

DISCLOSURE DOCUMENT

This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993.

The purpose of this Disclosure Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making an informed decision for engaging PGIM India Asset Management Private Limited (erstwhile DHFL Pramerica Asset Managers Private Limited) as a Portfolio Manager.

This Disclosure Document contains necessary information about the Portfolio Manager required by an investor before investing. The investors / clients should carefully read the Disclosure Document prior to making a decision to avail of the portfolio management services and are advised to retain this document for future reference.

The Principal Officer of the Portfolio Management Services of PGIM India Asset Management Private Limited is Mr. Ajit Menon [Tel: +91 22 61593100, Email:- ajit.menon@pgimindia.com]

This Disclosure Document is dated August 8, 2019.

ADDENDUM TO DISCLOSURE DOCUMENT DATED AUGUST 8, 2019

The following changes are effected in the Disclosure Document dated August 8, 2019 of Portfolio Management Services of **PGIM India Asset Management Private Limited** (erstwhile DHFL Pramerica Asset Managers Private Limited):

1. Mr. Muralidharan Rajamani has been appointed as an Independent Director on the Board of Directors of the Company with effective from August 28, 2019. Accordingly, the following details shall be inserted under the sub-section pertaining to “(b) Board of Directors and their background:” under “B. Promoters of the Portfolio Manager, Directors and their background” under Section “3. DESCRIPTION” in the said Disclosure Document:

| Name | Background |
|--|---|
| <p>Mr. Muralidharan Rajamani (Independent Director)</p> <p>Age: 58</p> <p>Qualification: B.Sc. (Mathematics, Statistics and Physics), Post-Graduation (Economics), University of Madras</p> | <p>Mr. Muralidharan has over 33 years of experience in the Banking Financial Services and Insurance Sector. Over the last decade, he has held CEO/COO / Top Leadership positions across institutions such as ICICI Bank, Dhanlaxmi Bank and L&T Financial Services. Presently he is a Practice Head-Leadership Development at the Leadership Centre (www.leadershipcentre.in). He also mentors two Tech start ups one in Delhi, India and another in the Silicon Valley. He does pro-bono work with organizations that provide opportunities and better environment for People with Disabilities.</p> <p>His long tenures have been with the country’s largest Public and Private Sector Banks - State Bank of India (9 years) and ICICI Bank (13 years). His wide experience spans Corporate Banking, Retail Banking, Branch and Digital Channels, Strategy, Technology, Operations and Transformational Projects in Customer Experience some of which were industry-first initiatives. At ICICI Bank, he was a part of the team that set up the Bank in 1994 and went on to become General Manager – Global Operations Group. His transformational work in Dhanlaxmi Bank where he was the President and Chief Operating Officer won him The Asian Banker Award in 2012.</p> <p>He retired as the Group Head at L&T Financial Services (Financial Services arm of the Engineering Giant Larsen & Toubro) where he led the Operations, Technology, Credit Mid office and Corporate Social Responsibility across the entire spectrum of Infrastructure and Project Finance, Retail Lending and Rural Finance, Asset Management, Wealth Management and Insurance businesses. Mr. Muralidharan was the member of the Group Executive Council, the Apex Body of the group.</p> <p>Through his career, Mr. Muralidharan has been a part of Strategic and Leadership committees and has held Board Positions in the business and not for profit organizations. He was also the Vice-Chair of Custommerce Service Excellent Foundation. Mr. Muralidharan has been a regular speaker in industry fora and facilitated sessions in leading institutions such as National Institute of Bank Management, Tata Management Training Centre and the like. Mr. Muralidharan has throughout his career been part of strategic and transformational initiatives across the institutions he was a part of both in business and enterprise functions. Also, Mr. Muralidharan has actively been engaged in building and facilitating capability development and leadership development.</p> |

2. The following Independent Directors have resigned from the Board of the Company:

| Sr. No. | Name of the Director | Date of resignation |
|----------------|-----------------------------|----------------------------|
| 1 | Mr. C. P. Philip | August 28, 2019 |
| 2 | Mr. G. Parthasarathy | September 1, 2019 |
| 3 | Mr. Vijay Ranchan | September 1, 2019 |

Accordingly, all reference to above-mentioned Directors under the sub-section pertaining to “(b) Board of Directors and their background:” under “B. Promoters of the Portfolio Manager, Directors and their background” under Section “3. DESCRIPTION” in the said Disclosure Document stands deleted.

This addendum forms an integral part of the Disclosure Document of Portfolio Management Services of PGIM India Asset Management Private Limited. All other terms and conditions of the Disclosure Document remain unchanged.

For PGIM India Asset Management Private Limited

Place: Mumbai
Date: September 7, 2019

Sd/-
Dr. V. R. Narsimhan
Director
DIN - 00170064

Sd/-
Mr. Muralidharan Rajamani
Additional Director
DIN - 01690363

IMPORTANT DISCLOSURE

The Disclosure Document and its contents are for information only and do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or subscribe or the solicitation of an offer to buy or sell or subscribe any product(s)/portfolio or strategy or any other securities or financial products/investment products mentioned in the Disclosure Document or an attempt to influence the opinion or behavior of the clients/prospective clients. Any use of the information / any investments and investment related decisions of the clients/prospective clients are at their sole discretion & risk and the Portfolio Manager shall not be responsible/liable for the same in any manner whatsoever, to any person/entity. The investments may not be suited to all categories of clients/prospective clients. As with any investment in any securities, the value of the portfolio under any product(s)/ portfolio or strategy can go up or down depending on the factors and forces affecting the capital market.

Clients/prospective clients must make their own investment decisions based on their own specific investment objectives, their financial position and using such independent professional advisors for seeking independent legal, investment and tax advice as they believe necessary, before acting on any information in the Disclosure Document or any such other documents or before making any investments in such Product(s)/ Portfolio. Any use of the information contained in the Disclosure Document, any investments in the product(s)/portfolio and any investment related decisions pertaining to such product(s)/ portfolio of the clients/prospective clients are at their sole discretion & risk. There may be changes in the legal, tax and the regulatory regimes (including without limitation; political changes, government regulations, social instability, stock market fluctuations, diplomatic disputes, or other similar developments), which could adversely affect the client's/prospective clients' investments in the product(s)/ portfolio. Investments in the product(s)/ portfolio stand a risk of loss of capital and the clients/prospective clients should be aware that they may lose all or any part of their investments in such product(s)/portfolio.

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(1) DISCLAIMER CLAUSE:

This Disclosure Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993, and has been filed with the Securities Exchange Board of India (“SEBI”). This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Disclosure Document. This Disclosure Document remains in effect until a ‘material change’ occurs. Material changes will be filed with Securities and Exchange Board of India (“SEBI”) and notified to the investors, subject to the applicable Regulations.

(2) DEFINITIONS:

- (i) **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992) as amended from time to time.
- (ii) **“Advisory Services”** shall mean the services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients and agreed upon in the PMS Agreement.
- (iii) **“AMC”** means PGIM India Asset Management Private Limited (erstwhile DHFL Pramerica Asset Managers Private Limited).
- (iv) **“Agreement” or “Client Agreement” or “PMS Agreement”** means the agreement by whatever name called entered into between the Client and the Portfolio Manager for provision of Portfolio Management Services by the Portfolio Manager to the Client as provided for by regulation 14(1) of the Regulations, including any addendum thereto and shall be read in conjunction with the Application Form.
- (v) **“AML Laws”** shall mean Prevention of Money Laundering Act, 2002, the Rules issued thereunder and the guidelines/circulars issued by SEBI thereto, as amended from time to time.
- (vi) **“Assets” or “Assets of the Account”** shall mean the Securities and other investments and funds managed by the Portfolio Manager from time to time in terms of the Portfolio Management Services Agreement entered into with the Client.
- (vii) **“Cash Account”** means the account in which the funds handed over by the client shall be held by the Portfolio Manager on behalf of the Client.
- (viii) **“Client”** means any person, whether an individual or a non-individual, who enters into the Portfolio Management Services Agreement with the Portfolio Manager for availing of the Portfolio Management Services offered by the Portfolio Manager.
- (ix) **“Custodian”** shall mean the custodian providing custodial services in accordance with the regulations issued by SEBI and appointed from time to time for safe keeping of the Assets of the Client.
- (x) **“Depository”** shall mean Depository as defined in the Depositories Act, 1996 (22 of 1996).
- (xi) **“Disclosure Document”** shall mean this disclosure document for the Portfolio Management Services.
- (xii) **“Discretionary Portfolio Management Services”** shall mean portfolio management services where the Portfolio Manager exercises or may, under a contract relating to

portfolio management exercise any degree of discretion as to the investments or management of the Portfolio of securities or the Funds of the Client, as the case may be.

- (xiii) **“Discretionary Portfolio Manager”** shall mean a portfolio manager who provides Discretionary Portfolio Management Services.
- (xiv) **“Financial year”** shall mean the year starting from 1st April of a year and ending on 31st March the following year.
- (xv) **“Funds”** shall mean the moneys placed by the Client with the Portfolio Manager and any accretions thereto.
- (xvi) **“Fund Manager”** means the individual/s appointed by the Portfolio Manager who manages, advises or directs or undertakes on behalf of the Client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or the funds of the client, as the case may be.
- (xvii) **“Non Discretionary Portfolio Management Services”** shall mean portfolio management services other than Discretionary Portfolio Management Services and Investment Advisory Services, wherein Funds are managed in accordance with the directions of the Client.
- (xviii) **“Non Discretionary Portfolio Manager”** means a portfolio manager providing Non Discretionary Portfolio Management Services.
- (xix) **“PMS” or “Portfolio Management Services”** means portfolio management services that are carried out by the Portfolio Manager in accordance with SEBI (Portfolio Managers) Regulations, 1993, whether in the nature of Discretionary Portfolio Management Services, Non Discretionary Portfolio Management Services or Investment Advisory Services, as the context may require.
- (xx) **“Portfolio”** shall mean all Funds and Securities of the Client that are managed by the Portfolio Manager on the Client’s behalf as per the PMS Agreement.
- (xxi) **“Portfolio Manager”** means PGIM India Asset Management Private Limited (erstwhile DHFL Pramerica Asset Managers Private Limited), a company incorporated under the Companies Act, 1956, having its registered office at 2nd Floor, Nirlon House, Dr. A.B. Road, Worli, Mumbai - 400 030, India and registered with SEBI to act as a portfolio manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, vide registration no. INP000003864 dated September 06, 2016.
- (xxii) **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.
- (xxiii) **“PFI”** means Prudential Financial, Inc.
- (xxiv) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 including any modification or amendment thereof.
- (xxv) **“SEBI”** means the Securities and Exchange Board of India
- (xxvi) **“Securities”** means and includes, whether listed or unlisted, securities as defined under the Securities Contracts (Regulation) Act, 1956, as amended from time to time.

