIFTY 50 is a well diversified 50 stock index and it represent important sectors of the economy.</td></tr>
<tr><td></td><td>Indicative tenure or investment horizon</td><td>The portfolio is suitable for investors seeking long term wealth creation by investing in equities with an investment horizon of 4 years and above</td></tr>
<tr><td></td><td>Risks associated with the investment approach</td><td>The portfolio may tend to underperform due portfolio concentration or over diversification. The Portfolios may invest in schemes of Mutual Funds, hence scheme specific risk factors of each such underlying scheme will be applicable to the portfolio. Also, adverse tactical asset allocation between equity & cash could affect the performance of the portfolio.</td></tr>
<tr><td></td><td>Other salient features, if any.</td><td>Not Applicable</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>5.</td><td>Investment Approach</td><td>Invesco India R.I.S.E Portfolio

(R.I.S.E: R- Recovery in Demand, I- Idle Capacity-potential for operating leverage, S- Superior Business Model, E-Earnings Recovery)</td></tr>
<tr><td></td><td>Investment Objective</td><td>To generate capital appreciation by investing in equity and equity related securities.</td></tr>
<tr><td></td><td>Basis of selection of such types of securities as part of the investment approach</td><td>The portfolio will comprise of companies which will benefit from revival in economic growth and rise in consumer discretionary spending. The portfolio will favour companies that are expected to benefit from operating and financial leverage. Operating Leverage refers to companies' ability to make more operating profit from each additional sale as demand recovers. Financial Leverage refers to companies' ability to make more net profit from incremental operating profit. Portfolio will also participate in companies that are available at a discount to their fair/intrinsic value & offer attractive dividend yield. While screening for investment opportunities, the portfolio would prefer companies with superior business models & healthy balance sheets. The portfolio will follow a bottom up stock selection approach and would aims to invest across market capitalization & sector. The portfolio would generally comprise of 10 - 25 stocks.</td></tr>
<tr><td></td><td>Type of Securities</td><td>Equity & Equity Related Instruments (Including Equity Derivatives), Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td></tr>
<tr><td></td><td>Allocation of portfolio across types of securities</td><td>Under normal circumstances, the asset allocation of the portfolio shall be as follows:
<table>
<tr><th>Instrument</th><th>Indicative Allocation (% of portfolio value)</th></tr>
<tr><td>Equity & Equity Related Instruments (Including Equity Derivatives) #</td><td>60% to 100%</td></tr>
<tr><td>Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td><td>0% to 40%</td></tr>
</table></td></tr>
</table>

		# The portfolio may have exposure to derivatives up to 30% of the portfolio value in accordance with guidelines issued by SEBI. The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.
	Benchmark & Basis of Benchmark Section	S&P BSE 500 **Basis of Benchmark Section:** The S&P BSE 500 index consist of top 500 listed companies covering all major sectors in the Indian economy thus providing a broad representation of the listed companies.
	Indicative tenure or investment horizon	The portfolio is suitable for investors seeking long term wealth creation by investing in equities with an investment horizon of 4 years and above.
	Risks associated with the investment approach	The portfolio invests in companies which are expected to benefit from operating & financial leverage. The returns of the portfolio will be affected in case there is delay in recovery in demand, and hence operating and financial leverage do not materialize as anticipated. The balance sheet of the companies may deteriorate over the holding period. Also, adverse tactical asset allocation between equity & cash could affect the performance of the portfolio. This portfolio is recommended for investors with higher risk appetite seeking long term capital appreciation.
	Other salient features, if any.	Not Applicable
6.	**Investment Approach**	Invesco India DAWN Portfolio (**DAWN**: **D** - Demand Recovery across cyclical & consumer discretionary sectors, **A** - Attractive valuation to provide margin of safety, **W** - Winning companies on the cusp of a new demand cycle leading to operating & financial leverage efficiencies, **N** - New credit & investment cycle to provide a boost to earnings recovery)
	Investment Objective	To generate capital appreciation by investing in companies available at reasonable valuations.
	Basis of selection of such types of securities as part of the investment approach	The focus of this portfolio would be on identifying sectors and stocks which are expected to benefit from revival in cyclical recovery. Cyclical Recovery refers to a period of transition from recession to expansion as part of business cycle which is affected by ups and downs in the overall economy. The Portfolio will also favour companies that will benefit from operating /financial leverage. Operating & Financial Leverage refers to Companies ability to make more operating profit & net operating profit from each additional sale as demand recovers. In addition, investments would be made in companies which are out of favour and are available at a discount to their fair/intrinsic value. For selection of stocks, the portfolio would lay emphasis on mean reversion & value style investing with focus on companies with quality business models & management. The portfolio will follow bottom up stock selection approach, without bias towards market capitalization or sector. The portfolio would generally comprise of 10 – 25 stocks.

	Type of Securities	Equity & Equity Related Instruments, Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents
	Allocation of portfolio across types of securities	Under normal circumstances, the asset allocation of the Portfolio shall be as follows: **Instrument** — **Indicative Allocation (% of portfolio value)** Equity & Equity Related Instruments — 65% to 100% Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents — 0% to 35% The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.
	Benchmark & Basis of Benchmark Section	S&P BSE 500 **Basis of Benchmark Section:** The S&P BSE 500 index consist of top 500 listed companies covering all major sectors in the Indian economy thus providing a broad representation of the listed companies.
	Indicative tenure or investment horizon	The portfolio is suitable for investors seeking long term wealth creation by investing in equities with an investment horizon of 4 years and above
	Risks associated with the investment approach	The portfolio may underperform the broad market if the cyclical recovery in sectors and stocks takes a longer than anticipated. The benefits of operating and financial leverage may not materialize as expected. Also, value investing involves the risk that the market may not recognize a security's intrinsic value for a long time, or that a security thought to be undervalued may be appropriately priced when purchased. Also, adverse tactical asset allocation between equity & cash could affect the performance of the portfolio. This portfolio is recommended for investors with higher risk appetite seeking long term capital appreciation.
	Other salient features, if any.	Not Applicable
7.	**Investment Approach**	Invesco India Bharat Nirman Portfolio
	Investment Objective	To generate capital appreciation by investing in equity and equity related securities of companies which are focusing on Rural India as well as companies which stand to benefit from the rapid urbanization of India.
	Basis of selection of such types of	The portfolio will predominantly invest in companies which stand to gain from the rising prosperity of Rural India and urbanization of India. The government focus on urbanization, improving infrastructure, promoting agriculture and focus on increasing rural incomes, creating jobs and building rural

