

Format for material Change in Disclosure Document

1. Name of the Portfolio Manager: Sharekhan Limited
2. Registration No.: INP000005786
3. Material Change: Change in Principal Officer

Sl. No.	Material Change	Existing	Proposed Change
1.	Change in control of the Portfolio Manager	NA	NA
2.	Principal Officer	Mr. Gaurav Dua	Mr. Binod Modi
3.	fees charged	NA	NA
4.	charges associated with the services offered	NA	NA
5.	investment approaches offered (along with the impact of such change)	NA	NA
6.	other changes as specified by SEBI from time to time	NA	NA

Yours faithfully,
For Sharekhan Limited

Jaideep Arora
Digitally signed
by Jaideep Arora
Date: 2023.09.15
14:09:04 +05'30'

Jaideep Arora
Whole Time Director

Date: September 15, 2023

Place: Mumbai



Sharekhan Ltd.

Registered Office: The Ruby, 18th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400028 Tel: 022 - 67502000 Fax: 022 - 24327343

Administrative Office: 10th Floor, Gigaplex Building No.9, MIDC, Plot No.1 I.T.5, Airoli Knowledge Park Road, TTC Industrial Area, Airoli, Navi Mumbai-400 708, Maharashtra, INDIA. Tel: 022-61150000 Fax: 022-61169699 CIN No. U99999MH1995PLC087498 Compliance Officer: Ms. Binkle R. Oza; Email ID: complianceofficer@sharekhan.com; Tel: 022-61169602

Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; RA : INH000006183 Mutual Fund: ARN 20669; For any complaints email at igc@sharekhan.com.

Disclaimer: Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com before investing.

Sharekhan

by BNP PARIBAS

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

SHAREKHAN LIMITED

Registered Office: The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA. Tel: 022 - 61150000, email: compliance@sharekhan.com

Administrative Office: No 09, Gigaplex Bldg, Raheja Mindspace, Airoli Knowledge Park Rd, Sector 20 B, Sector 20, Airoli, Navi Mumbai, Maharashtra 400708

We confirm that:

- (i) The Disclosure Document forwarded to the Board is in accordance with SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- (ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management;
- (iii) The Disclosure Document has been duly certified by an Independent Chartered Accountant. A copy of the Chartered Accountant certificate is enclosed. The details of Chartered Accountant are as follows:

Name of the Firm	Kamlesh P Mehta Associates
Proprietor	Kamlesh P. Mehta
Membership No.	045573
Address	606, Aura Biplax, S.V. Road, Borivali (W), Mumbai 400092
Telephone No.	(022) 28629188

For Sharekhan Limited

Date: September 14, 2023

Place: Mumbai



Binod Modi

Principal Officer

No 09, Gigaplex Bldg, Raheja Mindspace, Airoli Knowledge Park Rd, Sector 20 B, Sector 20, Airoli, Navi Mumbai, Maharashtra 400708

Sharekhan Ltd.

Registered Office: The Ruby, 18th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400028 Tel: 022 - 67502000 Fax: 022 - 24327343
Administrative Office: 10th Floor, Gigaplex Building No.9, MIDC, Plot No.1 I.T.5, Airoli Knowledge Park Road, TTC Industrial Area, Airoli, Navi Mumbai-400 708, Maharashtra, INDIA. Tel: 022-61150000 Fax: 022-61169699 CIN No. U99999MH1995PLC087498 Compliance Officer: Ms. Binkle R. Oza; Email ID: complianceofficer@sharekhan.com; Tel: 022-61169602

Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; RA: INH000006183 Mutual Fund: ARN 20669; For any complaints email at igc@sharekhan.com.

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SHAREKHAN LIMITED

PORTFOLIO MANAGEMENT SERVICES – DISCLOSURE DOCUMENT

- (i) This Document has been updated as on **September 07, 2023** and has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- (ii) The purpose of this Document is to provide essential information about the portfolio services in a manner to assist and enable you in making informed decision for engaging us as a Portfolio Manager.
- (iii) This document gives necessary information about us as 'Portfolio Manager' required by you as an investor before investing. You are advised to read this document and retain this document for future reference.
- (iv) The name, phone number, e-mail address of the principal officer designated by us as portfolio manager is as follows:

Name of the Principal Officer	Binod Modi
Phone number's	022-67502000
E-mail address	binod.modi@sharekhan.com

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SHAREKHAN LIMITED

PORTFOLIO MANAGEMENT SERVICES – DISCLOSURE DOCUMENT

1. Disclaimer

This document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with the 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 this Document.

2. Definitions

In this Disclosure Document, unless the context otherwise requires:-

“Act” means the Securities and Exchange Board of India Act, 1992 (Act No. 15 of 1992).

“Agreement” means agreement between Portfolio Manager and its clients and shall include all addendums, schedules and annexures attached thereto.

“Board” or “SEBI” means the Securities and Exchange Board of India established under section of the Act.

“Client” or “Investor” means and includes any individual, corporate, partnership firm, HUF, association of person, body of individuals, trust or any other person who registers with the Portfolio Manager for availing the services of portfolio management by the Portfolio Manager.

“Depository Account” means any account of the Client or for the Client with an entity registered as a depository participant under sub-section 1A of section 12 of the Act or any other law for the time being relating to registration of depository participants.

“Financial Year” means the year starting from April 1 and ending on March 31 in the following year.

“Funds” means the moneys placed by the Client with the Portfolio Manager and shall include all accretions thereto.

“Funds Managed” means the market value of the Portfolio of the Client as on a date.

“Initial Corpus” means the value of the Funds and the market value of Securities brought in by the Client and accepted by the Portfolio Manager at the time of registering as a client with the Portfolio Manager.

“Portfolio” means the total holdings of all investments, securities and funds belonging to the Client.

“Portfolio Manager” means Sharekhan Limited a company incorporated and registered under the Companies Act, 1956 and having its registered office at The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA and its correspondence office at Tenth Floor, Building No 09, Gigaplex Bldg, Raheja Mindspace, Airoli Knowledge Park Rd, Sector 20 B, Sector 20, Airoli, Navi Mumbai, Maharashtra 400708

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

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They shall also carry the meaning assigned to them in the Regulations governing portfolio management services.

3. DESCRIPTION

a) History, present business and background of the Portfolio Manager:

Sharekhan Limited (formerly known as SSKI Investor Services Pvt. Ltd.) (“the Company”) was incorporated on 20th April 1995. The Company launched its brand ‘Sharekhan’ in the year 2000 to offer broking services predominantly to non-institutional clients and its web-site ‘www.sharekhan.com’ was launched. In the year 2005, the Company changed its name to Sharekhan Limited. The Company was originally promoted by Mr. Shripal S. Morakhia and Mr. Shreyas S. Morakhia. In the year 2000 company raised equity from foreign private equity investors viz., HSBC Private Equity India Fund Limited, Intel Pacific Inc., First Carlyle Ventures Mauritius. In April 2006, GA Global Investments Limited had invested in the Company through subscribing to equity and participatory convertible non-cumulative preference shares and also they purchased the equity holding of First Carlyle Ventures Mauritius.

In the year 2007 erstwhile promoters of the company viz., Mr. Shripal S. Morakhia and Mr. Shreyas S. Morakhia, sold their equity holdings to Human Value Developers Pvt. Ltd. (HVD), a company promoted by Mr. Tarun P. Shah, Mr. Jaideep Arora and Mr. Shankar Vailaya, thereby ceasing to be a promoter of the Company.