(xxvii) “**Securities lending**” means the securities lending as per the Securities Lending Scheme, 1997 specified by SEBI.

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.

(3) DESCRIPTION:-

A. History, Present Business and Background of the Portfolio Manager

PGIM India Asset Management Private Limited (erstwhile DHFL Pramerica Asset Managers Private Limited¹) (“the Portfolio Manager”/“the AMC”), is a private limited company incorporated under the Companies Act, 1956 on September 24, 2008, and having its Registered Office at 2nd Floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400 030. The AMC is registered with SEBI as a Portfolio Manager under Regulations vide registration no. INP000003864 dated September 06, 2016.

The AMC has also been appointed as the asset management company of PGIM India Mutual Fund (erstwhile DHFL Pramerica Mutual Fund) by the Trustees of PGIM India Mutual Fund vide an Investment Management Agreement executed between the AMC and the Trustees of PGIM India Mutual Fund on July 30, 2009. (PGIM India Mutual Fund is registered with SEBI on May 13, 2010 under Registration Code MF/065/10/02). PGIM India Mutual Fund manages assets over INR 4041.29 Crores under management as on July 31, 2019.

The AMC will also act as the investment manager for PGIM India Alternative Investment Fund (erstwhile DHFL Pramerica Alternative Investment Fund) (“AIF Fund”), which is formed as a trust and has received registration as a Category III Alternative Investment Fund from SEBI vide Registration No. IN/AIF3/ 18-19/0615.

The Portfolio Manager is a wholly owned ‘step-down’ subsidiary of Prudential Financial, Inc (PFI) through one of its wholly owned ‘step-down’ subsidiary, namely, PGLH of Delaware, Inc. The shareholding pattern of the Portfolio Manager is as follows:

| Shareholder | Type of holding | % of shareholding |
|----------------------------------|-----------------|-------------------|
| PGLH of Delaware, Inc. | Equity | Almost 100% |
| Pramerica Financial Asia Limited | Equity | Insignificant* |

*1 share held as a nominee.

B. Promoters of the Portfolio Manager, Directors and their background:

(a) Promoters:

Prudential Financial, Inc. (PFI)

¹ The name of the AMC has been changed from DHFL Pramerica Asset Managers Private Limited to PGIM India Asset Management Private Limited with effect from July 29, 2019 pursuant to the AMC and its shareholders entering into Share Purchase Agreement for acquisition of share of Company by PGLH of Delaware, Inc from Dewan Housing Finance Corporation Limited (DHFL) and its whole owned subsidiary.

PFI is a financial services leader with approximately US \$ 1.456 trillion of assets under management and approximately 50,000 employees & sales associates worldwide as of March 31, 2019. PFI is headquartered in Newark, NJ (USA) and has more than 140 years of financial services experience with operations in the U.S., Asia, Europe, and Latin America. PFI is focused on helping individual and institutional customers grow and protect their wealth and offers a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management.

PFI conducts its global asset management activities under the brand name PGIM. Under this brand, PFI is a top 10 global investment manager with more than 1, 200 investment professionals in 15 countries on four continents worldwide. In the U.S., PFI’s PGIM Investments open-end mutual fund family includes 86 schemes and US \$134,938,883,265 assets under management, and in Europe, PFI’s PGIM Funds (UCITS domiciled in Ireland) include 28 schemes and approximately US \$3,482,664,653 assets under management, as of March 31, 2019. The PGIM Funds are registered in 17 countries in Europe, Asia and Latin America. More information about PFI’s global asset management activities may be found here: <https://www.prudential.com/institutions/investment-management>.

Prudential Financial, Inc. of the United States is not affiliated with Prudential plc, which is headquartered in the United Kingdom.

(b) Board of Directors and their background:

The following table sets forth the current details regarding the Portfolio Manager’s Board of Directors:

| Name and Designation | Background |
|---|--|
| <p>Mr. Glenwyn Peter Baptist (Associate Director)</p> <p>Age: 58 years</p> <p>Qualification: Master of Management, Chartered Financial Analyst</p> | <p>Mr. Baptist is the Chief Executive Officer (“CEO”) and Chief Investment Officer (“CIO”) of Prudential International Investments (A business division of Prudential Financial, Inc, USA), where he oversees the day-to-day business and investment management of Prudential’s asset management affiliates and joint ventures in Italy, China, Taiwan, Brazil and India. Mr. Baptist was appointed to the position of CEO in June 2014 and has been the CIO since March 2006. From 2000 to 2006, he was the director of mutual funds and managed accounts for Prudential Fixed Income, with responsibility for these products across all distribution channels globally. Prior to that, he was chief operating officer for asset management at Prudential, responsible for business administration. He joined Prudential in 1986 and has 28 years of experience ranging from investment management and marketing to corporate finance and strategic planning.</p> |
| <p>Mr. Jan Van Den Berg (Associate Director)</p> <p>Age: 55 years</p> | <p>Mr. Jan Van Den Berg is the President of the Asia Region (non-Japan) of the international insurance operation of Prudential Financial, Inc. (PFI). As the President of Asia Region (non Japan) Mr. Van</p> |

| Name and Designation | Background |
|---|--|
| <p>Qualification: Master of Business Administration & Master's Degree in Medicine</p> | <p>Den Berg provides support and oversight to PFI's insurance businesses in the Asia Region (non Japan). He joined PFI in 2011 from AXA, where he served as Chief Executive Officer, AXA Asia Pacific General Insurance, since 2007, and was responsible for insurance operations in 10 countries including China, India, Japan and South Korea. Between 2000 and 2007, Mr. Van Den Berg was Chief Executive Officer, AXA Netherlands, an operation that provided life, health and general insurance. Prior to joining AXA, Mr. Van Den Berg held a variety of positions at the ING Group in the Netherlands, including: Regional Director of an operation selling life, health and general insurance; Program Manager Restructuring, charged with coordinating a large-scale merger of ING's life and general insurance companies; and Director, Individual Life Division, where he oversaw development of an award-winning universal life insurance product.</p> <p>He is also a director on the Board of other companies.</p> |
| <p>Mr. C.P. Philip (Independent Director)</p> <p>Age: 70years</p> <p>Qualification: M. Sc., C.A.I.I.B. (Part I)</p> | <p>Mr. C.P. Philip is the former Executive Director of IDBI Bank Ltd., where he worked in various capacities for about 30 years. He has varied and wide experience in various areas of banking, both developmental and commercial. As Executive Director of IDBI Bank, he was responsible for the overall Risk Management & Audit. He was actively involved in putting in place the Basel II guidelines with regard to standardized approach. He headed various functions viz., Risk Management & Audit, Corporate Banking, Retail Banking, Branch & Centralised Operations, Human Resources & Training, Administration. He has had immense exposure to term lending, working in various capacities. Has handled many projects in infrastructure, manufacturing and services sectors.</p> |
| <p>Mr. G. Parthasarathy (Independent Director)</p> <p>Age: 79 years</p> <p>Qualification: B.E. (Electrical)</p> | <p>Mr. G. Parthasarathy was the Indian High Commissioner in Pakistan from 1998 till retiring from service in 2000. He was also the High Commissioner of India in Australia from 1995 to 1998 and High Commissioner of India in Cyprus from 1990 to 1992 and Ambassador of India to Myanmar from 1992 to 1995.</p> <p>He had served as the Information Adviser in the Prime Minister's Office with Prime Minister Rajiv</p> |

| Name and Designation | Background |
|--|--|
| | <p>Gandhi. He was closely involved in financial planning related to specific projects both in Ministry of External Affairs and in Indian Diplomatic Missions abroad. In the post liberalization period he was involved in a study abroad of the financial services field in Cyprus (1990-1992) and in Australia (1995-1998), which involved study of financial flows and investment practices to promote financial flows (FII and FDI) into India.</p> <p>He is currently an independent Director of Kanoria Industries, where he has been associated with financial planning in expansion of production capacities and in new projects and is also an Honorary Visiting Professor in the Centre for Policy Research in New Delhi; Member of the Executive Council of the Centre for Air Power Studies, New Delhi and also Member of the Editorial Board of the Indian Defense Journal.</p> |
| <p>Mr. Vijay Ranchan (Independent Director)</p> <p>Age: 76 years</p> <p>Qualification: M.A., IAS (retd)</p> | <p>Mr. Vijay Ranchan is a former IAS Officer, currently working as a Management Consultant. He was Addl. Chief Secretary in Govt. of Gujarat, handling Policy framing & Administration and held senior positions of Secretary/ Principal Secretary/ Additional Chief Secretary in the Departments of Revenue, Industry, Labour, Health etc.</p> <p>Mr. Ranchan was a Public Representative Director on the governing board/council of management of Ahmedabad Stock Exchange (2004 – 2007). He was the Commissioner of Commercial Taxes of Gujarat State (1997 -1999) and dealt with taxation issues. As the Head of various Departments in the Gujarat govt., he has extensively dealt with and handled budgetary and the financial matters. As the Secretary, Industries (1995) and Secretary - Energy and Petrochemicals (1999 -2001) in Govt. of Gujarat, he dealt with the Asian Development Bank on the restructuring of the Public System and the Public Sector. As the Managing Director of the corporations like Gujarat Mineral Development (two terms), Gujarat State Textile Corporation (two terms), Gujarat Industrial Development Corporation, he had the responsibility to extensively deal with finance, especially the project finance. He had also worked in short stints as Jt. Managing Director (1975) of Gujarat Industrial Investment Corporation. He also had the charge of Gujarat Municipal Finance Board, which assists in financing the</p> |