	securities as part of the investment approach	infrastructure will help in the overall development of rural India thus leading to faster growth and bringing urbanization. The portfolio manager will invest in companies which benefit from this structural migration and change in spending/consumption pattern across India. The portfolio shall follow a bottom up stock selection approach, using our proprietary investment process and aims to invest across market capitalization & sector. The portfolio would generally comprise of 10 - 25 stocks.
	Type of Securities	Equity & Equity Related Instruments, Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents
	Allocation of portfolio across types of securities	Under normal circumstances, the asset allocation of the portfolio shall be as follows: **Instrument** — **Indicative Allocation (% of portfolio value)** Equity & Equity Related Instruments — 65% to 100% Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents — 0% to 35% The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.
	Benchmark & Basis of Benchmark Section	S&P BSE 500 **Basis of Benchmark Section:** The S&P BSE 500 index consist of top 500 listed companies covering all major sectors in the Indian economy thus providing a broad representation of the listed companies.
	Indicative tenure or investment horizon	The portfolio is suitable for investors seeking long term wealth creation by investing in equities with an investment horizon of 5 years and above
	Risks associated with the investment approach	The portfolio invests in stocks of companies which stand to gain from the rising prosperity of rural India and urbanization of India. The portfolio may underperform in the scenario when growth in farm incomes lags rural inflation. Slowdown in construction activity in the country may also have an adverse cascading impact on rural incomes - in turn affecting performance of companies in our portfolio. Also, adverse tactical asset allocation between equity & cash could affect the performance of the portfolio.
	Other salient features, if any.	Not Applicable
8.	**Investment Approach**	Invesco India Challengers Portfolio
	Investment Objective	To generate capital appreciation by investing in equity and equity related securities of companies which exhibit the ability to challenge the status quo by finding better ways of doing business.

<table>
<tr><td></td><td>Basis of selection of such types of securities as part of the investment approach</td><td>The strategy will focus on identifying companies which have the capability to challenge the leader in its business segment, exhibits hunger for growth, have business which are in an evolution phase along with management, that drives change. The strategy will follow a bottom-up stock selection approach, without having any bias towards market capitalization or sector the strategy and will have the ability to take asset allocation calls based on market conditions and availability of suitable investments opportunities. The portfolio generally would comprise of 10 – 25 stocks.</td></tr>
<tr><td></td><td>Type of Securities</td><td>Equity & Equity Related Instruments, Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td></tr>
<tr><td></td><td>Allocation of portfolio across types of securities</td><td>Under normal circumstances, the asset allocation of the portfolio shall be as follows:

<table>
<tr><th>Instruments</th><th>Indicative Allocations (% of portfolio value)</th></tr>
<tr><td>Equity & Equity Related Instruments</td><td>65% - 100%</td></tr>
<tr><td>Money Market Instruments, Units of Liquid, Money Market and Overnight Mutual Fund Schemes and Cash & Cash Equivalents</td><td>0% - 35%</td></tr>
</table>

The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of market conditions of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the asset allocation pattern will be for defensive considerations.</td></tr>
<tr><td></td><td>Benchmark & Basis of Benchmark Section</td><td>Benchmark: S&P BSE 200
Basis of Benchmark Section: The S&P BSE 200 index consist of top 200 listed companies covering all major sectors in the Indian economy thus providing a broad representation of the listed companies.</td></tr>
<tr><td></td><td>Indicative tenure or investment horizon</td><td>The portfolio is suitable for investors seeking long term wealth creation by investing in equities with an investment horizon of 4 years and above.</td></tr>
<tr><td></td><td>Risks associated with the investment approach</td><td>The portfolio may tend to underperform if the underlying companies lose their market dominance or competitive advantages. Regulatory and technology changes may affect industries and companies operating in them. Adverse tactical asset allocation between equities & cash could affect the performance of the portfolio. This portfolio is recommended for investors with higher risk appetite seeking long term capital appreciation.</td></tr>
<tr><td></td><td>Other salient features, if any.</td><td>Not Applicable</td></tr>
</table>

Note - The following Investment Approach(es) have been discontinued:
1) Invesco India Sector Opportunities Fund

Note: The uninvested funds in all the above Investment Approach may be deployed in liquid schemes of mutual funds, bank deposits and other short term avenues for investment. The portfolio manager, with consent of the client, may lend the securities through an automated screen based platform of stock exchanges for securities lending and/ or through an approved intermediary.

The portfolio and expenses charged including Portfolio Management fees of each Client may differ from that of the other Client and will be in accordance with the PMS Agreement and fee schedule executed with each Client.

The performance of the Investment Approaches may not be strictly comparable with the performance of the benchmark indices, due to inherent differences in the construction of the Investment Approaches. The Portfolio Manager may from time to time, review the benchmark selection process and make suitable changes as to use of the benchmark or related to composition of the benchmark, whenever it deems necessary.

(iii) Policy for investment in Associates/ Group Companies of the Portfolio Manager

Portfolio Manager, will, before investing in the securities of its associate / group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio. The investments in associate / group companies at time of investments may be upto 100% of Client's Portfolio. The investments in securities of the associate / group companies including in schemes of Invesco Mutual Fund would be within the overall framework of Regulations and in terms of PMS Agreement executed with the Client.

(iv) Minimum Investment Amount

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and /or funds of an amount prescribed by Portfolio Manager for a Portfolio, subject to minimum amount as specified under SEBI Regulations, as amended from time to time. Currently the minimum investment amount is Rs. 50 Lacs. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and / or funds under the service.

(v) Direct on-boarding of clients

The Portfolio Manager provides the facility to the Client for Direct on-boarding with us without any involvement of a broker/distributor/agent engaged in distribution services. The Client can sign up for our services by writing to us at pms@invesco.com.

Further, under this facility the Portfolio Manager may levy statutory charges to the client. Accordingly, the Portfolio Manager will not charge any Distribution related fees to the Client.

6. Risk Factors

6.1. Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the investments / PMS products / clients will be achieved.

6.2. Past performance of the Portfolio Manager does not indicate the future performance of the Portfolio or performance of any other future Investment Approach of the Portfolio Manager.

6.3. Risk arising from the investment approach, investment objective, investment strategy and asset allocation are as follows:

6.3.1 **Risk associated with Equity and Equity Related Instruments**

Equity and Equity Related Instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity

Related Instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the Value of the Client Portfolio may be adversely affected.

Further, the Equity and Equity Related Instruments are risk capital and are subordinate in the right of payment to other securities, including debt securities.

Equity and Equity Related Instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of securities held in the Client's Portfolio.

Mid cap stocks carry higher liquidity risk as they are less extensively researched compared to large cap stocks. This may lead to abnormal illiquidity and consequent higher impact cost.

The Portfolio Manager may invest in securities which are not listed on the stock exchanges. These securities may be illiquid in nature and carry a higher amount of liquidity risk, in comparison to securities that are listed on the stock exchanges or offer other exit options to the investor. The liquidity and valuation of the investments held in Portfolio, due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

6.3.2 **Risk associated with Debt and Money Market Securities**

Interest - Rate Risk

Fixed Income and Money Market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rate falls, the prices increase. In case of floating rate securities, an additional risk could arise because of the changes in the spreads of floating rate securities. With the increase in the spread of floating rate securities, the price can fall and with decrease in spread of floating rate securities, the prices can rise.