Further in 2007, Citigroup Venture Capital International (CVCI), India “B” Holdings, Mauritius (foreign investors) and IDFC Limited (formerly known as Infrastructure Development Finance Company Limited) have subscribed to compulsorily convertible debentures issued by the Company at an aggregate investment of Rs. 200 Crores. The said investors also purchased the shares held by the foreign investors GA Global Investments Limited, HSBC Private Equity India Fund Limited, HAV2 Holdings 1 (Mauritius) Limited and Intel Capital Corporation. Further convertible preference shares have also been purchased by the said Foreign Investors from GA Global Investments Limited.

In February 2008, Baring Private Equity Asia IV Mauritius Holdings (3) Limited, Citigroup Venture Capital International (CVCI) and IDFC Limited (formerly known as Infrastructure Development Finance Company Limited) have subscribed to compulsorily convertible debentures.

In November 2016, BNP Paribas SA (BNPP) has purchased the entire securities viz. Equity shares, convertible preference shares of the Company and of HVD and convertible debentures of the Company, from TRG/CVCI, Trusts, IDFC Bank Limited, Baring, India “B” Holdings, Management shareholders and other minority shareholders and the Company become the subsidiary of BNPP.

The Company is currently amongst one of India’s largest broking houses. The Company is professionally managed by Mr. Jaideep Arora, Mr. Jean Christophe Gougeon, Mr. Stefan Groening and Mrs. Parminder Varma. It is a member of the BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Multi Commodity Exchange of India (MCX) and Metropolitan Stock Exchange of India Limited (MSEI)(already applied for surrendership, final approval is pending. It is a Depository Participant of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Its business includes Stock Broking, Depository Services, Research Analysts, Portfolio Management Services, Mutual Fund and distribution of other third party products.

The Company’s core specialty lies in its non-institutional distribution with a large network of branches and Authorized persons. Along with branch network, the company’s strength lays in its investment research capabilities. Its research division has several analysts monitoring global, national and regional political, economic and social situations so as to assess their impact on the economy in general, the sectors and companies in particular.

4. Promoters, Directors, Key Management Personnel and Fund Managing Team of the Portfolio Manager and their background

Promoters -

“BNP Paribas SA is the promoter of the Company. The key shareholders of the Company are BNP Paribas SA and Human Value Developers Private Limited (wholly owned subsidiary of BNP Paribas SA) holding 72.76% and 27.24%, respectively, in equity share capital of the Company.” In November 2016, BNP Paribas SA (BNPP) has purchased the entire securities viz. Equity shares (as mentioned above), convertible preference shares of the Company.

Directors, KMPs and their background –

Sr. no.	Name	Designation	Background
1	Mr. Jaideep Arora	Whole Time Director & CEO	<p>Joined Sharekhan in 2000 as head of the Product Development team and within a year took over the reins of the company's online business. He is serving the board of directors of Sharekhan Limited since 2002, and at present he is the CEO and Whole Time Director in the Company and Director in Sharekhan BNP Paribas Financial Services Limited and in Human Value Developers Private Limited.</p> <p>Along with Shankar Vailaya and Tarun Shah, ex-CEO, Sharekhan, Mr. Jaideep took charge of Sharekhan Limited in a turbulent time, nurtured it and made it a force to reckon with in a short span of 16 years. He played a key role in reviving the company's online business after the dotcom crash by launching Speed Trade a high performance Desktop Application for sophisticated traders and an industry first.</p> <p>Prior to joining Sharekhan group, Jaideep worked with various group entities of ICICI Bank Ltd. (ICICI) for 8 years where his work spanned a gamut of functions including project finance, equity sales and brokerage, and investments. His last assignment with the group was setting up ICICI Direct.</p> <p>Education</p> <p>Jaideep holds a degree in Electrical Engineering from IIT Kanpur (1990) and a PGDM from IIM Kolkata (1992)</p>
2	Mr. Jean Christophe Gougeon	Whole Time Director	<p>Mr. Jean Christophe graduated from Ecole Suprieure de Commerce de Clermont (French Graduate School of Management). Prior to joining Sharekhan, Mr. Jean Christophe was the Managing Director, BNP Paribas Personal Investors South East Asia and Head of Business Development Asia/Middle East. From April, 2007 to June, 2009, he was Marketing Director of Geojit BNP Paribas Financial Services Ltd. He is currently, Whole time Director of Sharekhan Ltd and Director in Espresso Financial Services Private Limited and looks after the branding of Sharekhan.</p>
3	Ms. Franciska Maria Godelieve Decuypere	Director	<p>Ms. Franciska Decuypere graduated in Contemporary History, cum laude, University of Leuven. She was a University trainee at BBL/ING and has intensive training in all financial matters.</p>

Sr. no.	Name	Designation	Background
			<p>She has been Head of the Retail & SME (1) Banking Business Line for International Retail Banking at BNP Paribas SA since September 1, 2016. Ms. Decuypere served as the Head of Paribas Personal Investors at BNP Paribas SA from 2014 to September 1, 2016. She has considerable experience of digital banking. She served as a Co-Head of Career Management & Leadership Development at Group Human Resources and served as the Head of Marketing, Distribution Channels and Communications at BNP Paribas Fortis Retail & Private Banking in Belgium, which she joined in 2007. Prior to that, she worked for seven years as the Head of Sales, After-Sales Service and Marketing at Banksys/Atos Worldline, serving during this time as a Member of The Executive Committee. She began her career in 1984 at ING in Belgium where, following a number of sales, change management and marketing positions, she became Head of Distribution Channels and Payment Methods. She has been Vice Chairman of Supervisory Board at DAB Bank AG since January 26, 2015 and has been a Member of Supervisory Board since January 18, 2015. Ms. Decuypere served as a Non Executive Director at Geojit BNP Paribas Financial Services Limited from May 14, 2014 to November 25, 2016. At present she is on the Board of Sharekhan Ltd since November 23, 2016 and its subsidiary</p>
4	Mr. Stefan Groening	Whole Time Director and Chief Operating Officer (COO)	<p>Stefan Groening joined Sharekhan in November 23, 2016 as a Director and since November 2018 he is the COO of Sharekhan Limited and Sharekhan BNP Paribas Financial Services Limited. He is also appointed as the Whole Time Director of the Company since September 2017. Before taking over as COO he was responsible for activities around Investment solutions, Data Analytics, Call Centre and NPS.</p> <p>Before this, since 2012 he was Chief Sales Officer at Consorsbank, Germany,</p> <p>Stefan has been associated with the BNP Paribas group for more than 17 years. His journey transitioned from being Director Internal Auditing at Consors in 2000 to BNP Paribas Personal Investors in 2005. He was a member of the Executive Committee with Geojit BNP Paribas in Cochin, India, from 2007 to 2010 and is very familiar with India and its broking industry. Stefan was the Head of Division Markets & Products at BNP Paribas Personal Investors from 2010 to 2012 where his expertise was in Business Intelligence, Investment Strategy and Product Management among other responsibilities.</p> <p>He is an MBA from University Erlangen-Nuremberg.</p>
5.	Mr. Jean Philippe Hugué	Director	<p>Mr. Jean Philippe Hugué began his career as Deputy Head of Quantitative Research at Compagnie Bancaire in 1989 and then he joined Fimatex S.A. at Société Générale as Managing Director and later he had joined as Chief Operating Officer at</p>