| Name and Designation | Background |
|--|---|
| | infrastructure projects of municipalities. He is currently also director on the board of various companies. |
| <p>Dr. V. R. Narasimhan (Independent Director)</p> <p>Age: 62 years</p> <p>Qualification: MBA and Ph D. Member of Institute of Company Secretaries of India</p> | <p>Dr. V. R. Narasimhan has more than 35 years of experience in securities market and financial service sector. The last position he held was Chief of Regulatory Division of National Stock Exchange, prior to which he was the Group Head, Compliance (Capital Markets) at Kotak Mahindra Bank. He has also worked with Kotak Mahindra Asset Management Company as Chief Compliance Officer, National Securities Depository Limited as Senior Vice President and Securities and Exchange Board of India as Division Chief, Secondary Markets. He is also a member of various committee of Institute of company Secretaries of India. Dr. Narasimhan was also member in the committee to firm up questionnaire for NCEAR investor survey and is associated with National Institute of Securities Market (NISM) as faculty for induction program for new recruits at SEBI, member for selection of resource persons; member of syllabus framing committee for framing the course content for broker, mutual fund, registrar and transfer agent test programs.</p> |

C. Top 10 Group Companies/Firms of the Portfolio Manager on turnover basis

Based on the latest audited financial statements, the following are the group companies of the Portfolio Manager, based in India, are as follows:

| Sr. No. | Name of the Company |
|---------|--|
| 1. | DHFL Pramerica Life Insurance Company Limited |
| 2. | PGIM India Trustees Private Limited (Trustees to PGIM India Mutual Fund) |

D. Details of the Services being offered:

The Portfolio Manager offers Discretionary, Non Discretionary and Advisory Services, as follows:-

a. Discretionary Services:

Under the Discretionary Portfolio Management Services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Portfolio Manager may make such changes in the investments and invest some or all of the Client’s account in such manner and in such markets as it deems fit, subject to the investment objectives and other restrictions laid down in the Client Agreement and / or in this Disclosure Document. The Portfolio Manager’s decision (taken in good faith) in deployment of the Client’s account is

absolute and final and can never be called in question or be open to review at any time during the currency of the agreement or at any time thereafter except on the ground of fraud, malafide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, Guidelines and Notifications in force from time to time.

The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The funds of each Client shall be managed individually and independently in accordance with the needs of each Client. Periodical statements in respect of the Clients' Assets under Management shall be sent to the respective Clients.

The Portfolio Manager may take investment advices from third party investment advisors. Such investment advises shall be non binding non exclusive in nature. The investment decision based on such investment advice shall rest with the Portfolio Manager and the Portfolio Manager shall be responsible for such investment decisions.

b. Non - Discretionary Services:

Under the Non-Discretionary Portfolio Management Services, the Assets of the Client are managed as per the requirements of the Client, in consultation with and based on the instructions of the Client. The Client has complete discretion to decide on the investment (including stock quantity and price (where possible) or amount). The Portfolio Manager *inter alia* manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client. The Portfolio Manager does not exercise any degree of discretion as to the investments or management of the Portfolio of securities or the funds of Client and shall solely act on instructions given by the Client.

c. Advisory Services:

Under the Advisory Portfolio Management Services, the Portfolio Manager provides only investment advice, whether general or specific or pertaining to a particular portfolio, on the basis agreed upon in the Client Agreement. Entry/exit timing, execution and settlement are solely the Client's responsibility. The Portfolio Manager may take investment advices from third party investment advisors. Such investment advises shall be non binding non exclusive in nature. The investment advices given based on such third party investment advice shall rest with the Portfolio Manager and the Portfolio Manager shall be responsible for such investment advices.

The abovementioned services are offered in terms of the Portfolio Management Services Agreement entered into between the Client and the Portfolio Manager. Fees for such services will be as is provided under the Client Agreement.

(4) PENALTIES, PENDING LITIGATION OR PROCEEDINGS, ETC.

The following are the disclosures pertaining to the penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:-

i. All cases of penalties imposed on the Portfolio Manager by SEBI or the directions issued by SEBI under the Act or Rules or Regulations made thereunder:-

No penalties or direction have been imposed by SEBI under the SEBI Act or any of its rules or regulations against the Portfolio Manager in any capacity.

ii. The nature of the penalty /direction:-

Not Applicable

iii. Penalties imposed on the Portfolio Manager for any economic offence and/or for violation of any securities laws:-

No penalties are imposed on the Portfolio Manager for any economic offence or violation of any securities laws.

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

There are no pending material litigations or legal proceedings against the Portfolio Manager or key personnel.

v. Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency:-

None

vi. 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 Act or Rules or Regulations made thereunder

None

The above information has been disclosed in good faith as per the information available with the Portfolio Manager.

(5) SERVICES OFFERED

A. The Primary Investment Objectives and Policies:-

The primary objective is to generate returns and capital appreciation over a period of time from a portfolio of equity, debt, fixed-income securities etc. Under Discretionary Portfolio Management, the Portfolio Manager shall invest in securities as per his discretion based on the mandate/strategy, to achieve the investment objectives of the Client. However, no assurance or guarantee is given by the Portfolio Manager that the investment objectives will be achieved. Clients are not being offered any guaranteed or assured returns.

Consistent with the objective, strategy and subject to Regulations, the corpus will be Invested in any of (but not exclusively) the following securities:-

- Equity and equity related securities including convertible bonds (including equity linked debentures) and debentures and warrants carrying the right to obtain equity shares;
- Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- Obligations of Banks (both public and private sector) and Development Financial Institutions like Coupon bearing Bonds, Zero Coupon Bonds;
- Money Market instruments permitted by SEBI/RBI including Certificate of Deposits (CDs) and Commercial Paper (CPs);
- Mutual Fund units, Fixed deposits, Bonds, debentures etc;

- Derivatives including but not limited to Futures, Options, Arbitrage etc in accordance with SEBI Regulations;
- Units of venture funds/Alternate Investment Funds;
- Securitisation instruments;
- Foreign securities as permissible by Regulations from time to time;
- Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals and invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing, through a recognized stock exchange.

The Portfolio Manager may offer Discretionary, Non – Discretionary and Advisory Services, under different individual Client Agreements. Services offered by the Portfolio Manager will encompass the services that are required by Clients (including institutional and corporate Clients) for management of their funds, depending on their respective needs.

(i) Discretionary Portfolio Management Services:-

The investment objectives and/or strategies of the existing portfolio strategies are as follows:-

1. PGIM INDIA CORE EQUITY PORTFOLIO/STRATEGY:

Investment objective: PGIM India Core Equity Strategy seeks to generate returns by investing in a portfolio of value stocks which have the potential of superior wealth creation over long term.

Investment strategy: Value Stocks represent companies with strong fundamentals which are undervalued by markets or are available at less than its intrinsic value. This strategy does not have a market cap bias. Primary Screening for the strategy will be based on projected cash flows from operations relative to the market value of assets. Within the shortlisted stocks, the strategy will seek to identify stocks which have the potential of high growth based on business projections, projected cash flows and asset price monetization strategies. Growth stocks typically trade at a higher PE multiple. However, within the shortlist, the strategy will seek to identify stocks which are available at a reasonable price when seen in light of projected cash flows and market value of assets. Since, markets usually take time to spot value, this strategy requires a longer holding period. Hence, this strategy is suitable for investors with investment horizon of at least 3 years.

2. PGIM INDIA L.I.F.E. (LONG-TERM INVESTMENT IN FILTERED EQUITIES) PORTFOLIO/STRATEGY:

This strategy seeks to aim to build a portfolio of companies that one would buy and hold for a very long time (at least 10 years, if not more). The investment universe would be restricted to not more than 15 or 20 companies, since there would not be more than that number of companies that one would be confident of holding for such a long time. All companies in the portfolio would have strong balance sheets, a well-established position in their respective businesses, boast of strong management bandwidth at multiple levels, have a long track record of rewarding shareholders well, and the ability to grow without much equity dilution

or significant levels of debt. They will not be in businesses classified as “cyclical”. Investment opportunities will be few and far between.

3. PGIM INDIA DEBT PORTFOLIO/STRATEGY:

PGIM India Debt Strategy seeks to provide reasonable returns, commensurate with moderate level of risk, through a portfolio constituted of all types of debt and money market instruments including, but not limited to, Commercial Paper, Certificates of Deposit, Treasury bills, Non - convertible Debentures, Bonds, Central and State government Securities, etc.

4. PGIM INDIA EQUITY PORTFOLIO/STRATEGY:

Investment Objective:

The aim of the portfolio is to deliver capital growth from an actively managed portfolio, mainly comprising companies registered in and / or listed on a regulated market of India.

Investment Strategy:

The portfolio will invest across a range of market capitalizations with a preference for medium and large companies.

Investment Philosophy:

A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in select sectors based on the Investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors. The portfolio manager, in selecting scripts, will focus among other aspects, on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers. Since investing requires disciplined risk management, the Portfolio Manager would incorporate adequate safeguards for controlling risks in the portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been analyzed by the Investment team. Risk will also be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over a range of industries / sectors. The portfolio may also invest in unlisted and / or privately placed securities.