Credit Risk

Credit risk or default risk refers to the risk that the issuer of a fixed income security may default on interest payment or even in paying back the principal amount on maturity. In case of Government Securities, there is minimal credit risk to that extent.

Lower rated or unrated securities are more likely to react to developments affecting the market and credit risk than the highly rated securities which react primarily to movements in the general level of interest rates. Lower rated or unrated securities also tend to be more sensitive to economic conditions than higher rated securities.

Liquidity or Marketability Risk

The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

Re-investment Risk
This refers to the interest rate risk at which the intermediate cash flows received from the securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

6.3.3 **Risks associated with Investing in Securitised Debt**

Securitised debt may suffer losses in the event of delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. Securitised debt is subject to interest-rate risk, prepayment risk, credit or default risk.

Further, Asset Backed Security (ABS) has structure risk due to a unique characteristic known as early amortization or early payout risk.

6.3.4 **Risks associated with Investing in Derivatives**

The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

6.3.5 **Risks associated with Securities Lending**

For Equity Instruments
As with other modes of extensions of credit, there are risks inherent to securities lending. During the period the security is lent, the Portfolio Manager may not be able to sell such security and in turn cannot protect from the falling market price of the said security. Under the current securities lending and borrowing mechanism, the Portfolio Manager can call back the securities lent any time before the maturity date of securities lending contract. However, this will be again the function of liquidity in the market and if there are no lenders in the specified security, the Portfolio Manager may not be able to call back the security and in the process, the Portfolio Manager will be exposed to price volatility. Moreover, the fees paid for calling back the security may be more than the lending fees earned by Scheme at the time of lending the said security and this could result in loss to the Portfolio Manager.

Also, during the period the security is lent, the Portfolio Manager will not be able to exercise the voting rights attached to the security as the security will not be registered in the name of the Portfolio Manager in the records of the depository/issuer.

For Debt Instruments

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

6.3.6 **Risks associated with investments in Mutual Funds**

The Portfolios may invest in schemes of Mutual Funds. Hence scheme specific risk factors of each such underlying scheme will be applicable to the portfolios.

6.3.7 **Risk associated with investments in Market Linked Debentures**

The Portfolios may invest in Market Linked Debentures, which are securities linked to index(s) and/ or underlying stocks or commodities and this could result in negligible returns or no returns over the entire tenor or part thereof. Further, at any time during the tenor of the Portfolio, value of the Market Linked Debentures may be substantially less than the actual value of the Market Linked Debentures at the end of tenor. Further, the Market Linked Debentures and the return and/or maturity proceeds of the Market Linked Debentures, are not guaranteed or insured in any manner by any entity. In case of occurrence of any event caused by a Force Majeure, the Portfolio may be liquidated at a date much before the tenor of the Portfolio at a fair value.

Portfolios investing in debentures linked to silver/ gold may be affected by the prices of silver/ gold. The prices of silver/ gold may be affected by several factors such as demand and supply in India and in the global market, change in political, economical environment and government policy, inflation trends, currency exchange rates, interest rates, perceived trends in bullion prices, restrictions on the movement/trade of gold by RBI, GOI or by the country importing/ exporting silver/ gold in/ out of India etc.

6.4. Risk arising out of non-diversification

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

6.5. Transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio

Nil

6.6. Disclosure of Conflict of Interest while availing services offered by Group / Associate Companies

IAMI is a wholly owned subsidiary of Invesco Hong Kong Limited which in turn is 100% subsidiary of Invesco Ltd.

The Portfolio Manager may utilize services of its Associates/ Group Companies for activities like Depository Participant, broking, distribution etc. relating to Portfolio Management Services. Conflict of Interest may arise while availing services offered by the Associate/Group Company of the Portfolio Manager. Portfolio Manager shall ensure that utilization of services of Associate/Group companies will be purely on arms' length, on commercial basis and at a mutually agreed terms and conditions to the extent and limits permitted under the Regulations. Such charges for all transactions in a financial year (Broking, Demat, custody etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. Any charges to self/associate shall not be at rates more than that paid to the non-associates providing the same service.

The details of related party transactions are disclosed under the "section 7. (ii) - Disclosures in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India."

The Portfolio Manager has established organizational and administrative arrangements and internal control systems which are designed to manage potential conflicts and to prevent material risk of damage to the interests of its clients.

7. (i) Client Representation

Category of Clients	No. of Clients	Funds Managed (Rs. in Crores)	Discretionary / Non-Discretionary Services*
Associates/Group Company			
As at June 30, 2022	Nil	Nil	Not Applicable
As at March 31, 2022	Nil	Nil	Not Applicable
As at March 31, 2021	Nil	Nil	Not Applicable
As at March 31, 2020	Nil	Nil	Not Applicable
Others			
As at June 30, 2022	1,311	759.91	Discretionary
As at June 30, 2022	0	0.00	Non - Discretionary
Total	**1,311**	**759.91**	
As at March 31, 2022	1,403	900.53	Discretionary
As at March 31, 2022	0	0.00	Non - Discretionary
Total	**1,403**	**900.53**	
As at March 31, 2021	1,946	1,118.95	Discretionary
As at March 31, 2021	0	0.00	Non - Discretionary
Total	**1,946**	**1,118.95**	
As at March 31, 2020	3,493	959.95	Discretionary
As at March 31, 2020	48	22.62	Non - Discretionary
Total	**3,541**	**982.57**	

**Excluding Clients under Advisory Services*

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

A. Parties where control exist:

Name of Related Party	Nature of Relationship
Invesco Hong Kong Ltd.	Holding Company

Invesco Ltd.	Ultimate Holding Company

B. Other related parties where transactions have taken place during the financial year ended March 31, 2021:

Nature of Relationship	Name of Related Party
Associate Company	Invesco Group Services, INC.
	Invesco UK Ltd
	Invesco Asset Management (Japan) Ltd.
	Invesco (India) Private Ltd
	Invesco Management SA
	Invesco Canada Ltd
	Invesco (India) Pvt Ltd - EOU
Mutual Fund in respect of which the Company is the Investment Manager	Invesco Mutual Fund

The details of transactions with related parties is given in **Annexure 1**.