Sr. no.	Name	Designation	Background
			<p>Cortal Consors at BNP Paribas since 2002 to 2005 and at present he is head of Corporate Development at BNP Paribas. Mr. Jean-Philippe Huguët was appointed on the Board of the Company w.e.f. November 8, 2021.</p> <p>Mr. Jean Philippe Huguët has completed his education from École Polytechnique and Ensae ParisTech.</p>
6	Ms. Parminder Varma	Whole Time Director	<p>Before Joining Sharekhan, Mrs. Parminder Varma was the National Branch Banking Head – Emerging Markets at Kotak Mahindra Bank. She comes with more than three decades of rich management experience in the Retail Banking Sector with industry leaders like HSBC and Kotak Mahindra Bank. Her Competencies stem from her deep experience not only in the Branch Banking domain but also in all of retail liabilities channels. Having been involved in all aspects of the banking industry, from personal and retail banking to corporate and emerging markets, She has made strategic contributions in the areas of product development, digital transformation, market penetration, and operational risk management. Educated in Delhi, Mrs. Parminder Varma is a Master in Business Administration and pursuing her Doctorate in Management. She has published two award-winning research papers to date. She has also completed a Postgraduate Diploma in Cyberlaw & Cyber Forensics from the National Law School of India University, Bangalore.</p>
7	Ms. Selvalakshmi Alagappan	Additional Director	<p>Ms. Selvalakshmi Alagappan is the Chief Administrative Officer for BNP Paribas India Solutions. She started her journey in BNP Paribas in 2019. With over 25 years of Banking experience, Ms. Lakshmi held various roles in Barclays and ABN/ RBS Group across the Front Office, Technology and Operations. She has joined the Board of Sharekhan Ltd. as Non-Executive Director dated June 27, 2023.</p>
8	Mr. Arjun Mohan	Additional Independent Director	<p>Mr. Arjun Mohan is an Indian executive who has managed multiple new generation digital businesses in his career. He is an engineer from NITC and an MBA from IIMK. He started his career with TAS and worked in various Tata companies like Tata Motors, Titan, Tata Realty etc. Arjun is passionate about education and this interest took him to BYJU'S where he was one of the founding employees. Arjun led the organisation's Product, Marketing and Business development efforts as its CBO. Post BYJU'S, Arjun led upGrad, India's largest higher-ed online company as its CEO-India. At present he is Director on the Board of Malayalam Dairy & Agro Products Private Limited and Quriousity Learning Private Limited. He is also appointed on the Board of Sharekhan BNP Paribas Financial Services Limited as Additional Independent Director.</p>

Sr. no.	Name	Designation	Background
9	Mr. Vijay Sakali	Company Secretary	Mr. Vijay Sakali is currently designated as Company Secretary of Sharekhan Limited and Sharekhan BNP Paribas Financial Services Limited. Mr. Vijay Sakali, has an overall experience of 18 years, largely in financial industries. Mr. Sakali joined Sharekhan Limited in April 2008 and has worked on different areas like Secretarial, Legal, Loan documentation, Compliances & IPR etc. Education Qualification: Mr. Vijay is qualified Company Secretary from ICSI and LLB from University of Mumbai
10	Mr. Sumeet Chugh	Chief Financial Officer	Mr. Sumeet Chugh is currently designated as Chief Financial Officer of Sharekhan Limited and Sharekhan BNP Paribas Financial Services Limited. Finance Professional with experience in the areas of Corporate Accounting, Audit/ Assurance, Taxation, MIS, Forecasting and Budgeting within Financial services entities including Non- Banking Finance Companies. He has joined Sharekhan group in 2019 and appointed as Chief Financial Officer of Sharekhan Limited dated April 28, 2022
11	Ms. Binkle R. Oza	Compliance Officer	Ms. Binkle R. Oza, a commerce graduate from Mumbai's SNDT Women's University and Post Graduate Diploma in Management – Hybrid Programme in Banking, Investment and Insurance from LN Welingkar Institute of Management and Research and pursuing Company Secretary from the Institute of Company Secretaries of India. She has total work experience of 16 years in the financial services industry dealing with regulators viz SEBI, Exchanges, Depositories, PFRDA, IRDA, etc and has worked with some of the leading broking houses such as Mahesh Kumar Damani, Twin Earth Securities, HPMG Shares and Securities Private Limited, A C Choksi Share Brokers Pvt. Ltd. Her latest experience was with HDFC Securities in the position of Compliance and Principal Officer where she has worked for more than 7 years

Fund Management Team –

Sr. no.	Name	Designation	Background
12	Binod Modi	Principal Officer	Binod Modi has over 15 years of experience in the field of Institutional Equity Research. In the past, he has actively managed Model Portfolio and Basket Advisory Services in his career and had exposure to institutional research & broking and Portfolio Management.
11	Gaurav Dua	Fund Manager	Gaurav Dua is an engineering graduate and also holds a post-graduate degree in finance from Mumbai University 1995-97 batch. He has a vast work experience of over two decades in equity research and other capital market functions in many leading research and broking companies. In Sharekhan, he joined as an analyst in November 2005 and quickly scaled the ladder to become Head of Research in January 2008. Subsequently since 2019, he is managing Sharekhan's flagship portfolio management scheme, Prime Picks PMS Strategy – a multi-cap portfolio.

5. Group Companies

The following are group companies of the Portfolio Manager:

1. Human Value Developers Private Limited
2. Sharekhan Commodities Private Limited
3. Sharekhan BNP Paribas Financial Services Limited
4. Sharekhan.com India Private Limited
5. Sharekhan Consultants Private Limited
6. Wealthtiger Investment Advisors Private Limited.
7. Espresso Financial Services Private Limited
8. BNP Paribas SA and all its group companies

6. Penalties, fines, pending litigation or proceedings, findings of inspection and investigations for which action have been taken or initiated by any regulatory authority.

- i) A summary of the inspections undertaken by SEBI/ Exchange/ Depositories for which the final letter is received during the last three years and the respective outcomes is as below –

Period	As in capacity of	Observations
2018-19	Stock Broker	NSE has conducted inspection and levied penalty of Rs. 125000/- for violation observed pertaining to Retail stock Broking Business of Sharekhan Ltd.
2020	Stock Broker	NSE has imposed monetary penalty of Rs. 1,00,000 for irregularities identified in the submission towards weekly submission of holding statement for the period from November 23, 2020 and December 24, 2020
2019-20	Stock Broker	NSE has conducted inspection and levied penalty of Rs. 1940500/- for violation observed pertaining to Retail stock Broking Business of Sharekhan Ltd.
2020-21	Stock Broker	MCX has conducted inspection and levied penalty of Rs. 2000/- for violation observed pertaining to Retail stock Broking Business of Sharekhan Ltd
2021-22	Stock Broker	SEBI with Stock Exchanges and Depositories had conducted a Joint Inspection for the period April 2021 to July 2022, for which NSE has levied a penalty for Rs. 21,43,000/-
2021-22	Stock Broker	NCL has conducted a regular Inspection for the period January 01, 2021 to March 31, 2022 for which NCL has levied penalty of Rs.1,11,977/- towards incorrect client margin reporting.
2020-2022	Portfolio Manager Services	SEBI had conducted an inspection for the period April 01, 2020 to June 30, 2022 wherein an advise has been issued pertaining to operational disclosures

Note: On-going inspections and / or inspection for which final closure letter is not received from the Regulator / Exchange are excluded from the above summary. Penalty Letters for operational non-compliances are also excluded from the said list.

No material litigation/legal proceedings are pending by or against the Company as its capacity of portfolio manager except few pertaining to retail broking services.