Features of the Portfolio Strategies

| | Diversified Strategy | Long Term Growth | Balanced |
|------------------|--|---|--|
| Style | Active Management, Large Cap Bias, Top Down Approach | Strategic Management, Flexi Cap Portfolio | Large Cap Bias, Bottom Up Approach; May invest in both equity and debt |
| Benchmark | Nifty 50 | Nifty 50 | Nifty 50 |
| Management Style | Active | Growth Focus | Growth Focus |

5. PGIM INDIA VRISHABHA PORTFOLIO/STRATEGY:

Investment objective: Vrishabha Strategy seeks to generate returns by investing in a portfolio having a ratio of 90:10 exposure to value equity stocks and Nifty Call options at the inception of the portfolio which have the potential of superior wealth creation over long term.

Investment strategy: Value Stocks represent companies with strong fundamentals which are undervalued by markets or are available at less than its intrinsic value. This strategy shall invest minimum of 40% in large cap stocks, maximum of 30% in mid-cap stocks and maximum of 20% in small-cap stocks. Further, the strategy shall invest upto 10% in Nifty call options at the inception of the portfolio. Primary Screening for the strategy will be based on projected cash flows from operations relative to the market value of assets. Within the shortlisted stocks, the strategy will seek to identify stocks which have the potential of high growth based on business projections, projected cash flows and asset price monetization strategies. Growth stocks typically trade at a higher PE multiple. However, within the shortlist, the strategy will seek to identify stocks which are available at a reasonable price when seen in light of projected cash flows and market value of assets. Since, markets usually take time to spot value, this strategy requires a longer holding period. Hence, this strategy is suitable for investors with investment horizon of at least 3 years.

Benchmark: Nifty 500 Index

6. PGIM INDIA PHOENIX PORTFOLIO/STRATEGY:

Investment Objective: The objective of the strategy is to generate capital appreciation over the long term by investing in a portfolio of equity of Indian companies.

Asset Allocation: The strategy seeks to invest in the equity shares of companies listed on the Indian stock markets. At least 75% of the portfolio would be invested in the shares of mid cap and small cap companies. Mid cap and small cap companies are companies which are below the top 100 market cap companies.

Investment Strategy: “Reversion to mean” is the central theme of the product. The Portfolio Manager would chose stocks of companies that, in its’ assessment, are close to an inflection point in their lifecycle. The Phoenix, as the name suggests, would concentrate on companies:

- whose financial and operational performance (profit margins, market share etc) at the time of investment would be below the long-term average performance displayed by the company; or
- companies that are likely to benefit from a structural change in the nature of business or industry (eg, shift in market share from unorganized to organized sector)

At least 75% of the portfolio would be invested in companies that satisfy these themes.

Benchmark: NIFTY Free Float Mid Cap 100 Index

(ii) Non Discretionary Portfolio Management Services:-

Under the Non Discretionary Services, the Portfolio Manager will manage the Client's portfolio in accordance with the directions received from the Client and pursuant to Client's consent being received for each investment/transaction. The investment objectives and strategy will be in accordance with the general objectives described in this Disclosure Document and as per the specific objectives set out in each Client Agreement.

The existing portfolio strategies are as follows:-

1. PGIM INDIA DEBT PORTFOLIO/STRATEGY:

Under PGIM India Debt Strategy the Portfolio Manager will manage a portfolio constituted of all types of debt and money market instruments including, but not limited to, Commercial Paper, Certificates of Deposit, Treasury bills, Non - convertible Debentures, Bonds, Central and State government Securities, etc., in accordance with the directions received from the Client

(iii) Advisory Services:-

The Client will be provided with general and specific investment advice and will be advised on buy/sell decisions within the overall risk profile and investment strategy for the Client, as set out in the Client Advisory Agreement. The Portfolio Manager will not have any back-office responsibility for trade execution, custody or accounting functions in relation to the Advisory Client's investments.

B. Policy on Investment in group/associate companies:-

The Portfolio Manager may invest in Securities of associate/group companies in the normal course of investment activity upto the maximum permissible limits, subject to the applicable laws/regulations and consistent with the particular investment objectives and strategies.

(6) RISK FACTORS

General:

1. The investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
2. The Portfolio Manager has no previous experience / track record in providing portfolio management services, other than acting as an investment adviser and manager to PGIM India Mutual Fund, in its capacity as an asset management company to the mutual fund.
3. Performance of the promoter or the schemes of PGIM India Mutual Fund managed by the AMC have no bearing on the expected performance of the Portfolio Manager. Past performance of the sponsor and its affiliates, the AMC or the Mutual Fund does not indicate the future performance of the Portfolio Manager and may not necessarily provide a basis of comparison.
4. Securities investments are subject to market risks, company specific risks and other risks and there is no assurance or guarantee that the objectives of the investments as set out in this Disclosure Document and/or the Client Agreement will be achieved. The investment value of the Portfolio may increase or decrease depending on various markets forces and factors affecting stock markets. Investments in the Portfolio Management Strategies stand a

risk of loss of capital and the Clients should be aware that they may lose all or any part of their investments.

5. The performance of the Portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
6. Investment decisions made by the Portfolio Manager may not always be profitable. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
7. Investors are not being offered any guaranteed returns. The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services or operations of the Clients' Portfolios.
8. The investment made by the Portfolio Manager is subject to risk arising out of non-diversification of the Portfolio in a wide variety of instruments, particularly in relation to Discretionary Portfolio Management Services where the Portfolio is managed at the discretion of the Portfolio Manager.
9. The investments and growth of the Portfolio are subject to a very wide range of risks which include loss in value of investments due to, *inter alia*:
 - (a) Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies (including changes in tax laws and rates), changes in government policies and regulations;
 - (b) Act of state, sovereign action, acts of God, acts of war, civil disturbance;
 - (c) Delisting or market closure, relatively small number of scrips accounting for a large proportion of trading volume.
10. The investments are also subject to liquidity risk in the market, settlement risk, impeding readjustment of portfolio composition, highly volatile stock markets in India. There is also risk of total loss of value of an asset or recovery of losses in investments only through expensive legal processes.
11. **Liquidity Risk:** Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the scheme are uninvested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

12. The Portfolio Manager may invest in the units issued by SEBI registered Venture Capital Fund (VCF)/Alternate Investment Funds (AIF). Many of such investments made by the VCF/AIF may be illiquid, and there can be no assurance that the VCF/AIF will be able to realize profits on its investments in a timely manner. Since the VCF/AIF may make only a limited number of investments and these may involve a high degree of risk, poor performance by even a few of these investments could lead to adverse effects on the returns received by investors.
13. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.
14. The ability of Clients to withdraw the Funds / Portfolio or to transfer any of the interests, rights or obligations with regard to the Portfolio may be restricted under the terms of the Client Agreement and the Regulations.
15. Changes in Applicable Law may impact the performance of the Portfolio.
16. The clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients. The client may incur a higher rate of TDS/ Dividend Distribution Tax in case the investments are aggregated.
17. The arrangement of pooling of funds from various clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.
18. In case of investments in mutual fund units, the client shall bear the recurring expenses of the mutual fund in addition to the expenses of the Portfolio Manager. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
19. There may be potential or perceived conflict of interest on the part of the Portfolio Manager in case of investments of investors/clients' assets in the schemes of PGIM India Mutual Fund (erstwhile DHFL Pramerica Mutual Fund) to which PGIM India Asset Management Private Limited (erstwhile DHFL Pramerica Asset Managers Private Limited) is acting the asset management company. However, the Portfolio Manager shall ensure that the investments are in the interest of the investors. Further, the Portfolio Manager has proper systems and controls in place to ensure that there is no conflict of interest between the activity of managing the schemes of PGIM India Mutual Fund and the activity of portfolio management services.
20. Prospective clients should review / study the Disclosure Document carefully and in its entirety and should not construe the contents or summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of the Portfolio and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalisation, disposal (whether by sale, transfer or conversion into money) of the Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.

Risk Associated with Debt Instruments:

1. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk and may also be subject to price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.
2. Interest rate risk is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance, changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. The value of investments in fixed income Securities will appreciate / depreciate if the interest rates fall/rise. Consequently, the value of the Portfolio may be subject to fluctuation.
3. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
4. Investments in non-publicly offered debt securities (where permitted by the investment mandate) may expose the Client's Portfolio to liquidity risks.

Risk Associated with Equity Investments

1. Equity instruments carry both company specific and market risks, in addition to the risks stated above, and hence no assurance of returns can be made for these investments.
2. Investments in unlisted securities (where permitted by the Investment mandate) may expose the Client's portfolio to liquidity risks.

Risk Associated with Derivatives

1. Derivative products are leveraged instruments and can provide disproportionate gains or losses to the investor. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of the 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.
2. The risks associated with the use of derivatives are different from and possibly greater than, the risks associated with investing directly in Securities and other traditional investments. Therefore, derivatives require investment techniques and risk analysis different from those associated with traditional Securities such as stocks and bonds. The use of derivatives requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. If the Portfolio Manager is incorrect in the forecasts of market values and currency exchange rates, the investment performance of the portfolio may be less favourable than it would have been if this investment technique were not used.
3. An investment in derivatives may involve additional risks for investors. These additional risks may arise as a result of any or all of the following.

- (a) the creditworthiness of the counterparties to such derivative transactions. [There is the possibility that a loss may be sustained by the portfolio as a result of the failure of the counterparty to comply with the terms of the derivatives contract]; and/or
- (b) the potential illiquidity of the markets for Derivatives.
4. Other risks in using derivatives include the risk of MIS pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

To the extent that derivatives are utilised to seek to achieve the investment objectives of the client, and for purposes other than hedging, the overall risk of loss to the investor may be increased. To the extent that derivatives are utilised for hedging purposes, the risk of loss to the investor may be increased where the value of the derivative instrument and the value of the Security or position which it is hedging are insufficiently correlated.