8. Financial Performance of the Portfolio Manager

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

(Rs. in thousands)

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Total Income	15,29,381	15,22,425	14,34,886
Profit / (Loss) Before Tax	1,80,012	(4,47,703)	(4,84,181)
Profit/ (Loss) After Tax	1,80,012	(4,47,302)	(4,84,181)
Net Worth	10,28,303	8,48,291	12,95,594
Earning Per Share (Rs.)	0.14	(0.34)	(0.37)
Dividend	-	-	-
Paid up equity share capital	13,04,216	13,04,216	13,04,216

9. Portfolio Management performance of the Portfolio Manager

Discretionary Portfolio Management Services

I Performance of Portfolios for the last three years

Investment Approach / Benchmark	Type of Service	Date of Inception	April 1, 2021 - June 30, 2022	April 1, 2021 - March 31, 2022	April 1, 2020 - March 31, 2021	April 1, 2019 - March 31, 2020
Invesco India Caterpillar Portfolio	Discretionary	June 26, 2006	-13.20%	49.64%	94.14%	-37.36%
Nifty Midcap 100			-10.91%	25.32%	102.44%	-35.90%
Invesco India Large Cap Core Portfolio	Discretionary	September 7, 2004	-13.73%	15.32%	58.70%	-29.30%
Nifty 50			-9.65%	18.88%	70.87%	-26.03%

Investment Approach / Benchmark	Type of Service	Date of Inception	April 1, 2021 - June 30, 2022	April 1, 2021 - March 31, 2022	April 1, 2020 - March 31, 2021	April 1, 2019 - March 31, 2020
Invesco India Active Investment Portfolio	Discretionary	February 26, 2009	N.A.	N.A.	N.A.	N.A.
Nifty 50			N.A.	N.A.	N.A.	N.A.
Invesco India Cash Management Portfolio	Discretionary	July 4, 2011	0.98%	3.27%	3.00%	5.63%
CRISIL Liquid Fund Index			1.05%	3.68%	4.12%	6.47%
Invesco India R.I.S.E* Portfolio	Discretionary	April 18, 2016	-5.76%	12.56%	75.43%	-29.80%
S&P BSE 500			-10.00%	20.88%	76.62%	-27.48%
Invesco India DAWN** Portfolio	Discretionary	August 28, 2017	-9.52%	23.80%	69.73%	-29.34%
S&P BSE 500			-10.00%	20.88%	76.62%	-27.48%
Invesco India Bharat Nirman Portfolio	Discretionary	December 30, 2017	-12.67%	12.33%	62.51%	-38.11%
S&P BSE 500			-10.00%	20.88%	76.62%	-27.48%
Invesco India Challengers Portfolio	Discretionary	September 30, 2021	-9.73%	NA	NA	NA
S&P BSE 200			-9.65%	NA	NA	NA

N.A. - Not Applicable (No Investors)

*R.I.S.E: R- Recovery in Demand, I- Idle Capacity-potential for operating leverage, S- Superior Business Model, E-Earnings Recovery.

**DAWN: D - Demand Recovery across cyclical & consumer discretionary sectors, A - Attractive valuation to provide margin of safety, W - Winning companies on the cusp of a new demand cycle leading to operating & financial leverage efficiencies, N - New credit & investment cycle to provide a boost to earnings recovery.

Notes:

1. The performance is calculated using time weighted rate of return.
2. Returns are adjusted for inflows/outflows.
3. Returns are absolute returns for the specified period.
4. Returns are after charging of fees and expenses.
5. Exit load has been considered. The performance numbers would change if the Client does not redeem within the exit load period.

10 Audit Observations

There were no adverse audit observations in last three financial years.

11 Nature of Expenses

The following are the broad types of costs and expenses chargeable to Clients availing the Portfolio Management Services. The exact quantum of fees / expenses relating to each of the services shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The expense charged may vary from Client to Client. The expenses incurred shall be directly debited on actual expense incurred basis to the Client's Portfolio as and when the same becomes due for payment or on a monthly basis.

A. Investment Management and advisory fees

The fees relate to portfolio management services offered to Clients. The fees may be in the form of a percentage of the assets under management or linked to portfolio returns achieved or a combination of both. In case of fees linked to portfolios returns the basic principles for calculation of the fees are as under:

1. The fees are charged upon exceeding a hurdle rate or a benchmark rate as specified in the PMS agreement.
2. The fee shall be computed on the basis of high water mark principle over the life of the investment.
3. High water mark shall be the highest value that the Portfolio has reached. Value of Portfolio for the computation of high water mark shall be taken to be the value on the date on which performance fees are charged.
4. Performance based fee would be only on increase in Portfolio value in excess of the previously achieved high water mark.

An indicative table of the Investment Management and advisory fees that may be charged by the Portfolio Manager is given hereunder.

Nature of Fees	Particulars
Fixed Management Fee	Upto 5.00% per annum on daily average market value of the Portfolio
Performance Linked Management Fee	The fees will be a percentage of the returns generated for the Portfolio as may be agreed by the client in a PMS Agreement.

The actual fees charged by the Portfolio Manager for each Client shall be determined separately and the fees may vary from Client to Client. Further, the fees chargeable for new portfolio introduced by the Portfolio Manager shall be given separately.

B. Other Operating Expenses

Apart from Portfolio Management Fees, the following are the general costs and expenses to be borne by the Client availing the Portfolio Management Services of the Portfolio Manager:

(i) **Custodian / Depository fees**
The charges relate to opening and operation of depository accounts, custody and transfer charges for securities, dematerialization and rematerialisation and other charges in connection with the operation and management of the depository accounts.

(ii) **Registrar and Transfer Agent fees**
Charges payable to registrars and transfer agents in connection with transfer of securities including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges and other related charges.

(iii) **<u>Audit Fees, Certification and professional charges</u>**
Charges payable for outsourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by bankers or regulatory authorities including legal fees etc.

(iv) **<u>Services related expenses</u>**
Charges in connection with day to day operations like courier expenses, stamp duty, Goods and Services Tax, postal, telegraphic any other out of pocket expenses as may be incurred by the portfolio manager would be recovered.

(v) **<u>Any other incidental and ancillary expenses</u>**
All expenses not covered above but incurred by the Portfolio Manager on behalf of the Client for Portfolio Management and expenses incurred by the Portfolio Manager in terms of the Agreement shall be charged to the Client.

(vi) At the time of on-boarding of clients directly, no charges except statutory charges shall be levied.

(vii) All the operational expenses excluding brokerage and related transaction costs, over and above the fees charged for Portfolio Management Service shall not exceed 0.50% per annum of the client's average daily Assets under Management. All or some of the operational expenses mentioned above excluding brokerage and related transaction costs, may be clubbed under a single expense head.

Apart from operating expenses as mentioned above, the following will also be charged at actuals to Clients:

(viii) **<u>Brokerage and transaction costs</u>**
The brokerage charges and other charges like Goods and Services Tax, stamp duty, transaction charges, turnover tax, securities transaction tax or any other tax levied by statutory authorities on the purchase and sale of securities and exit load (if any) on units of Mutual Funds.

(ix) **<u>Securities lending related expenses</u>**
The charges pertaining to lending of securities and costs associated with transfers of securities connected with the lending operations.

C. Exit load
In case client portfolio is redeemed in part or full, the Portfolio Manager may charge Exit Load as follows:
a) In the first year of investment, upto 3% of the amount redeemed.
b) In the second year of investment, upto 2% of the amount redeemed.
c) In the third year of investment, upto 1% of the amount redeemed.
d) After a period of three years from the date of investment, no exit load.