However, as a part of business as usual (BAU) there are many cases including Arbitrations and other civil/ criminal suits pending in various courts / forums / Stock Exchanges which are filed by Or against Sharekhan Limited (in our capacity as a stock broker).

7. Services offered by the Portfolio Manager

Under the portfolio management services offered by the Portfolio Manager, the funds of the Client will be managed by a team of experienced professionals comprising of strategists, technical analysts, quantitative analysts, statisticians, specialists in derivative products, etc. The Portfolio Manager's investment philosophy underlines maximizing the risk-adjusted returns depending on the client's risk tolerance. In order to achieve the same, a disciplined investment approach, with adequate risk controls, has been adopted.

Research is based on use of several techniques. Broadly four techniques are used:

i. Fundamental Research

The long-term risk is managed with the help of an Equity research team whose objective is to undertake bottom up research and identify stock ideas to be included in our model portfolio to assist the PMS team.

Key Elements of our approach to Fundamental Research are:

- Bottom-up stock selection
- In-depth, independent fundamental research
- High-quality companies with sustainable competitive advantages
- Disciplined valuation approach applying multiple valuation measures Long-term vision, resulting in comparatively low portfolio turnover
- The Portfolio manager may use equity derivative futures and options as a hedge against adverse market dynamics as prescribed under the Regulations. Equity derivatives would be used in a manner that the exposure does not exceed the funds under management.

ii. Technical Research

The short term risk is managed with the use of a technical analysis team which focuses on determining trend changes over the short and long term and weighs the probability of that trend in decision making. Based on the type of Investment approach chosen by the client long-term investments might also be made on the basis of technical analysis. Statistical models or mathematical models might also be used to make the buying/selling decisions. Based on this the risk may be hedged in the futures or options market from time to time. A long/short position might be taken in the stock/index futures market. The Value of the exposure in the futures market will not exceed the value of the underlying portfolio at any point of time.

Key Elements of Technical Research are:

- Studies historical data of price, volume, open interest and volatility to gauge the underlying trend
- Determine the probability of that trend sustaining
- Forecasting of price objectives and risk to approach at a risk/reward ratio which is useful in decision making
- Determine entry exit points based on such analysis

Technical research is also used to correct the portfolio Beta to the required risk level that has been fixed for the concerned product. In products based on technical analysis investments might be made in stock/index options by buying stock or index options i.e. calls or puts from the derivatives market. The premium to be paid for options

purchased shall never exceed the value of the portfolio. The risk in this case is limited to the extent of premium paid for the options purchased. Any model portfolio that buys options in the derivatives market will have a pre-decided limit up to which options can be purchased. This will be in the form a percentage of the portfolio and premium paid for options at any point of time will not exceed this limit. Stock/index options might also be sold to earn the premium. In this case the value of the exposure [(strike price) + (premium)] shall never exceed the value of the underlying portfolio at any point of time.

The Portfolio Manager may from time to time form different investment approach The model portfolios are clearly categorized on the basis of the type of Research that goes into it. They could be based on fundamental analysis, technical analysis, statistics, quantitative models, market prices or combinations of these types of research.

- a. Within the category of Fundamental Research based model portfolios they may be classified into Blue chip, balanced, high-risk model portfolio, large cap, mid-cap etc. Each model portfolio will have different risk profile. The Investor may choose between the schemes based on the risk appetite.
- b. Similarly model portfolios could be based on technical analysis, quantitative techniques or statistics and classified into aggressive schemes, passive schemes, index investment schemes, High Beta portfolios and low Beta portfolios etc.
- c. Schemes may be introduced where a percentage of the portfolio would be a mix of model portfolios as described above.

iii. Fund of fund portfolio

The Portfolio Manager may devise a model portfolio which may invest the assets under management of each particular client under the various model portfolios of devised by the portfolio manager, including the fundamental as well as technical model portfolios. In case of discretionary portfolio management services, withdrawals and investment in various model portfolios would be at the discretion of the portfolio manager. In case of non discretionary portfolio management services, the said movement would be done post confirmation from the client.

The investments will be generally made in Equities and its derivatives, money market instruments and in Mutual Funds.

Investments will not be made in associated/group companies of the Portfolio Manager.

The Portfolio Manager will offer discretionary, non-discretionary as well as advisory services to the clients.

The Portfolio Manager broadly offers services under the following categories:

a. Discretionary Services

Under these services, the choice as well as the timing of the investment decision is with the Portfolio Manager..

The Portfolio Manager shall have the sole and unfettered discretion to invest in respect of the Client's account in any type of security in accordance with the Agreement and make changes in the investment and invest some or all of the Client's Portfolio in such manner and in such markets as it deems fit. The Portfolio Manager's decision in deployment of the Client's Portfolio is absolute and final and is not open to review or question by the Client during the currency of the Agreement or at any time thereafter. The Portfolio Manager shall exercise its power and be subject to obligations strictly in accordance with the Act and Regulations made there under.

The Client may, under these services, authorise or restrict the Portfolio Manager to invest the Client's Portfolio in specific financial instruments or securities or a mix of specific instruments or securities, subject to adequate declarations or pre-intimations submitted to Portfolio Manager from time to time.

The Portfolio Manager shall send periodical statements to the Client.

b. Non Discretionary/Advisory Services

Under these services, the Client decides his own investments. The Portfolio Manager is responsible for providing advise and facilitating the execution of transactions. The Portfolio Manager's role is limited to providing research, investment guidance and trade execution at the Client's request. The Portfolio Manager shall exercise its power and be subject to obligations strictly in accordance with the Act, and Regulations made there under. However, the final decision on choice and timings of the investment decisions, and consequently, management of his/her/its portfolio, rest solely with the Client.

8. Investment Approach offered

- a. The Investment Approach offered by the Portfolio Manager are based on the various research techniques as mentioned above.
- b. These Investment Approach are divided into Fundamental Investment strategies, investing in assets based on strong fundamental research and Technical based strategies, which include investing through Derivatives (Futures and Options) based on proprietary trading tools, automated or otherwise, or a combination of both or any model sub - portfolios. It is ensured that while investing through Derivatives no leverage is taken on the portfolio of the client. Minimum initial investment amount is Rs. 50 Lacs, which shall be invested as per the PMS strategy selected by the client.

Under PMS, Sharekhan offers following Approaches to clients

Pursuant to Circular on Performance Benchmarking and Reporting of Performance by Portfolio Managers dated December 16, 2023 and clarifications issued thereafter Sharekhan offers following approaches under Equity Strategy and offers Benchmark of S&P BSE 500 TRI Index for Diversified Equity and Prime Picks from May 2023. Detailed information is as under:

I) Diversified Equity (Performance benchmark – S&P BSE 500 TRI Index)

Objective and Key Features: The investment strategy aims to outperform the benchmark indices with relatively lower volatility in the portfolio. The product seeks to achieve the outperformance through superior selection of well research quality companies to build a well balanced diversified portfolio.

Assets Allocation: 0-100% in Equity stocks and excess cash balance if any, may be invested in liquid/ money market mutual funds.

Risk factors: (1) Market Risk : As the portfolio created under **Diversified Equity** is invested in the equity market, if for reason the equity market corrects, there will be associated risk with this product too (2) Risk associated with full deployment of cash, so in the event of market correction, there can be risk to the portfolio.

The exit load may be applicable based on the approach selected by the client and as mentioned in the illustration duly signed by the client.