Bothering

(7) CLIENT REPRESENTATION

i. Summary of Clients Representation:-

| Category of clients | No. of clients | Funds managed (Rs. Cr.) | Discretionary/ Non Discretionary* |
|---|----------------|-------------------------|-----------------------------------|
| Associates /group companies (Last 3 years) | Nil | Nil | Nil |
| Others (Last 3 years) | | | |
| As on July 31, 2019 | 576 | 318.59 | Discretionary |
| As on March 31, 2019 | 706 | 426.69 | Discretionary |
| As on March 31, 2018 | 767 | 560.37 | Discretionary |
| As on March 31, 2018 | 1 | 0.29 | Non - Discretionary |
| As on March 31, 2017 | 342 | 342.03 | Discretionary |
| As on March 31, 2017 | 1 | 0.015 | Non - Discretionary |

* Excluding clients under Advisory Services.

(ii) Complete disclosure of transactions with related parties for the financial year ended March 31, 2019 (Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below):-

I. Venturer in respect of which the Company is a joint venture.

- (i) PGLH of Delaware, Inc.
- (ii) Dewan Housing Finance Corporation Limited along with its wholly owned subsidiary DHFL Advisory & Investment Private Limited

II. Mutual Fund managed by the Company

- (i) DHFL Pramerica Mutual Fund

Key Management Personnel

- (i) Glenwyn Peter Baptist (Director)*
- (ii) Kapil Wadhawan (Director)*
- (iii) Suresh Mahalingam (Director)*

- (iv) Jan Van Den Berg (Director)*
- (v) Mr. C.P. Philip (Non-Executive Director)
- (vi) Mr. G. Parthasarathy (Non-Executive Director)
- (vii) Mr. Vijay Ranchan (Non-Executive Director)
- (viii) Dr. V. R. Narasimhan (Non-Executive Director)
- (ix) Ajit Menon (Chief Executive Officer with effect from October 06, 2018)
- (x) Rajesh Iyer (Chief Executive Officer with effect from March 21, 2018 to October 5, 2018)

* No transaction during the year

The nature of transactions during the year / Balance as at year end with the above related parties in the ordinary course of business are as follows:

I. Venturer in respect of which the Company is a joint venture.

(a) Transactions during the year

(Rs. in lakhs)

| | Nature of Transactions | 31 March 2019 | 31 March 2018 | 1 April 2017 |
|---|---------------------------------------|----------------------|----------------------|---------------------|
| PGLH of Delaware. Inc. | Share Capital | - | - | 30,000.00 |
| DHFL Advisory & investment Pvt. Ltd | Share Capital | - | - | 30,000.00 |
| Dewan Housing Finance Corporation Limited | Rent and other expenses | 2.90 | 5.64 | 3.50 |
| | Recovery of expenses | - | 9.38 | - |
| | Brokerage and scheme related expenses | - | 4.05 | 1.30 |

II. Mutual Fund managed by the Company

(a) Transactions during the year

(Rs. in lakhs)

| | Nature of Transactions | 31 March 2019 | 31 March 2018 | 1 April 2017 |
|-----------------------------|---------------------------------------|----------------------|----------------------|---------------------|
| DHFL Pramerica Mutual Fund: | Purchase / Subscription of units | 64,979.60 | 27,757.88 | 17,870.60 |
| | Sales / Redemption of units | 63,240.88 | 27,506.38 | 13,424.16 |
| | Management Fees (Income) | 6,860.20 | 10,715.17 | 9,747.43 |
| | Brokerage and scheme related expenses | 2,712.61 | 61.06 | 647.06 |
| | Recovery of Brokerage | 461.71 | 280.32 | - |

(b) Balance as at year end

(Rs. in lakhs)

| | Nature of Transactions | 31 March 2019 | 31 March 2018 | 1 April 2017 |
|-----------------------------|-------------------------|---------------|---------------|--------------|
| DHFL Pramerica Mutual Fund: | Trade Receivable | 109.70 | 615.35 | 1,537.04 |
| | Other Current Liability | 211.48 | 21.81 | 10.51 |

III. Key Management Personnel

(a) Transactions during the year

(Rs. in lakhs)

| (a) Transactions during the year | Nature of Transactions | 31 March 2019 | 31 March 2018 | 1 April 2017 |
|---|---|---------------|---------------|--------------|
| Suresh Soni - Chief Executive Officer (upto January 17, 2018) | Salaries and Bonus | - | 574.20 | 438.71 |
| | Contribution to Provident and Other Fund* | - | 14.81 | 17.24 |
| Ajit Menon - Chief Executive Officer (with effect from 6th October 2018 to 31st March 19) | Salaries and Bonus | 62.62 | 19.00 | - |
| | Contribution to Provident and Other Fund* | 3.55 | 1.05 | - |
| Rajesh Iyer - Chief Executive Officer (with effect from 01st April 2018 to 5th October 2018) | Salaries and Bonus | 143.35 | 8.66 | - |
| | Contribution to Provident and Other Fund* | 7.82 | - | - |
| Rajiv Dubey (Non Executive director) | Sitting fees | - | 1.60 | 2.00 |
| C P Philip (Non Executive director) | Sitting fees | 3.60 | 4.00 | 3.20 |
| G Parthasarathy (Non Executive director) | Sitting fees | 2.00 | 1.60 | 1.60 |
| Vijay Ranchan (Non Executive director) | Sitting fees | 2.00 | 2.00 | 1.60 |
| | Reimbursement for Conveyance | 0.13 | 0.09 | |
| V R Narasimhan (Non Executive director) | Sitting fees | 1.60 | | |

(b) Balance as at year end

| | Nature of Transactions | March 31, 2018 | March 31, 2017 | March 31, 2017 |
|--|---------------------------|----------------|----------------|----------------|
| Suresh Soni - Chief Executive Officer (upto January 17, 2018) | Employee benefits Payable | - | - | 88.28 |
| Rajesh Iyer - Chief Executive Officer (w.e.f. March 21, 2018) | Employee benefits Payable | - | 8.66 | - |

(c) Key managerial personnel compensation

| Particulars | 31 March 2019 | 31 March 2018 |
|-------------------------------|---------------|---------------|
| Short term employee benefits# | 215.30 | 611.06 |
| Post-employment benefits | 11.37 | 15.86 |
| Total | 226.67 | 626.92 |

*As gratuity, compensated absences and other long term employee benefits are computed for all employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

(8) THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Financial Performance of the Portfolio Manager, based on the audited financial statements is as follows:-

| Particulars | 2018-2019 (Amount in INR lakhs) | 2017-2018 (Amount in INR lakhs) |
|-----------------------------------|------------------------------------|------------------------------------|
| Total Income | 9,797.77 | 13,061.62 |
| Total Expenditure | 10,788.55 | 11,986.64 |
| Profit / (Loss) before tax | (990.78) | 1,074.99 |
| Tax | 84.64 | 198.76 |
| Profit/(Loss) after tax | (1,075.42) | 876.23 |
| Net Worth | 13328.35 | 14403.77 |

(9) PORTFOLIO MANAGEMENT PERFORMANCE FOR THE LAST THREE YEARS

The Consolidate Portfolio Performance of PMS (Discretionary) Clients as on July 31, 2019 is as under:-

| Period | PGIM India Core Equity Portfolio | NIFTY 500 |
|---|----------------------------------|-----------|
| As on July 31, 2019 (From April 1, 2019 to July 31, 2019) | -4.22% | -6.40% |
| As on March 31, 2019 (From April 1, 2018 to March 31, 2019) | 3.92% | 8.43% |

| | | |
|---|--------|--------|
| As on March 31, 2018 (From April 1, 2017 to March 31, 2018) | 5.32% | 11.47% |
| As on March 31, 2017 (From April 1, 2016 to March 31, 2017) | 23.00% | 23.91% |
| Since inception date (From July 3, 2013 to July 31, 2019) | 15.38% | 12.00% |

| Period | PGIM India Equity Portfolio | Nifty 50 |
|---|-----------------------------|----------|
| As on July 31, 2019 (From April 1, 2019 to July 31, 2019) | -4.36% | -4.35% |
| As on March 31, 2019 (From April 1, 2018 to March 31, 2019) | 3.97% | 14.93% |
| As on March 31, 2018 (From April 1, 2017 to March 31, 2018) | 5.10% | 10.25% |
| As on March 31, 2017 (From April 1, 2016 to March 31, 2017) | 15.20% | 18.55% |
| Since inception date (From March 8, 2016 to July 31, 2019) | 6.63% | 12.35% |

| Period | PGIM India Phoenix Strategy | NIFTY Mid Cap 100 Index |
|--|-----------------------------|-------------------------|
| As on July 31, 2019 (From April 1, 2019 to July 31, 2019) | -8.97% | -12.80% |
| As on March 31, 2019 (From April 1, 2018 to March 31, 2019) | -3.73% | -2.66% |
| As on March 31, 2018 (From April 1, 2017 to March 31, 2018) | 9.49% | 9.07% |
| As on March 31, 2017 (From August 1, 2016 to March 31, 2017) | 20.61% | 16.41% |
| Since inception date (From August 1, 2016 to July 31, 2019) | 4.99% | 2.53% |

| Period | PGIM India Debt Strategy | CRISIL Ultra Short Term Debt Index |
|--|--------------------------|------------------------------------|
| As on July 31, 2019 (From April 1, 2019 to July 31, 2019) | 4.05% | 2.69% |
| As on March 31, 2019 (From August 6, 2018 to March 31, 2019) | 3.73% | 5.47% |
| Since inception date (From August 6, 2018 to July 31, 2019) | 7.93% | 8.31% |

Performance depicted above for portfolios under Discretionary Portfolio Management Services, as at July 31, 2019, is based on all the client portfolios under the strategy existing as on such date, using time weighted average methodology. Past performance is no guarantee of future returns. The above portfolio performances are net of expenses. Please note that the actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client mandate, specific portfolio construction characteristics or other structural parameters. These factors may have impact on client portfolio performance and hence may vary significantly from the performance data depicted above.