Goods and Services tax and statutory levies would be levied separately as per the prevailing rates from time to time.

12. Taxation

TAX IMPLICATIONS FOR CLIENTS.
The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 **('the Act'**) as amended by the Finance Act, 2022 and Chapter VII of the Finance (No. 2) Act, 2004 **('Securities Transactions Tax Act'/'STT')**.

12.1 General

Income derived from investment in securities is subject to tax as per the provisions of the Act. Special reference needs to be made in respect of provisions related to capital gains, business income, interest and dividend. Client owns the liability for his Taxation. The General Information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Scheme of the Company.

A Portfolio of client may have:

- Dividend income;
- Long-term and short -term capital gains (or losses) on sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Business Income from purchase and sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Any other income from securities (shares, mutual fund units, debentures, rights renunciations etc.).

In case the securities are held as stock-in-trade, the income tax treatment will substantially vary and the issue whether the investments are held as capital asset or stock-in-trade needs to be examined on a case to case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment in the Portfolio Management Scheme shall endure indefinitely or accepted by the tax authorities. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter and therefore, each Client is advised to consult his / her / its tax advisor with respect to the specific tax consequences to him / her / it of participation in the portfolio management services.

All the Tax Rates contained in this clause are applicable for the financial year 2022-23, in accordance with Finance Act, 2022.

12.2 Resident and Non- Resident Taxation

12.2.1 Resident Taxation

A resident investor will be subject to income tax on his / her global income. In the case of a resident but not ordinarily resident, any income which accrues/ arises outside India will not be subject to tax in India, unless it is derived from a business/ profession controlled from India. Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India. In the case of an individual, the residential status would be determined based upon the physical presence of that person in India. The threshold limit in terms of physical presence of such individual in India has been prescribed under the Act.

A Company is said to be a resident in India in the previous year if (i) it is an Indian Company; or (ii) its place of effective management ('POEM') is situated in India.

Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India.

12.2.2 Non-resident Taxation

A non-resident investor would be subject to taxation in India if he derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued to him in India in terms of the provisions of the Act.

A foreign company will be treated as a tax resident in India if its POEM is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

In case of foreign investors, the taxation of income will be governed by the provisions of the Act read with the provisions of the applicable tax treaty i.e. Double Tax Avoidance Agreement ('DTAA'), if any. As per Section 90(2) of the Act, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the DTAA.

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement DTAA related measures to prevent Base Erosion and Profit Shifting **('MLI')**. India has made amendment in Section 90 to that effect that DTAAs should not create opportunities for non-taxation or reduced taxation including through treaty shopping in order to align the purpose of DTAAs with the MLI with effect from 1 April 2020.

12.3 Tax deduction at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of Non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India.

12.4 Linking of PAN and Aadhar

The due date of linking PAN and Aadhaar was 31 March 2022; however in order to mitigate the inconvenience to the taxpayers, a window of opportunity has been provided to the taxpayers upto 31 March 2023 to link their Aadhaar to the PAN without facing repercussions, subject to the payment of nominal fees. If the PAN is not linked with Aadhaar, then PAN will become inoperative. After the expiry of the extended due date i.e. 31 March 2023, the clients will not be able to conduct financial transactions where quoting of PAN is mandatory. Once the PAN becomes inoperative, residents would be subjected to a higher rate of TDS.

12.5 Advance tax installment obligations

It shall be the Client's responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Act. The provisions related to payment of advance tax shall not apply to an individual resident in India, who does not have any income chargeable under the head "Profit and gains of business or profession"; and is of the age of sixty years or more at any time during the relevant financial year.

In case of any shortfall in the advance tax instalment or the failure to pay the same on time is on account of capital gains and dividend (other than deemed dividend), no interest shall be charged provided the client has paid full tax in subsequent advance tax instalments.

12.6 Securities Transaction Tax

Securities Transaction Tax ("STT") is applicable on transactions of purchase or sale of equity shares in a company or Exchange Traded fund (“ETF”) or a derivative or units of Equity Oriented Fund or units of Business Trust entered into on a recognized stock exchange and sale of units of Equity Oriented Fund to the Mutual Fund.

The STT rates as applicable are given in the following table:

Taxable securities transaction	**STT Rate**	**Person responsible to pay STT**	**Value on which STT is required to be paid**
Delivery based purchase and sell of equity share	0.1%	Purchaser/Seller	Price at which equity share is purchased/sold
Delivery based sale of a unit of oriented mutual fund	0.001%	Seller	Price at which unit is sold
Sale of equity share or unit of equity oriented mutual fund in recognised stock exchange otherwise than by actual delivery ortransfer and intra day traded shares	0.025%	Seller	Price at which equity share or unit is sold
Derivative - Sale of an option in securities	0.017%	Seller	Option premium
Derivative - Sale of an option in securities where option isexercised	0.125%	Purchaser	Settlement Price
Derivative - Sale of futures in securities	0.01%	Seller	Price at which such futures is traded
Sale of unit of an equity oriented fund to the Mutual Fund - ETFs	0.001%	Seller	Price at which unit is sold
Sale of unlisted shares under an offer for sale to public included in IPO and where such shares are subsequently listed in stock exchanges	0.2%	Seller	Price at which such shares aresold

12.7 Characterization of Income on transfer of securities of companies.

Income arising from purchase and sale of securities can give rise to capital gains or business income in the hands of the investor. The issue of characterization of income is relevant as the income tax computation and rates differ in the two situations. The characterization is essentially a question of fact and depends on whether the shares are held as business/trading assets or as capital assets.

Based on the earlier circulars issued by the Central Board of Direct Taxes (‘CBDT’) and judicial decisions, following are the key factors and principles which need to be considered while determining the nature of assets as above

- Motive for the purchase of shares.
- Frequency of transactions and the length of period of holding of the shares
- Treatment of the shares and profit or loss on their sale in the accounts of the assessees.
- Source of funds out of which the shares were acquired – borrowed or own.

- Existence of an object clause permitting trading in shares – relevant only in the case of corporate bodies.
- Acquisition of the shares – from primary market or secondary market.
- the genuineness of transactions in unlisted shares.
- the transfer of unlisted shares is made along with the control and management of underlying business.
- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (Professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares.

CBDT has clarified that, it is possible for a tax payer to have two portfolios, i.e., an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as "Profits or Gains of Business or Profession" under section 28 of the Act or as "Capital Gains" under section 45 of the Act.

In the case of a Foreign Institutional Investor, any securities held in accordance with the regulations made under the SEBI Act, 1992 will always be regarded as capital asset and therefore, subject to capital gain tax.

It should also be noted that in the context of portfolio management schemes there has been litigation in the past on the characterization of income and judicial precedents have taken positions based on facts of each case.