II) Prime Picks (Performance benchmark – S&P BSE 500 TRI Index)

Objective and Key Features: Prime Picks follows a dual investment (2 distinct portfolios in one approach, which combines the benefits of secular proven growth story (Quality Portfolio) and also benefits from investing in multi-baggers, turnaround, special situation and other opportunities (Alpha Portfolio). The portfolio endeavors to deliver superior risk adjusted returns across market cycles through a well defined stock selection process and balanced allocation between Quality and Alpha

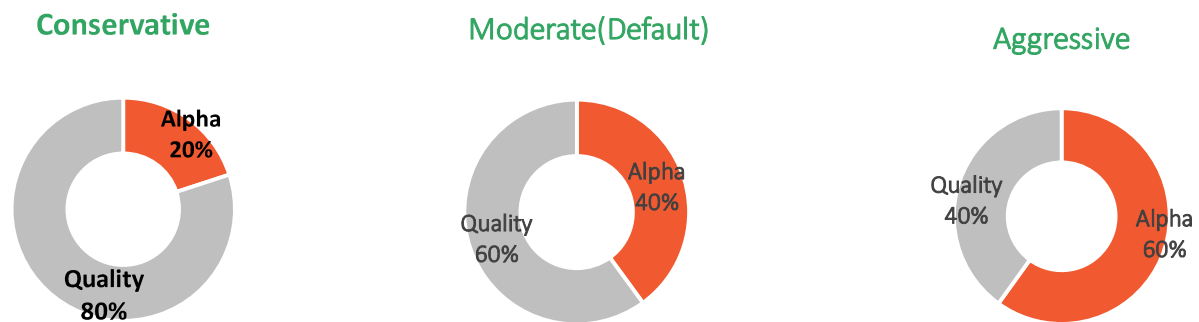
Particulars	Quality Portfolio	Alpha Portfolio
Investment Philosophy	High quality companies with multi-year structural growth theme	Aggressive focused strategy, investing in early multibaggers stocks & special situations
Company Profile	Companies with sustainable earning growth in excess of Industry growth	Investing in Tomorrows leaders, scalable business model, temporary weak market perceptions & large arbitrage due to low coverage
Holding period and price Volatility	Long term holding strategy, low price volatility provide cushion to portfolio.	Both long term and tactical churn strategy

There will be 3 different approaches for investment viz. Conservative, Moderate and Aggressive in Quality and Alpha portfolio based on client risk profile / preference.

The exit load may be applicable based on the approach selected by the client and as mentioned in the illustration duly signed by the client

Assets Allocation: 0-100% in Equity stocks and excess cash balance if any, may be invested in liquid/ money market mutual funds.

The allocation ratio is as under



Prime Picks PMS offers flexibility to choose the allocation between Quality/Alpha portfolios.

Risk factors: (1) Market Risk : As the portfolio created under **Prime Picks** is invested in the equity market, if for reason the equity market corrects, there will be associated risk with this product too (2) Risk associated with full deployment of cash, so in the event of market correction, there can be risk to the portfolio.

Distribution of 3rd Party PMS products :

Sharekhan has also entered into an agreement with other Portfolio managers to distribute PMS products offered by them to Sharekhan clients. Sharekhan will be receiving commission from such portfolio manager as per the agreement and will comply with the regulatory requirements as prescribed under Portfolio Regulations, 2020.

9. Risk Factors:

Following would be associated risk relating to investment in all above approaches over and above already specified above:

- a. Investment in securities, whether on the basis of fundamental analysis or technical analysis or otherwise, is subject to market risks which include price fluctuations impact cost, basis risk etc. The Portfolio Manager does not assure or guarantee that the objectives of any of the investment approach will be achieved. The investments may not be suitable to all the investors.
- b. Past performance of the Portfolio Manager does not indicate the future performance of the same or any other model portfolio in future or any other future model portfolio of the Portfolio Manager. There is no assurance that the past performances will be repeated. Investors are not being offered any guaranteed or assured returns through any of the model portfolio.
- a. The names of the model portfolios do not in any manner indicate their prospects or returns.
- b. Investments in equity may be adversely affected by the performance of companies, changes in the economy, government policy, the market place, credit ratings and industry specific factors.
- c. Debt and other fixed income investments may be subject to changes in interest rates and/or liquidity, credit and reinvestment risks.
- d. Liquidity in the investments and performance of portfolio may be affected by trading volumes, settlement periods and transfer procedures.
- e. Stocks, may be subject to volatility, high valuations, obsolesce and low liquidity.
- f. Derivatives, futures and options are highly leveraged instruments and require a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value. Appreciation in any of the model portfolio can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any model portfolio may also be affected due to any other asset allocation factors.
- g. When investments are restricted to a particular or few sector(s) under any model portfolio; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the portfolio value will be adversely affected.
- h. In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon. The Portfolio Manager is not responsible for any loss resulting from stock lending.
- i. Each portfolio will be exposed to various risks depending on the investment objective, investment approach and the asset allocation. The investment objective, investment strategy and the asset allocation may differ from client to client. However, generally, highly concentrated portfolios with lesser number of stocks generally will be more volatile than a portfolio with a larger number of stocks.
- j. Investments in alternative investments such as real estate, art, or such others are subjective in nature. The market for such investments may not be developed and hence may result in losses. The portfolio manager shall provide consultancy in this regard, however the client shall be responsible for the investment decisions.
- k. There is an inherent risk in investing in certain countries. These risks could be in the nature of economic slowdown, economic risks currency risks, sanctions, military coups, political instability among others
- l. The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors,

trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc

- m. Risk may also arise due to an inherent nature / risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.
- n. All transactions of purchase and sale of securities by Sharekhan 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
- o. If Sharekhan has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any

10. Client Representation

The Portfolio Manager has commenced offering Portfolio Management Services to clients in May 2004. The market value of Portfolio managed and number of clients are as under:

Category of clients	No. of Clients					Funds Managed (Rs.) (crore)					Discretionary /Non-discretionary
	Aug -23	Mar -23	Mar -22	Mar -21	Mar-20	Aug-23	Mar-23	Mar -22	Mar -21	Mar-20	
Associates/ Group Companies	-	-					-			-	-
Others	196	172	248	321	420	96.67	65.60	90.62	98.17	93.95	Discretionary
Total	196	172	248	321	420	96.67	65.60	90.62	98.17	93.95	

Following is the complete disclosure in respect to transactions with related parties, as on March 31, 2023 based on **audited** books of accounts, as per the Accounting Standards specified by the Institute of Chartered Accountants of India:

- a) List of related parties with whom the Portfolio Manager has transactions as on March 31, 2023

The disclosures relating to transactions with related parties have been disclosed separately for those carried out with parties falling under such provisions through the erstwhile promoters.