Neither the Portfolio Manager, nor its directors or employees shall in any way be liable for any variation noticed in the returns of individual client portfolios. The Portfolio Manager does not make any representation that any investor will or is likely to achieve profits or losses similar to those depicted in this document. Return for period upto 1 year is absolute. Since inception date stated is considered to be the date on which the first client investment was made under the strategy.

The performance of clients, if any, under Non - Discretionary Portfolio Management Services and Advisory Services, offered by the Portfolio Manager, is not given.

(10) NATURE OF EXPENSES

The following are indicative types of costs and expenses for clients availing the Portfolio Management Services. The exact basis of charge relating to each service shall be provided in the application form and/or the Client Agreement.

- i. **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 returns achieved or a combination of any of these, as agreed by the Client in the PMS Agreement.
- ii. **Performance Fees:** - Profit / performance shall be computed as a percentage of profits on the basis of high water mark principle over the life of the investment. High Water Mark shall be the highest value that the portfolio/account has reached. The value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. The Portfolio Manager will charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark.
- iii. **Entry Load/Fee:** - The client may be charged an entry fee as agreed in the application or Client Agreement.
- iv. **Exit Fee:** The client may be charged an exit fee, if redeemed within the time stated and as agreed in the application or Client Agreement.
- v. **Custodian/Depository Fees:** - The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.
- vi. **Registrar and Transfer Agent Fees:** - As may be negotiated by the Portfolio Manager with suitable registrar and transfer agents.
- vii. **Brokerage and Transaction Costs:-** The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.
- viii. **Certification and Professional Charges:** - Charges payable for outsourced professional services like accounting, taxation & legal services, notarizations, audit fees etc. for certifications, attestations required by bankers or regulatory authorities.
- ix. **Bank Charges:** As may be applicable at actual.

- x. **Incidental Expenses:** - Charges in connection with the courier expenses, stamp duty, notary charges, Goods and Services Tax or such other taxes as may be levied by Government of India, postal, telegraphic, account opening and operation of Demat account or bank accounts etc. Such fees shall be payable as and when it is charged by the relevant service provider/authority.

Please note that in case of investments of investors/clients assets in mutual fund units (including that of PGIM India Mutual Fund), the client shall bear the recurring expenses of the mutual funds in addition to the expenses of the Portfolio Manager. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.

All fees and charges shall be levied on the actual amount of the Clients' assets under management. In case of interim contributions/ withdrawals by clients, performance fees may be charged after appropriately adjusting the high water mark on proportionate basis.

(11) TAXATION - TAX IMPLICATIONS FOR THE CLIENTS

The tax implications described hereinafter are as per the provisions of the Income-tax Act, 1961 (Act) as amended by the Finance (No.2) Act, 2019 (FA 2019).

It may be noted that the information given hereinafter is only for general information purposes and is based on the advice received by the Portfolio Manager regarding the law and practice currently in force in India. Investors should be aware that the relevant fiscal rules or their interpretation may change or may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position prevailing at the time of an investment will be accepted by the tax authorities or will continue to be accepted by them indefinitely.

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Portfolio Manager to induce any investor to invest whether directly from the Portfolio Manager or indirectly from any other persons by the secondary market operations. In view of the above, and since the individual nature of tax consequences may differ in each case on its merits and facts, each Investor is advised to consult his/ her or its own professional tax advisor with respect to the specific tax implications arising out of its participation in the portfolio management product/ option, as an investor.

A. Treatment of Dividend from Companies and Mutual Funds

- (i) Any dividend income from a domestic company, which is subject to dividend distribution tax (DDT) under section 115-O of the Act, is exempt from tax under section 10(34) of the Act. However, as per the proviso to section 10(34) of the Act, nothing contained under section 10(34) shall apply to any income by way of dividend chargeable to tax in accordance with the provisions of section 115BBDA of the Act. As per section 115BBDA of the Act, any income earned by a specified assessee who is resident in India, by way of dividend declared, distributed or paid by a domestic company in excess of INR 10,00,000, the same shall be chargeable to tax at 10% (excluding surcharge and health and education cess) on a gross basis. Accordingly, the said tax shall be over and above the DDT paid by the domestic company distributing the dividend.

'Specified assessee' means a person other than (i) domestic company; or (ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution as referred to in sub-clause (iv) or sub-clause (v) or sub-clause

(vi) or sub-clause (via) of clause (23C) of section 10; or (iii) a trust or institution registered under section 12A or section 12AA.

- (ii) Income (other than on transfer of units) from units of a Mutual Fund, registered with the Securities and Exchange Board of India (SEBI), is exempt from tax under section 10(35) of the Act.

B. Treatment of Interest on Fixed Income Securities

Interest income received by any tax payer is taxable as 'Income from other sources' at the normal tax rates applicable to the tax payer [refer paragraph E for the tax rates] except with respect to certain interest income arising to foreign portfolio investors² (FPIs) and non-resident Indians (NRI). These exceptions are discussed below:

- (i) As per section 115AD read with section 194LD of the Act, income by way of interest payable on or after 1 June 2013 but before 1 July 2020, in respect of investment made by an FPI in government securities or rupee denominated bonds of an Indian company shall be taxable at the rate of 5% plus surcharge as applicable and cess, provided that the rate of interest in respect of the bonds does not exceed the rate as may be notified by the Central Government. The Central Government on 29 July 2013 has notified³ the qualifying rates of interest on rupee denominated bonds of an Indian company as under:

- In case of bonds issued before 1 July 2010, the rate of interest shall not exceed 500 basis points over the Base Rate of State Bank of India as on 1 July 2010;
- In case of bonds issued on or after 1 July 2010, the rate of interest shall not exceed 500 basis points over the Base Rate of State Bank of India applicable on the date of issue of the said bonds.

- (ii) Further, as per section 115AD of the Act, interest received by an FPI [other than the interest referred to in (i) above] is chargeable to tax at the rate of 20% plus surcharge as applicable and cess.

- (iii) As per section 115E of the Act, income from investment by an NRI, will be chargeable to tax at the rate of 20% plus surcharge as applicable and cess.

For rate of surcharge and cess, please refer paragraph F.

C. Characterisation of Income earned from Transfer/ Sale of Securities

Transaction in shares/ securities/ units of Mutual Fund may be either on the capital account (and chargeable to tax 'Capital gains' under section 45 of the Act) or on the trading account (and chargeable to tax as 'Profits and gains of business or profession' under section 28 of the Act).

The issue of income characterization as above is essentially a question of fact and dependent on various factors. Guidance can be sought from judicial precedents and clarifications issued by the Central Board of Direct Taxes (CBDT) vide circular/ instructions.

² The Central Board of Direct Taxes (CBDT), vide Notification No. 9/2014/ F. No. 173/10/2014-(ITA.I) dated 22 January 2014, has clarified that FPIs registered with SEBI under the SEBI (Foreign Portfolio Investors) Regulations, 2014 would be regarded as 'Foreign Institutional Investors' as per the Explanation to section 115AD of the Act.

³ Notification No. 56/2013/F.No.149/81/2013-TPL dated 29 July 2013.

In this regard, CBDT issued Circular No 6 dated 29 February 2016 on the tax treatment of surplus arising from transfer of listed shares/ securities whether capital gains or business income with a view to reduce litigation and uncertainty and in partial modification to earlier CBDT Circulars, the 2016 Circular instructs tax authorities to consider certain guidelines for classifying listed shares/ securities as under:

- Where the taxpayer itself, irrespective of the period of holding of the listed securities treats the gains from sale of such securities as business income, the same should be accepted by the tax authorities.
- Where the taxpayer wishes to treat the gains arising from transfer of listed securities held for a period more than 12 months immediately preceding the date of its transfer as capital gains, the same should not be put to any dispute by the tax authorities.
- In all other cases, the nature of transaction (i.e. whether the same is in the nature of capital gains or business income) shall continue to be decided keeping in view the other notifications/ circulars issued by CBDT in this regard.

The CBDT further issued Instruction No.225/12/2016 dated 2 May 2016 clarifying that the income arising from transfer of unlisted shares would be taxable under the head 'Capital Gains', irrespective of period of holding. The Instruction has carved out following situations from its scope:

- When the genuineness of transactions in the unlisted shares is questionable;
- Where the transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; and
- Where the transfer of unlisted shares is made along with the control and management of underlying business.

The Finance (No.2) Act, 2014 amended the definition of "capital asset" to include any security held by an FPI in accordance with the regulations made under the SEBI, Act 1992. By virtue of the said amendment, any income arising to an FPI on transfer of such security would be characterised as 'Capital gains'.

D. Short-Term and Long-Term Capital Gains on Sale of Securities

Where investments under the portfolio management services are held by the investor on capital account, then the profit or loss from transfer of securities is taxed as 'Capital gains' under section 45 of the Act.

The rate of tax and other tax implications would also vary depending upon whether the capital asset sold is a short-term capital asset or a long-term capital asset.

As per section 2(42A) of the Act, any unlisted securities (other than a unit) [such as unlisted equity/ preference shares] and units of a mutual fund (other than an equity oriented fund) shall be considered as a short-term capital asset where the same are held for a period of 36 months or less immediately preceding their date of transfer.

However, a security (other than a unit) listed in a recognized stock exchange in India or a unit of an equity oriented fund⁴, held for a period of 12 months or less would be termed as a short-term asset.