12.8 TAX ON DIVIDEND AND INCOME FROM UNITS OF MUTUAL FUNDS

Dividend distributed by domestic companies and income from units of mutual funds will be taxable in the hands of recipient of dividend/income at respective slab rates. To avoid double taxation of dividend, dividend received by a domestic company from another domestic company or specified foreign company or business trust will not be taxable in the hands of first domestic company, provided such receipt of dividend does not exceed the amount of dividend distributed by the first mentioned domestic company one month prior to the due date of filing a return under Section 139(1). In the case of a resident recipient, withholding tax of 10% will be levied on dividends declared/paid by domestic company and on income distributed by mutual funds whereas in the case of a non-resident recipient, withholding tax at the rate of 20% on dividend income and income from mutual funds would apply. Further, the minimum threshold for applicability of withholding tax on dividend payments to the resident shareholder during the financial year will be INR 5,000.

12.9 BUY BACK TAXATION

The unlisted and listed domestic companies are required to pay tax on distributed income included in the buyback of shares at the rate of 20% on such distributed income. Consequently, the amount received by the shareholders on buy back of shares will be exempt under section 10(34A) of the Act in the hands of the shareholder.

12.10 LONG TERM CAPITAL GAINS

Where investment under Portfolio Management Services is treated as investment, the gain or loss from transfer of securities shall be taxed as Capital Gains under section 45 of the Act.

12.10.1 Period of Holding

The details of period of holding for different capital assets for the purpose of determining long term or short term capital gains are explained hereunder:

Sr. No	Securities	Period of Holding	Characterization
1	Listed Securities (other than Units) and units of equity oriented Mutual Funds, units of UTI, Zero Coupon Bonds	More than twelve (12) months	Long-term Capital Asset
		Twelve (12) months or less	Short-term Capital Asset
2	Unlisted shares of a company	More than twenty-four (24) months	Long-term Capital Asset
		Twenty-four (24) or less	Short-term Capital Asset
3	Other securities	More than Thirty-six (36) months	Long-term Capital Asset
		Thirty-six (36) months or less	Short-term Capital Asset

12.10.2 For listed equity shares in a domestic company or units of Equity Oriented Fund or Business Trust

The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of Equity Oriented Fund or Business Trust.

As per section 112A of the Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10 %, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, will also be taxed at a rate of 10%. This benefit is available to all assessees.

The long term capital gains arising from the transfer of such securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to "step up" the COA of securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the "indexed COA" (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case of equity shares or units, not listed as on 31 January

2018 but listed on the date of transfer; and equity shares/units listed on the date of transfer but acquired in consideration of shares/units not listed on 31 January 2018 through tax neutral modes of transfer under section 47 (e.g. amalgamation, demerger).

The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

12.10.3 <u>For other capital assets in the hands of Resident of India</u>

Long-term Capital Gains in respect of capital asset (other than listed securities and units of equity oriented mutual funds) will be chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. Capital gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly & exclusively in connection with such transfer.

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take fair market value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.

12.10.4 <u>For capital assets in the hands of Foreign Portfolio Investors (FPIs)</u>

Long term capital gains, arising on sale of debt securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by Offshore Funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the Act. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above.

12.10.5 <u>For other capital asset in the hands of Non-resident Indians</u>

Under section 115E of the Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (Specified Assets include shares of Indian Company, Debentures and deposits in an Indian Company which is not a private company and securities issued by Central Government or such other securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation).

12.11 Short Term Capital Gains

Section 111A of the Act provides that short-term capital gains arising on sale of Equity Shares of a company or units of Equity Oriented Fund or units of a business trust entered on a recognized stock exchange and on sale of units of Equity Oriented Fund to the Mutual Fund are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to STT. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

Short Term Capital Gains in respect of other capital assets are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

12.12 PROFITS AND GAINS OF BUSINESS OR PROFESSION

12.12.1 If the investment under the Portfolio Management Services is regarded as "Business / Trading Asset" then the gain / loss arising there from is likely to be taxed as income from business as per slab rates i.e. in the case of resident individual and HUF and at the rate of 30% or 25% or 22% plus applicable surcharge and cess,(as the case may be, in case of resident other than individual and HUF(as the case may be) and also for non-residents other than a foreign company (assuming the highest slab rate for individual). It shall be taxable at the rate of 40% (plus applicable surcharge and cess) in case of a foreign company. The above rates would be subject to availability of benefits under the DTAA, if any in case of non-resident assessee.

12.12.2 Interest income arising on securities could be characterized as 'Income from Other Sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the Act.

12.12.3 Where income referred to above is treated as Business Income, the person will be entitled for deduction under section 36(1)(xv), for the amount of STT paid.

12.13 TAX RATES

12.13.1 **<u>Individuals, HUF, AOP & BOI:</u>**

The Finance Minister introduced new tax regime in Union Budget, 2020 wherein an option for individuals and HUF (Hindu Undivided Family) to pay taxes at lower rates without claiming deductions under various sections. The option for new tax regime can be exercised only once by specified persons having business/professional income and once exercised it will remain same for the subsequent years as well. Income Tax slab rates notified in newtax regime and old tax regime for the Financial Year 2022-23 are as under:

Income Tax Slab (INR)	Tax rates as per newregime	Tax rates as per old regime
0 - 2,50,000	Nil	Nil
2,50,001 - 5,00,000	5%	5%
5,00,001 - 7,50,000	INR 12,500 + 10% of total income exceeding INR 5,00,000	INR 12,500 + 20% of total income exceeding INR 5,00,000
7,50,001-10,00,000	INR 37,500 + 15% of total income exceeding INR 7,50,000	INR 62,500 + 20% of total income exceeding INR 7,50,000
10,00,001 - 12,50,000	INR 75,000 + 20% of total income exceeding INR 10,00,000	INR 1,12,500 + 30% of total income exceeding INR 10,00,000
12,50,001 - 15,00,000	INR 1,25,000 + 25% of total income exceeding INR 12,50,000	INR 1,87,500 + 30% of total income exceeding INR 12,50,000
Above 15,00,000	INR 1,87,500 + 30% of total income exceeding INR 15,00,000	INR 2,62,500 + 30% of total income exceeding INR 15,00,000

Tax rate as per old tax regime for Resident Individual whose age is 60 years or more but less than 80 years and Resident Individual whose age is 80 years or more for Financial Year 2022-23:

Income Tax Slab (INR)	Tax rates Resident Individual whose age is 60 years or more	Tax rates Resident Individual whose age is 80 years or more
Up to 3,00,000	Nil	Nil
3,00,001 - 5,00,000	5%	Nil
5,00,001 - 10,00,000	INR 10,000 + 20% of total income exceeding INR 5,00,000	20%
Above 10,00,000	INR 1,10,000 + 30% of total income exceeding INR 10,00,000	INR 1,00,000 + 30% of total income exceeding INR 10,00,000

Surcharge for the Financial Year 2022-23**:**

Nature of Income	Up to INR 50 lakh	More than INR 50 lakh but upto INR 1 crore	More than INR 1 crore but less than INR 2 crore	More than INR 2 crore but up to INR 5 crore	More than INR 5 crore
• Short-term capital gains and long term capital gains which are subject to STT • Short term or long term capital gains under section 115AD(1)(b) • Dividend	NIL	10%	15%	15%	15%
Any other Income	NIL	10%	15%	25%	37%

12.13.2 **Partnership Firm (Including LLP's):**

A partnership firm (including LLP) is taxable at 30% and surcharge at the rate 12% of such tax where total income exceeds INR 1 crore.