A Related parties where control exists

a. Holding company

BNP Paribas SA

b. Subsidiary companies

- Sharekhan Commodities Private Limited (SCPL)
- Sharekhan BNP Paribas Financial Services Limited (SFSL) (Formerly Sharekhan BNP Paribas Financial Services Private Limited)
- Wealthtiger Investment Advisors Private Limited (WTIAPL)
- Espresso Financial Services Private Limited w.ef 10th June 2020 (Formerly Sharekhan Comtrade Private Limited) (EFSPPL)

c. Sub - subsidiary companies

- Sharekhan.com India Private Limited (SK.com)

2 Sharekhan Consultants Private Limited (SKCPL)

B Other related parties

a. Fellow subsidiaries with whom transactions have taken place

- 1 BNP Paribas Wealth Management India Pvt. Ltd.
- 2 BNP Paribas Asset Management India Pvt Ltd
- 3 BNP Paribas Net limited
- 4 BNP Paribas Procurement Tech Pvt Ltd
- 5 Arval India Private Limited

b. Entity where the reporting entity is an associate

- 1 Human Value Developers Private Limited

c. Investing entity in which reporting entity is an Associate

Human Value Developers Private Limited. (Subsidiary of BNP Paribas SA)

d. Trust set up by Ultimate Holding Company

BNP Paribas India Foundation

e. Key management personnel ('KMP')

- 1 Shankar Vailaya (upto July 20, 2021) (Whole Time Director)
- 2 Jaideep Arora (Whole Time Director & CEO)
- 3 Stefan Groening (Whole Time Director & COO)
- 4 Jean Christophe Gougeon (Whole Time Director)
- 5 Parminder Varma (w.e.f. March 25, 2022) (Whole Time Director)

f Relatives of KMP

- 1 Sridhar Vailaya (upto July 20, 2021) (Brother of Shankar Vailaya)

11. Disclosure in respect to transactions with related parties (Rs. In millions)

	With Holding Company		With subsidiary companies		Trust		With Fellow Subsidiaries		Entity in which reporting entity is an Associate		With KMP		With relatives of KMP		Total	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
Brokerage earned	-	-	-	-	-	-	-	-	-	-	*	*	-	-	*	*
Depository income	*	*	-	-	-	-	-	-	-	-	*	*	-	*	*	*
Income from mutual fund services - BNP Paribas Asset Management India Private Limited	-	-	-	-	-	-	68	63	-	-	-	-	-	-	68	63
Dividend income	-	-	255	12	-	-	-	-	-	-	-	-	-	-	255	12

	With Holding Company		With subsidiary companies		Trust		With Fellow Subsidiaries		Entity in which reporting entity is an Associate		With KMP		With relatives of KMP		Total	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
- WTIPL	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-
- SFSL	-	-	255	-	-	-	-	-	-	-	-	-	-	-	-	-
- SCPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from shared service costs received from EFSPL	-	-	18	9	-	-	-	-	-	-	-	-	-	-	18	9
Dividend Paid	364	321	-	-	-	-	-	-	136	120	-	-	-	-	500	441
Introductory fees paid to BNP Paribas Wealth Management Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Income from BNP	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-
Received towards reimbursement of expenses from	-	-	124	126	-	-	-	-	-	-	-	-	-	-	124	126
- SFSL	-	-	9	4	-	-	-	-	-	-	-	-	-	-	-	-
- SK.com	-	-	17	15	-	-	-	-	-	-	-	-	-	-	-	-
- WTIPL	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
- EFSPL	-	-	98	106	-	-	-	-	-	-	-	-	-	-	-	-
Paid towards reimbursement of expenses to	-	-	16	13	-	-	-	-	-	-	-	-	-	-	16	13
- EFSPL	-	-	14	13	-	-	-	-	-	-	-	-	-	-	-	-
- SFSL	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-
- SK.com	-	-	*	-	-	-	-	-	-	-	-	-	-	-	-	-
Training Expenses	*	*	-	-	-	-	-	-	-	-	-	-	-	-	*	*
Software expense	7	22	-	-	-	-	6	11	-	-	-	-	-	-	13	33
- BNP Paribas SA	7	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- BNP Paribas Net limited	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-
- BNP Paribas Procurement	-	-	-	-	-	-	6	9	-	-	-	-	-	-	-	-
Tech Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	With Holding Company		With subsidiary companies		Trust		With Fellow Subsidiaries		Entity in which reporting entity is an Associate		With KMP		With relatives of KMP		Total	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
- BNP Paribas SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
- Arval India Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Expense	79	15	*	*	-	-	*	*	-	-	-	-	-	-	79	15
- BNP Paribas SA	79	15	-	-	-	-	-	-	-	-	-	-	-	-		
- WTIPL	-	-	-	*	-	-	-	-	-	-	-	-	-	-		
- BNP Paribas Net limited	-	-	-	-	-	-	*	*	-	-	-	-	-	-		
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
- EFSPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other allowance expat	11	10	-	-	-	-	-	-	-	-	-	-	-	-	11	10
Membership Expense paid to BNP Paribas Procurement Tech Pvt Ltd.	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Corporate Social Responsibility expenditure	-	-	-	-	41	25	-	-	-	-	-	-	-	-	41	25
Interest income	-	-	4	7	-	-	-	-	-	-	-	-	-	-	4	7
- SFSL	-	-	-	6	-	-	-	-	-	-	-	-	-	-		
- EFSPL	-	-	4	1	-	-	-	-	-	-	-	-	-	-		
Interest expense paid to SFSL	-	-	41	32	-	-	-	-	-	-	-	-	-	-	41	32
Margin money received from SK.com	-	-	1	2	-	-	-	-	-	-	-	-	-	-	1	2
Margin money paid to SK.com	-	-	1	2	-	-	-	-	-	-	-	-	-	-	1	2
Remuneration paid to KMPs	-	-	-	-	-	-	-	-	-	-	145	175	-	-	145	175
Loan given to	-	-	1,290	19,301	-	-	-	-	-	-	-	-	-	-	1,290	19,301
- SFSL	-	-	-	18,674	-	-	-	-	-	-	-	-	-	-		
- EFSPL	-	-	1,290	627	-	-	-	-	-	-	-	-	-	-		

	With Holding Company		With subsidiary companies		Trust		With Fellow Subsidiaries		Entity in which reporting entity is an Associate		With KMP		With relatives of KMP		Total	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
Loan received back	-	-	1,218	19,297	-	-	-	-	-	-	-	-	-	-	1,218	19,297
- SFSL	-	-	-	18,674	-	-	-	-	-	-	-	-	-	-	-	-
- EFSPL	-	-	1,218	623	-	-	-	-	-	-	-	-	-	-	-	-
Loan taken from SFSL	-	-	9,900	17,424	-	-	-	-	-	-	-	-	-	-	9,900	17,424
Loan repaid to SFSL	-	-	9,909	17,427	-	-	-	-	-	-	-	-	-	-	9,909	17,427
Balances					-	-	-	-	-	-						-
Trade payables	98	26	-	*	-	-	-	1	-	-	-	-	-	-	98	27
- BNP Paribas SA	98	26	-	-	-	-	-	*	-	-	-	-	-	-	-	-
- BNP Paribas Net limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- BNP Paribas Procurement Tech Pvt Ltd	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
- EFSPL	-	-	-	*	-	-	-	-	-	-	-	-	-	-	-	-
- BNP Paribas Wealth Management India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- BNP Paribas Asset Management India Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	1	-	23	8	-	-	6	5	-	-	-	-	-	-	30	13
- EFSPL	-	-	13	8	-	-	-	-	-	-	-	-	-	-	-	-
- SFSL	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-
- SK.com	-	-	1	*	-	-	-	-	-	-	-	-	-	-	-	-
- BNP Paribas SA	1	-	-	*	-	-	-	-	-	-	-	-	-	-	-	-
- BNP Paribas Asset Management India Pvt Ltd	-	-	-	-	-	-	6	5	-	-	-	-	-	-	-	-
Loan Receivable from EFSPL	-	-	102	30	-	-	-	-	-	-	-	-	-	-	102	30
Borrowing from SFSL	-	-	-	9	-	-	-	-	-	-	-	-	-	-	-	9

	With Holding Company		With subsidiary companies		Trust		With Fellow Subsidiaries		Entity in which reporting entity is an Associate		With KMP		With relatives of KMP		Total	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
Bank Balance	1	2,721	-	-	-	-	-	-	-	-	-	-	-	-	1	2,721
-																

* represents amount less than 1 million

Note: During the year, there was no material transaction with any related parties as per the Related Party Transactions Policy of the Company and all the related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis.