⁴ An equity oriented fund has been defined as:

- a) In case where the fund invests a minimum of 90% of the total proceeds in units of another fund, which is traded on recognized stock exchange, and such other fund also invests a minimum of 90% of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and
- b) In any other case, a minimum of 65% of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange.

Further, the shares of a company (not being shares listed in a recognized stock exchange in India), or an immovable property, being land or building or both, shall be considered as short-term capital asset where the same are held for a period of 24 months or less immediately preceding their date of transfer.

All capital assets which are not short-term capital assets are treated as long-term capital assets.

Gains arising from a short-term capital asset are regarded as short-term capital gains and gains arising from long-term capital assets be regarded as long-term capital gains.

As per the provisions of section 48 of the Act, capital gains/ losses are computed by reducing from the sale consideration:

- i. the cost of acquisition of the asset transferred; and
- ii. any expenditure incurred wholly and exclusively in connection with the transfer.

Further, section 48 of the Act provides that in the computation of capital gains, no deduction shall be allowed in respect of STT paid.

Additionally, the status of tax payer (i.e. whether the tax payer is an individual, a corporate, etc.), whether the transfer has been subject to Securities Transaction Tax (STT), the nature of the instrument sold, etc. also impact the rate of tax applicable to capital gains arising from the transfer of a capital asset. Some of these aspects have been discussed below.

Capital gains tax on sale transaction on which STT is chargeable

STT is a transaction based tax collected by the stock exchange and is applicable on all transactions effected on the exchange.

The following table provides the details in respect of the rate of STT applicable (as on date) to respective taxable securities transactions (unless mentioned otherwise, the STT is payable by the seller):

| Nature of Transaction | Payable by | Value on which tax shall be levied | Rates applicable (%) |
|--|-------------------|---|-----------------------------|
| Delivery based purchase transaction in units of equity oriented fund entered into in a recognized stock exchange | Purchaser | Value at which units are bought | Nil |
| Delivery based purchase transaction in equity shares or units of a business trust entered in a recognized stock exchange | Purchaser | Value at which shares/ units are bought | 0.1 |
| Delivery based sale transaction in equity shares or units of a business trust entered in a recognized stock exchange | Seller | Value at which shares/ units are sold | 0.1 |
| Delivery based sale transaction in units of equity oriented fund entered into in a recognized stock exchange | Seller | Value at which units are sold | 0.001 |

| | | | |
|--|-----------|--|-------|
| Non-delivery based sale transaction in equity shares or units of equity oriented fund or units of a business trust entered in a recognised stock exchange | Seller | Value at which shares/ units are sold | 0.025 |
| Transaction for sale of futures in securities | Seller | Value at which futures are traded | 0.01 |
| Transaction for sale of an option in securities where option is not exercised | Seller | The option premium | 0.05 |
| Transaction for sale of an option in securities, where the option is exercised | Purchaser | <ul style="list-style-type: none"> • For period prior to 1 September 2019 - The settlement price • For other – The intrinsic value i.e. difference between the settlement price and the strike price | 0.125 |
| Sale of units of an equity oriented fund to the mutual fund | Seller | Value at which units are sold | 0.001 |
| Sale of unlisted equity shares by any holder of such shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a recognised stock exchange | Seller | Value at which shares are sold | 0.2 |
| Sale of unlisted units of a business trust under an offer for sale | Seller | Value at which shares are sold | 0.2 |

Long-term capital gains

Finance Act 2018 has, with effect from 1 April 2018, withdrawn the exemption on long-term capital gains on sale of specified assets on which STT is chargeable and has introduced new section 112A of the Act.

Under the provisions of new section 112A of the Act, in respect of transfer of specified asset on or after 1 April 2018, tax at the rate of 10 per cent (plus applicable surcharge and cess) shall be levied on long-term capital gains, exceeding Rs 1,00,000, where in case of an equity share in a company, STT has been paid on acquisition and transfer of such capital asset and in a case of a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

The long-term capital gains are required to be computed without giving effect to the first and second provisos to section 48 of the Act, i.e. benefit of computation of capital gains in foreign currency and indexation in respect of cost of acquisition and improvement.

Further, for the purpose of computing capital gains in relation to a long-term capital asset, being specified asset, acquired before 1 February 2018, the cost of acquisition is deemed to be the higher of:

- The cost of acquisition of such asset; and
- The lower of –
 - (a) the fair market value of the asset; and
 - (b) the full value of consideration received or accruing as a result of the transfer of the asset.

Fair market value has been defined to mean –

- i) in a case where the capital asset is listed on any recognized stock exchange, the highest price of the capital asset quoted on such exchange on 31 January 2018. However, where there is no trading in such unit on such exchange on 31 January 2018, the highest price of such capital asset on such exchange on a date immediately preceding the 31 January 2018 when such capital asset was traded on such exchange shall be the fair market value.
- ii) in a case where the capital asset is a unit and is not listed on recognized stock exchange, the net asset value of such unit as on 31 January 2018.
- iii) in case where the capital asset is an equity share in company which is
 - (a) not listed on a recognised stock exchange as on 31 January 2018 but listed on such exchange on the date of transfer;
 - (b) listed on a recognised stock exchange on the date of transfer and which became the property of the taxpayer in consideration of share which is not listed on such exchange as on 31 January 2018 by way of transaction not regarded as transfer under section 47 of the Act,

an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for financial year 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April 2001, whichever is later;

As stated above, to avail benefits of section 112A of the Act, equity shares should be subject to STT both at the time of acquisition and transfer of assets. However, to protect certain transactions, the CBDT issued a Notification⁵ stating that the condition of chargeability to STT at the time of acquisition, shall not apply to all transactions of acquisitions of equity shares entered into on or after 1 October 2004 other than the specified transactions. The negative list of acquisition provided in the notification is divided into following three categories:

- Acquisition of the existing listed equity shares which are not frequently traded on a recognised stock exchange by way of preferential issue (subject to certain exclusions);
- Acquisition of existing listed equity share in a company, not entered through a recognised stock exchange (subject to certain exclusions);
- Acquisition of unlisted equity shares during the period between the delisting and the day immediately preceding the re-listing of such shares of recognised stock exchange

Short-term capital gains

⁵ Notification No. 60/2018/F. No. 370142/9/2017-TPL dated 1 October 2018

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 and on which STT is chargeable are liable to income-tax at a concessional rate of 15% plus surcharge as applicable and cess.

However, capital gains arising from the transfer of exchange traded derivatives are chargeable to tax at normal rates applicable to the tax payer. Capital gains from transfer of exchange traded derivatives earned by FPIs are chargeable to tax at the rate of 30% plus surcharge as applicable and cess.

In case of individuals and HUFs, where the taxable income as reduced by short-term capital gains is below the maximum amount not chargeable to tax, the short-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance short-term capital gains will be charged at the applicable rate plus cess.

Capital gains tax on sale transaction on which STT is not chargeable

For resident individuals, HUFs, partnership firms (including limited liability partnership) and Indian companies

Long-term capital gains

Long-term capital gains earned in respect of a long-term capital asset, is chargeable to tax under section 112 of the Act at the rate of 20% plus surcharge as applicable and cess. Capital gains are computed after taking into account the cost of acquisition as adjusted by the cost inflation index notified by the Central Government (indexed cost) and expenditure incurred wholly and exclusively in connection with such transfer.

In the case of listed securities or zero-coupon bond (as defined under the Act), a tax payer has an option to apply the concessional rate of 10% plus surcharge as applicable and cess, provided the long-term capital gains are computed without substituting the indexed cost in place of the cost of acquisition. Long-term capital gains arising on sale of units of a mutual fund, where the transfer is undertaken on or after 11 July 2014, would be taxable at the rate of 20% plus surcharge as applicable and cess.

Further, in case of individuals and HUFs, where taxable income as reduced by long-term capital gains is below the maximum amount not chargeable to tax, the long-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance long-term capital gains will be charged at the rate of 20% or 10% plus surcharge as applicable, and cess.

In the case of capital assets being bonds or debentures (other than capital indexed bonds issued by the Government and sovereign gold bonds issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015), the benefit of indexation is not available.

Short-term capital gains

Short-term capital gains earned is chargeable to tax as per the normal rates applicable to the tax payer.

For non-residents⁶

⁶ Other than NRIs, who may elect to be covered by the provisions of section 115E of the Act, as regards tax on investment income and long-term capital gains, where beneficial.

Long-term capital gains

Under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, other than unlisted securities, are chargeable to tax at the rate of 20% plus surcharge as applicable and cess. In case of non-resident, capital gains arising from transfer of a capital asset being shares in, or debentures of, an Indian company (other than unlisted securities) shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital asset into the same foreign currency as was initially utilised in the purchase of the shares or debentures, and the capital gains so computed in such foreign currency shall be reconverted into Indian currency (hereinafter referred to as FC computation mechanism). Further, the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing or arising from every reinvestment thereafter in, and sale of, shares in, or debentures of, an Indian company.

Further, under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, being units of a mutual fund, are chargeable to tax at the rate of 20% plus surcharge as applicable and cess; capital gains are computed by taking into account the indexed cost and expenditure incurred wholly and exclusively in connection with such transfer.

Long-term capital gains arising from transfer of a capital asset, being unlisted securities (or shares of a company not being a company in which public are substantially interested) and unlisted units are chargeable to tax at the rate of 10% plus applicable surcharge and education cess. Such long-term capital gains would be calculated without indexation of cost of acquisition and FC computation mechanism.

Short-term capital gains

Short-term capital gains earned is chargeable to tax as per the normal rates applicable to the tax payer.

The FC computation mechanism is available to non-resident/ NRI for computing the short-term capital gains arising from the transfer of shares or debentures.

FPIs

Long-term capital gains

Under section 115AD of the Act, long-term capital gains will be chargeable to tax at the rate of 10% plus surcharge as applicable and cess. Such gains would be calculated without indexation of the cost of acquisition and without FC computation.