12.13.3 **Domestic Company/Foreign Company:**

Tax Rates for domestic companies for Financial Year 2022-23 :

Turnover Particulars	Tax rates as per Old regime	Tax rates as per New regime
Gross turnover up to INR 400 crore in the FY 2020-21	25%	NA
Domestic Co other than above	30%	22%
MAT tax rate	15%	NA

Tax Rates for Foreign companies for Financial Year 2022-23 :
Foreign companies are liable to tax at 40% on total income.

Surcharge for domestic companies and foreign companies for FY 2022-23:

Total Income (INR)	Domestic Companies		Foreign Companies
	Old Tax Regime	New Tax Regime	
Upto 1 crore	Nil	10%	Nil
1 crore - 10 crore	7%	10%	2%
Above 10 crore	12%	10%	5%

12.13.4 **<u>Health and Education Cess</u>**

For all types of assessees, the amount of income-tax and the applicable surcharge shall be further increased by health and education cess calculated at the rate of 4% of such income-tax and surcharge.

12.13 LOSSES UNDER THE HEAD CAPITAL GAINS/BUSINESS INCOME

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

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

12.14 DIVIDEND STRIPPING

According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then capital losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

The Finance Act, 2020 has abolished DDT and tax dividend income in the hands of shareholders in respect of dividend declared, distributed or paid on or after 1 April 2020 and therefore, in such cases the provisions of section 94(7) would not apply.

12.15 BONUS STRIPPING

Where any person buys or acquires any securities; or units of a mutual fund or the Unit Trust of India or business trust or Alternate Investment Fund within a period of three months prior to the record date (i.e., the date that may be fixed by a company or a Mutual Fund or the Administrator of the specified undertaking or the business trust or Alternate Investment Fund or the specified company, for the purposes of entitlement of the holder of the securities or units to receive additional security or unit, as the case may be, without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

12.16 DEEMED GIFT

Under section 56(2)(x), receipt of shares and securities without consideration or without adequate consideration, the difference (if exceeding INR 50,000) between the aggregate FMV and such consideration are taxable as income in the hands of any person being recipient of such shares and securities, expect in specified circumstances.

12.17 FAIR MARKET VALUE DEEMED TO BE FULL VALUE OF CONSIDERATION IN CERTAIN CASES

As per section 50CA of the Act, where the consideration for transfer of shares of a company (other than quoted shares) is less than the fair market value of such share determined in the prescribed manner, the fair market value shall be deemed to be the full value of consideration for the purposes of computing income under the head 'Capital gains'.

12.18 TAX NEUTRALITY ON MERGER OF DIFFERENT PLANS IN A SCHEME OF MUTUAL FUND AND MERGER OF DIFFERENT SCHEME OF MUTUAL FUND

The consolidation/ merger of different plans in a mutual fund scheme of a fund as well as the consolidation/ merger of mutual fund schemes of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund under the SEBI (Mutual Fund) Regulations, 1996, shall be tax neutral to the investors. Thus, such consolidation/ merger will not result in transfer and will not be liable to capital gains.

The cost of acquisition of the units of the consolidated plan of the scheme shall be the cost of units in the consolidating plan of the scheme and the period of holding of the units of the consolidated plan of the scheme shall include the period for which the units were held in the consolidating plan of the scheme.

The cost of acquisition of the units of the consolidated scheme shall be the cost of units in the consolidating scheme and the period of holding of the units of the consolidated scheme shall include the period for which the units were held in the consolidating scheme.

12.19 SEGREGATED PORTFOLIOS

SEBI has, vide circular SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, permitted creation of segregated portfolio of debt and money market instruments by Mutual Fund schemes. As per the SEBI circular, all the existing unit holders in the affected scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. On segregation, the unit holders come to hold same number of units in two schemes –the main scheme and segregated scheme.

The Finance Act, 2020 amended relevant section to provide that the period of holding of the units in the segregated portfolio is to include the earlier period of holding of the units in the main scheme. Further, for computing the "cost of acquisition" of the units in the segregated portfolio, the "cost of acquisition" of the units in the main scheme will be pro-rated in the ratio of the NAV of the assets transferred to the segregated portfolio. The "cost of acquisition" of the units in the main scheme will simultaneously be reduced by the "cost of acquisition" of the units in segregated portfolio.

13 Accounting Policies

A. The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

B. For every Client Portfolio, the Portfolio Manager shall keep and maintain proper books of accounts, records and documents, for the Client, on mercantile system of accounting, so as to explain its transactions and to disclose at any point of time the financial position of the Client's Portfolio and Financial Statements and in particular give a true and fair view of the state of affairs.

C. Following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts & records of the Client:

1. Investments are stated at cost of acquisition by the Portfolio Manager.
2. Dividend income earned 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 a stock exchange, dividend income shall be recognized on the date of receipt.

3. 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 upto the date of purchase shall 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 shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
4. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.
5. 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 is recorded and reflected in the financial statements for that year.
6. Bonus shares shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
7. Rights entitlement shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.
8. The cost of investments acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the broker's bought note.
9. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
10. All other expenses payable by the Client shall be accrued as and when Liability is incurred.
11. Investments in listed equity and debt instruments will be valued at the closing market prices on the National Stock Exchange (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the Bombay Stock Exchange or other exchange will be used for valuation of securities. In case of the securities are not traded on the valuation date, the last available traded price shall be used for the valuation of securities. Investments in units of Mutual Funds shall be valued at the repurchase price of the previous day declared for the relevant Scheme on the date of the report.
12. Open positions in derivative transactions, will be marked to market on the valuation day.
13. Private equity/Pre IPO placements will be valued at cost or at a last deal publicly available price at which company has placed shares to other investors till it is listed.
14. Unrealised gain/losses are the differences, between the current market value/ Net Asset Value and the historical cost of the securities.
15. Valuation of investments in Non – Convertible Debentures (NCD) / Market Linked Debentures (including Equity Linked Debentures) (MLD) shall be based on prices provided by valuation agency appointed by the issuer of the such securities. In case of any default by the issuer, the Portfolio Manager may at his sole discretion value the NCD / MLD as deems appropriate.
16. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should 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.

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

14. Investor Services

(i) Contact Information

Name, address and telephone number of the Investor Relation Officer who shall attend to the Investor queries and complaints.