12. Details of investments in the securities of related parties of the Portfolio Manager

The Portfolio Manager does not invest the client funds in the securities of associates/ related Parties of Portfolio Manager

Sr.No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	percentage of total AUM as on last day of the previous calendar quarter
NIL					

13. Disclosure in respect of transactions with related parties pertaining to Portfolio Management Services (Non associate entity)

The Portfolio Manager is a member of the BSE, NSE, MSE and MCX. The Portfolio manager is also a registered Depository Participant with NSDL and CDSL.

For the purpose of executing transactions of purchase and sale of securities the Portfolio manager would transact through the membership held by the Portfolio Manager in NSE and BSE as mentioned above.

Further, as per PMS regulation 2020, 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. Accordingly, in order to comply with above requirement, Portfolio Manager shall required to execute trades exceeding 20% by value either with the associate entity (to the extent of allowed) and balance with other SEBI registered Stock broker.

Brokerage will be charged for such transactions as per clause 16 and at actuals.

14. Financial Performance of the Portfolio Manager

The following represents the summarized financial performance of the Portfolio Manager as per the audited financial statements, unless otherwise specified:

Balance Sheet	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
	(Audited)	(Audited)	(Audited)
	(Currency: Rupees in million)	(Currency: Rupees in million)	(Currency: Rupees in million)
Equity and liabilities			
Shareholder's Funds	16,225	15,010	13,218
Financial Liabilities			
Debt Securities			
Borrowings (other than debt securities)	16,642	11,269	3,984
Lease liabilities	659	491	533
Other financial liabilities	19,020	23,435	20,014
Non-financial liabilities	952	1,035	996
Total	53,498	51,240	38,745
Financial Assets			
Investments	5,290	6,917	7,161
Loans	9,888	9,131	3,977
Other Financial assets	36,193	33,356	25,635
Non-financial Assets			
Property, Plant and Equipment	782	700	848
Right -of-use assets	602	435	472
Other intangible assets	29	64	74
Deferred Tax Asset	307	315	289
Other non financial assets	407	322	289
Total	53,498	51,240	38,745

	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
	(Audited)	(Audited)	(Audited)
	(Currency: Rupees in million)	(Currency: Rupees in million)	(Currency: Rupees in million)
Total Revenue	11540	11611	11,416
Total Expenses	9288	8579	7,086
Profit Before Tax	2,252	3,032	4,330
Tax expense	543	778.4	629
Profit after Tax	1,709	2,254	3,701
Other Comprehensive Income	6	(21)	(8)
Total Comprehensive Income for the year	1,715	2,233	3,693

Further, Sharekhan always maintains excess in over and above the minimum net-worth requirement.

15. Portfolio Management Performance

Portfolio Manager has commenced operations in the month of May 2004. The Portfolio Management performance is given below:

Investment Approaches and Benchmark	Return for the period			
	April to August 2023	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2020-21
Diversified Equity	15.78	1.66	14.62	47.33
S&P BSE 500 TRI Index	16.93	0.91	22.26	78.63
Prime Picks	21.95	-3.07	19.04	49.73
S&P BSE 500 TRI Index	16.93	0.91	22.26	78.63

Note:

1. The Investment approach return is calculated on the basis of Time Weighted rate of return (TWRR). The benchmark return for the same period has been computed based on Time Weighted rate of return (Unitized method).

2. The performance related information provided therein is not verified by SEBI.

16. Audit Observation of Preceding 3 Years:

Following observations were observed during the audit relating to PMS observation :

Period Of Audit	Observations	Management Comments
2019-20 2020-21 2021-22	CKYC for few existing active clients (accounts opened prior to July 31, 2016), need to be uploaded on CERSAI.	We are doing follow up with the clients to provide requisite missing information and submit the same at the earliest. However, there is an onward dependency on client to furnish the information, without which CKYC upload cannot be done. As on July 01,2021, CKYC is pending of 2 clients and having account opening date prior to July 31, 2016.
2019-20	There were proper internal controls and timely resolutions of grievances except for 3 clients Demat Charges were not accounted on accrual basis	We have resolved all the complaints. As on date, no complaints are pending against Sharekhan for PMS We have started charging DP charges on accrual basis with effect from April 20.
2020-21	1. Submission of Reports to SEBI 2. Performance of Portfolio Manger was calculated using TWRR amount based instead to TWRR Unitized Method	1. Reports were generated from Miles software and few details were erroneously reported to SEBI. However, we are taking utmost and checking the data before reporting 2 SEBI SCORES Complaints were not reported to SEBI as we had erroneously missed it and the same were not pertaining to Portfolio Manager 3. From June 2021 we have changed the method of computing performance

Period Of Audit	Observations	Management Comments
2021-22	<p>Compliance of Other Provisions</p> <p>1. Sharekhan is required to maintain cap of 20% of value of charges for self or associates</p> <p>2. Sharekhan is required to obtain self-certification from all Distributors for compliance with Code of Conduct</p>	<p>1. Sharkehan has already opened account with another Broker and PMS Transactions are routed through the broker. However, during 21-22 the cap had exceeded by 10% for which we have started monitoring PMS transactions / volume under self / associates on a monthly basis</p> <p>2. We have received self-certification for all distributors except few for which we are following up with the distributors. Further, we have held the commission of such distributors.</p>

17. Nature of expenses

The Company being a trading member of the NSE, BSE and MCX and also a Depository Participant with NSDL and CDSL, offers execution and depository services to its PMS clients who intend to avail of the said services through the Portfolio Manager. The following are indicative types of expenses. The charges for Prime Picks is as under:

Note: Management Fees charged equally across four quarters

The pricing plan for Prime Picks is as under:

Particulars	Prime Picks PMS		
	Plan A	Plan B	Plan C
Minimum	50 lakhs	50 lakhs	50 lakhs
Additional Investments	Multiples of 1 lakh	Multiples of 1 lakh	Multiples of 1 lakh
Management Fees	0%-2% p.a. on corpus + taxes	0%-2% p.a. on corpus + taxes	0%-1% p.a. on corpus + taxes
Brokerage	0.1%-0.5% + statutory charges	0.1% + statutory charges	0.1% + statutory charges
Hurdle Rate	18% (net of all the cost)	15% (net of all the cost)	12% (net of all the cost)
Profit Sharing Fees	20% profit sharing post hurdle rate;	20% profit sharing post hurdle rate;	20% profit sharing post hurdle rate;
Lock In Period	No	Yes	Yes
Exit Load	Nil	3% if exit within 1 year; 2% if exit within 2 years; 1% if exit within 3 years	3% if exit within 1 year; 2% if exit within 2 years; 1% if exit within 3 years

The pricing plan for Diversified equity is as under

Particulars	Pricing Plan
Minimum Investment	50 lakhs
Additional Investments	Multiples of 1 lakh
Management Fees	0%-2.5% p.a. + taxes
Brokerage	0.5% + statutory charges
Hurdle Rate	15% (net of all the cost)
Profit Sharing Fees	20% profit sharing post hurdle rate
Exit Load	Nil