Name	:	Ms. Priya Kiyawat
Address	:	Invesco Asset Management (India) Pvt. Ltd. 2101-A, 21st Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, **Mumbai - 400 013**
Telephone	:	022 - 6731 0177
Fax	:	022 - 23019422
Email	:	priya.kiyawat@invesco.com

(ii) Grievance Redressal and Dispute Settlement Mechanism

For any queries/complaints, investor can approach Investor Relation Officer at details given above.

Further investor may also approach the Compliance Officer / CEO of the Portfolio Manager. The details including, inter-alia, name & address of Compliance Officer & CEO, their e-mail addresses and telephone numbers are displayed at each offices of the IAMI.

The officers mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that these officials are vested with necessary authority, independence and the means to handle investor complaints.

The Portfolio Manager will endeavor 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 action of 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 including any dispute regarding fees & charges shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the portfolio manager thinks fit.

In case of non-redressal of the complaint by the Portfolio Manager, investors can approach SEBI for redressal of their complaints. Investors may lodge their complaints through SCORES (SEBI Complaints Redress System - https://scores.gov.in/scores/Welcome.html) or by sending their complaints on the address given below:

Office of Investor Assistance and Education,
Securities and Exchange Board of India,
SEBI Bhavan II
Plot No. C7, 'G' Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Annexure I

Invesco Asset Management (India) Pvt. Ltd. Following transactions were carried out with related parties in the ordinary course of business as on March 31, 2021						
Sr no	**Name of the entity**	**Nature of the transaction**	**Transactions**		**Receivable / (Payable)**	
			March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
A]	***Reimbursement of expenses***					
1	Invesco Ltd. (Bermuda)	Share based expenses	74,761,842	59,944,344	(11,751,232)	(14,871,981)
2	Invesco Hong Kong Limited	Notarisation charges	152,520	194,709	-	(200,658)
3	Invesco Group Services, INC.	Market data services and subcriptions	19,039,642	30,856,982	2,587,494	(22,307,700)
4	Invesco (India) Private Ltd	Reimbursement of expenses	-	32,094	-	(179,235)
5	Invesco Management SA	Rating fees	3,177,930	2,927,348	-	-
6	Invesco Group Services, INC.	MSCI index related services	315,023	-	(317,827)	-
B]	***Purchase of Services***					
1	Invesco UK Limited	Technology & telecom services	32,005,870	22,549,890	4,939,120	(21,037,044)
2	Invesco Asset Management (Japan) Ltd	Offshore advisory services	30,545,231	36,086,793	(2,157,562)	(4,816,050)
3	Invesco (India) Private Ltd	Business support services	49,706,086	65,090,177	(8,178,511)	(7,183,391)
4	Invesco (India) Private Ltd	Purchase of fixed assets	-	75,135	-	(75,135)
5	Invesco (India) Private Limited - EOU	Purchase of fixed assets	-	18,880	-	-
C]	***Recovery of Expenses***					
1	Invesco Ltd. (Bermuda)	Recovery of dividend	6,603,590	9,403,094	-	12,965,068
2	Invesco Group Services, INC.	Recovery of expenses	-	469,167	-	3,121,091
3	Invesco UK Limited	Recovery of expenses	-	92,175	92,175	92,175
4	Invesco (India) Private Ltd	Recovery of expenses	6,253,646	7,650,000	-	-
5	Invesco Hong Kong Limited	Recovery of expenses	-	-	-	58,980
6	Invesco Canada Ltd.	Recovery of expenses	257,657	-	259,951	-
D]	***Provision of Services***					
1	Invesco Hong Kong Limited	Offshore advisory fees	147,523,490	176,115,284	12,138,558	13,744,181

2	Invesco Mutual Fund	Investment management fees	966,296,744	801,830,590	133,495,414	83,886,419
E]	***Inter-corporate loan & interest***					
1	Invesco (India) Private Ltd	Inter-corporate loan	-	940,000,000	-	-
2	Invesco (India) Private Ltd	Interest on Inter-corporate loan	-	25,797,945	-	-
F]	***Transactions with Invesco Mutual Fund***					
1	Invesco Mutual Fund	Purchase of mutual fund units	3,370,679,462	8,249,797,667		
2	Invesco Mutual Fund	Sale of mutual fund units	3,214,160,418	8,885,671,601		
3	Invesco Mutual Fund	Investments in mutual fund			567,132,969	394,031,606
	* The amounts are inclusive of GST					

Name and signature of at least two Directors of Portfolio Manager

Name of the Director	Signature
Sanjay Tripathy	Date: 15-JUL-22 Place- Mumbai
Paresh Parasnis	Date: 18-JUL-22 Place: Mumbai

FORM C

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

INVESCO ASSET MANAGEMENT (INDIA) PVT. LTD.
Address: 2101-A, 21st Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013.
Tel. No.: 022 6731 0000 Fax No.: 022 23019422
Email ID: Neelesh.Dhamnaskar@invesco.com

We confirm that:

i) the Disclosure Document forwarded to the Securities and Exchange Board of India is in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Securities and Exchange Board of India from time to time;

ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager;

iii) the Disclosure Document has been duly certified by Ms. Pradnya Shende (Membership No. 172845) a partner of M/s. S. Panse & Co. LLP, Chartered Accountants (registration no. 113470W/W100591), an independent chartered accountant, having office at 9, Three View Society, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025; Tel. No. 2437 0483 / 84 on July 14, 2022.

For **Invesco Asset Management (India) Pvt. Ltd.**

Neelesh Dhamnaskar
Principal Officer
2101-A, 21st Floor, A Wing,
Marathon Futurex, N. M. Joshi Marg,
Lower Parel,
Mumbai - 400 013

Date: July 14, 2022

Place: Mumbai

S Panse & Co LLP
"formerly S. Panse & Co."
Chartered Accountants

9, Three View Society, Veer Savarkar Marg, Mumbai - 400 025. India. Tel / Fax : 2437 0483 / 84 Email: admin@panse.in

CERTIFICATE

In the matter of: **INVESCO ASSET MANAGEMENT (INDIA) PRIVATE LIMITED**
2101-A, 21st Floor, A- Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel, Mumbai – 400 013.

On the basis of verification of Disclosure Document as required by the SEBI (Portfolio Managers) Regulations, 2020 and other documents, records, audited Financial Statements as on March 31, 2021 of Invesco Asset Management (India) Private Limited and the information and explanation given to us, it is confirmed that:

The disclosure made in the Disclosure Document dated July 14, 2022, copy attached herewith, as required by the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and the directives issued by SEBI from time to time are true, fair and adequate to enable the investors to make a well-informed decision.

For & behalf on
S Panse & Co LLP
Chartered Accountants
FRN:113470W/W100591

Pradnya Shende
Partner
Membership No. 172845
UDIN: 22172845AMVYCV1598

Place: Mumbai
Date: July 14, 2022