Note : Management Fees charged equally across four quarters. Fees are subject to overall regulatory caps as may be specified in the Disclosure Document. *Subject to High Water Mark Principle.

a) Management Fees-

Management Fees relate to the portfolio management services offered to Clients. The fee may be a fixed charge or a percentage of the quantum of funds managed or linked to portfolio on return achieved or a combination of any of these.

b) Custodian/Depository Fees

The charges pertaining to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialisation, rematerialisation and other charges in connection with the operation and management of the depository accounts.

c) Registrar and Transfer Agent Fee

Charges payable to registrar and transfer agents in connection with effecting transfer of securities, including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges, etc.

d) Brokerage and transaction costs

The brokerage charges and other charges like Goods and Services Tax, Securities Transaction Tax, service charges, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of mutual funds, stocks, bonds, debt, deposits, units and other financial instruments. Sharekhan Ltd has earned an amount of Rs. 5.6___million as brokerage from PMS clients for the period ended April 01, 2022 to March 31, 2023. Also, Sharekhan Limited has earned DP income of Rs. 0 from PMS clients during the same period.

e) Securities Lending and Borrowing Charges

Charges pertaining to the lending of securities, costs of borrowing, including interest and costs associated with transfer of securities connected with the lending and borrowing operations.

f) Certification and Professional Charges

Charges payable for outsourced professional services like accounting, taxation and legal services, notarization, etc. for certification, attestation required by bankers, intermediaries and regulatory authorities.

g) Profit Sharing

The Portfolio manager may have a profit sharing arrangement with the clients based on the High Water Mark principle.

h) Incidental Expenses

Courier charges, stamp duty, Goods and Services Tax, postal stamps, opening and operation of bank accounts, etc.

18. Reports available to the clients

Reports will be made available to the clients online as per the requirement of SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

19. Taxation

In view of the individual nature of tax consequences, each Client is advised to consult their tax advisor with respect to the specific tax consequences. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the Client's tax obligations. The provisions of the Income Tax Act, 1961 shall apply to the client and the Portfolio Manager in respect of their individual income.

20. Accounting Policy

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

- b) Investments in Equities, Mutual Funds and Debt instruments will be valued at the closing market prices of the exchange (BSE or NSE as the case may be) or the Repurchase Net Asset Value declared for the relevant model portfolio on the date of the report or any cut-off date or the market value of the debt instrument at the cut-off date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned.
- c) Realized gains/losses will be calculated by applying the First in/First out principle. For example, the earliest purchased quantity will be reckoned for the current/most recent sale at the respective prices at both points in time.
- d) Unrealized gains/losses are the differences between the current market values/NAVs and the historical cost of the securities.
- e) Dividends on shares and demat charges and other corporate benefits shall be accounted on accrual basis.
- f) Management fees, Performance fees and other charges shall be accounted as per the agreement with the client.
- g) The Portfolio Manager and the Client can adopt any specific norm or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case specific basis.
- h) The Client may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

21. Direct Onboarding:

As per SEBI Portfolio Managers Regulations 2020 and subsequent guidelines issued by SEBI, Client has an option of on-boarding directly, without intermediation of persons engaged in distribution services. At the time of onboarding of clients directly, no charges except statutory charges shall be levied.

22. Investor Services

Name, address and telephone number of the investor relations officer who shall attend to the Client's queries and complaints: -

Name	:	Ms. Binkle R Oza
Address	:	No 09, Gigaplex Bldg, Raheja Mindspace, Airoli Knowledge Park Rd, Sector 20 B, Sector 20, Airoli, Navi Mumbai, Maharashtra 400708
Telephone	:	022 – 62263303
Email	:	complianceofficer@sharekhan.com

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and the wherewithal to handle investor complaints.

For operational queries or other issues, you may also write to pms_servicesupport@sharekhan.com

23. Grievance Redressal and Dispute Settlement mechanism

The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Client remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the client may seek to redress his complaint through

the redressal mechanism which is available on the SEBI website i.e. SCORES. Alternatively, the Client and the Portfolio Manager shall abide by the following mechanisms.

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

24. Outsourcing of Activities:

The Portfolio Manager has not outsourced any key activities except that the (a) scanning and storage of the Know Your client related documents and the proofs and / or authorizations submitted along with the same and forming a part of the KYC document and (b) settlement of trades done through custodian as per PMS Regulations, 2020

For SHAREKHAN LIMITED

**STEFAN
GROENING** Digitally signed by
STEFAN GROENING
Date: 2023.09.14
13:38:58 +05'30'

**Stefan Groening
Whole Time Director**

For SHAREKHAN LIMITED

**Jaideep
Arora** Digitally signed by
Jaideep Arora
Date: 2023.09.14
13:37:42 +05'30'

**Jaideep Arora
Whole Time Director**

Date: September 14, 2023

Place: Mumbai

The certificate attached forms an integral part of this Disclosure Document.

**For Kamlesh P. Mehta Associates;
Chartered Accountants**

**KAMLESH
PRANLAL
MEHTA** Digitally signed by KAMLESH PRANLAL
MEHTA
DN: c=IN, o=PERSONAL, ou=1626,
postalCode=400067, email=pranlal.mehta@sharekhan.com,
serialNumber=1054c350d869a656d169635
79394697c97d5a34b3668e11457a4db686d
c208, cn=KAMLESH PRANLAL MEHTA
Date: 2023.09.14 16:06:23 +05'30'

**Kamlesh P. Mehta
Proprietor
Membership No. : 045573**

Date: September 14, 2023

Place: Mumbai



CERTIFICATE

We have been requested by **M/s Sharekhan Limited (the Company)** having its registered office at The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA and having SEBI registration No. **INP000005786**, to certify the contents and information provided in the Disclosure Document required to be filed with Securities and Exchange Board of India (SEBI) as per Regulation 22(5) Schedule V of SEBI (Portfolio Managers) Regulations, 2020.

We have verified Disclosure Document and the details with the respective documents, system generated reports provided by the management of the Company and have relied on representations made to us by the management wherever necessary.

Based on our verification of the records and the information and explanations given to us, we hereby certify that the contents and information provided in the Disclosure Document updated upto **7th September, 2023** and annexed hereto are true, fair and adequate to enable the investors to make a well informed decision. We further certify that the Disclosure Document complies with the requirement specified in Schedule V of Regulation 22(5) of the Securities and Exchange Board (Portfolio Managers) Regulations, 2020.

We have relied on the representation given by the management about the penalties or litigation against the Portfolio Manager mentioned in the disclosure document. We are unable to comment on the same.

The certificate has been issued solely for complying with the requirements of SEBI (Portfolio Managers) Regulations, 2020 for the sole purpose of certifying the contents of the Disclosure Document for Portfolio Management Investment Approach and should not be used or referred to for any other purpose without our prior written consent.

For Kamlesh P. Mehta Associates

Chartered Accountants

FRN: 120063W

**KAMLESH
PRANLAL
MEHTA**

Digitally signed by KAMLESH PRANLAL MEHTA
DN: c=IN, ou=PERSONAL, title=1626,
pseudonym=e6e6afcb48b64d74aa2913f372e13a
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postalCode=400067, st=Maharashtra,
serialNumber=b044c5b0bd869da6a21696267059
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cn=KAMLESH PRANLAL MEHTA,
Date: 2023.09.14 16:04:18 +05'30'

Kamlesh P. Mehta

Proprietor

Membership No: 045573

UDIN: 23045573BGVLII9435

Date: 14th September, 2023

Place: Mumbai