Short-term capital gains

Short-term capital gains earned will be chargeable to tax at the rate of 30% plus surcharge as applicable and cess.

For rate of surcharge and cess, please refer paragraph F.

E. Business Income from Purchase and Sale of Securities

If the investment under the portfolio management services is regarded as “Business/ Trading Asset” then the gain arising there from is taxed as business income.

Where income referred to above is treated as business income, the person is eligible for deduction under section 36(1)(xv) of the Act for the amount of STT paid.

The tax rates applicable to different categories of tax payers for the financial year ending 31 March 2020 are as follows:

Individuals (including NRs)/ HUFs/ Association of Persons/ Body of Individuals

Individuals (including NRs)/ HUFs/ Association of Persons/ Body of Individuals are taxable on progressive basis, as given below:

| | |
|---|--|
| Where total income for a tax year (April to March) is less than or equal to Rs 250,000* (the basic exemption limit) | Nil |
| Where such total income is more than Rs 250,000* but is less than or equal to Rs 500,000 | 5% of the amount by which the total income exceeds Rs 250,000* |
| Where such total income is more than Rs 500,000 but is less than or equal to Rs 1,000,000 | Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 500,000 |
| Where such total income is more than Rs 1,000,000 | Rs 112,500 plus 30% of the amount by which the total income exceeds Rs 1,000,000 |

*The basic exemption limit in case of a resident senior citizen (with age of sixty years or more but less than eighty years) is Rs 300,000, in case of resident in India, who is of the age of eighty years or more at any time during the previous year is Rs 500,000.

Further, a tax rebate up to Rs 12,500 per annum would be available for resident individuals with total income of up to Rs 500,000 per annum.

For rate of surcharge and cess, please refer paragraph F.

Other categories of investors

Tax rates for other categories are given below:

| Type of tax payer | Tax rate |
|--|----------|
| Partnership firms (including limited liability partnership)/ domestic company* | 30% |
| Non-resident (other than individual and foreign company) | 30% |
| Company other than a domestic company | 40% |

*FA 2019 provides that in case of a domestic company, where the total turnover or gross receipts of such company for financial year 2017-18 does not exceed Rs 400 crores, the rate of tax shall be 25% (plus surcharge as applicable) and a health and education cess of 4% on the amount of tax plus surcharge.

For rate of surcharge and cess, please refer paragraph F.

F. Surcharge and Cess

The tax rates mentioned herein would be increased by a surcharge of:

- a) 10 per cent - in case of Individuals/ HUFs/ AOP/ BOI, where the total income exceeds Rs 5,000,000 but does not exceed Rs 10,000,000.
- b) 15 per cent - in case of Individuals/ HUFs/ AOP/ BOI, where the total income exceeds Rs 10,000,000 but does not exceed Rs 20,000,000.
- c) 25 per cent - in case of Individuals/ HUFs/ AOP/ BOI, where the total income exceeds Rs 20,000,000 but does not exceed Rs 50,000,000.
- d) 37 per cent - in case of Individuals/ HUFs/ AOP/ BOI, where the total income exceeds Rs 50,000,000.
- e) 12% - in case of firm/ limited liability partnership, local authority and co-operative societies, where the total income exceeds Rs 10,000,000.
- f) 7% - in case of domestic corporate, where the total income exceeds Rs 10,000,000 but does not exceed Rs 100,000,000.
- g) 12% - in case of domestic corporate, where the total income exceeds Rs 100,000,000.
- h) 2% - in case of foreign corporate, where the total income exceeds Rs 10,000,000 but does not exceed Rs 100,000,000.
- i) 5% - in case of foreign corporate, where the total income exceeds Rs 100,000,000.

A health and education cess of 4% by way of would be charged on amount of tax inclusive of the applicable surcharge for all tax payers.

G. Losses under the head Capital Gains/ Business Income

The Act provides for the manner in which the losses under the head 'Capital gains' or 'Profits and gains of business or profession' are to be set-off and carried forward.

Additionally, the following provisions of the Act provide for non-availability of losses:

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

Further, section 94(8) of the Act provides that, where additional units have been issued to any person without any payment, on the basis of existing units held by such person then the loss on sale of original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within three months prior to the record date fixed for receipt of additional units and sold within nine months from such record date, and such person continues to hold all or any of the bonus units at the time of sale of original units. However, the loss so ignored shall be considered as cost of acquisition of such additional units held on the date of sale by such person.

H. Tax Deduction at Source

Any person responsible for paying to a non-resident, any income, which is chargeable to tax under the Act, is required to withhold income-tax thereon under section 195 of the Act, at the prescribed rates, at the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier.

However, with respect to FPIs, section 196D(2) of the Act provides that income-tax is not required to be withheld from any income by way of capital gains, arising from the transfer of shares and units referred to in section 115AD of the Act, payable to the FPIs.

In case of deduction of tax at source (TDS) on payments made to non-residents, the tax rates would be increased by surcharge and cess.

Any person (not being an individual or HUF having total sales/ turnover/ gross receipts not exceeding business of Rs 10,000,000 or gross receipts from profession not exceeding Rs 5,000,000) responsible for making certain specified payments (for e.g. interest) to a resident, is required to withhold income-tax thereon at the prescribed rates, at the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier.

In case of TDS on payments made to residents, the tax rates would not be increased by surcharge and cess.

Where the deductee fails to furnish its PAN/ furnishes an incorrect PAN to the deductor, the deductor will be required to withhold taxes at the rate specified under the Act or the rates in force or 20%, whichever is higher.

Provisions of section 206AA of the Act shall not apply to a non-resident in case of certain payments where conditions prescribed are fulfilled. The CBDT vide Notification dated 24 June 2016 has prescribed those conditions by introducing Rule 37BC to the Income-tax Rules, 1962. As per the said Rule, where the non-resident does not have a PAN, provisions of withholding tax at a higher rate shall not apply on the payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset if the non-resident deductee furnishes the specified details and documents⁷ to the deductor.

I. Advance Tax Installment Obligations

It will be the responsibility of the Client to meet the advance tax obligation installments payable on the due dates under the Act.

J. Minimum Alternate Tax

Section 115JB(1) of the Act provides that, if the tax payable by a company on the total income computed as per the provisions of the Act is less than 18.5% of its 'book profit', then notwithstanding anything contained in any other provision of the Act, the 'book profit' shall be deemed to be the total income of the tax payer, and the amount of tax payable shall be the amount of income-tax at the rate of 18.5% (plus applicable surcharge and education cess) on such total income. This tax prescribed on book profits under section 115JB is commonly referred to as Minimum Alternate Tax (MAT).

⁷ (i) Name, e-mail id, contact number;

(ii) Address in the country or specified territory outside India of which the deductee is a resident;

(iii) A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

(iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident

Section 115JB(2) of the Act further provides that, every company shall, for the purposes of section 115JB of the Act, prepare its profit and loss account in accordance with Schedule III of the Indian Companies Act, 2013. Further, Explanation 1 to section 115JB(2) of the Act prescribes certain additions to/ deductions from the net profit/ loss to determine the 'book profit' within the meaning of section 115JB of the Act.

Further, a tax credit is allowed to be carried forward for fifteen years immediately succeeding the assessment year in which tax credit becomes allowable. The tax credit can be set-off in a year when the tax becomes payable on the total income is in accordance with the regular provisions of the Act and not under MAT.

The amount of income accruing or arising to a foreign company from capital gains arising on transactions in securities or interest, royalty, or fees for technical services chargeable to tax at the rates specified in Chapter XII of the Act, shall be excluded from the purview of MAT, if such income is credited to the Profit and Loss Account and the income-tax payable thereon in accordance with the provisions of the Act (other than the MAT provisions), is at a rate less than the MAT rate of 18.5%. Also, the corresponding expenses shall also be excluded while computing MAT.

Further, the provisions of MAT shall not be applicable to a foreign company if:

- The taxpayer is a resident of a country/ specified territory with which the Government of India (GOI)/ specified association has a Double Taxation Avoidance Agreement (DTAA) and the taxpayer does not have a permanent establishment (PE) in India; or
- The tax payer is a resident with which the GOI/ specified association does not have a DTAA and the taxpayer is not required to seek registration under any law for the time being in force relating to companies.

The Foreign Tax Credit (FTC) claimed against MAT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under MAT.

K. Benefit of Double Taxation Avoidance Agreement

As per the provisions of section 90(2) of the Act, in determining the taxability of a non-resident, the provisions of the relevant DTAA or the Act, whichever are more beneficial shall apply. Accordingly, if the investor is a resident of country with which India has entered into a DTAA, the provisions of the DTAA or of the Act, whichever are more beneficial to the investor, shall apply.

Section 90(4) of the IT Act, provides that a tax payer, not being a resident, to whom a DTAA applies, shall not be entitled to claim any relief under such DTAA unless a certificate of it being a resident in any country outside India is obtained by it from the Government of that country.

Further, section 90(5), provides that the tax payer referred to in section 90(4) of the Act, shall also provide such other documents and information, as may be prescribed. In this connection, on 1 August 2013, the CBDT issued a Notification substituting Rule 21AB of the Income-tax Rules, 1962 (Rules) and prescribing the format of information to be provided under section 90(5) of the Act, i.e. in Form No 10F.

A tax payer would be required to furnish Form No 10F, where the required information⁸ is not explicitly mentioned in the aforementioned certificate of residency; in which case, the Notification additionally requires the tax payer to keep and maintain such documents as are necessary to substantiate the information provided.

(12) ACCOUNTING POLICIES

a. Basis of Accounting

Books and Records would be separately maintained in the name of the client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Managers) Regulations, 1993, as amended from time to time. Accounting under the respective portfolios will be done in accordance with Generally Accepted Accounting Principles.

b. Income Recognition:

Dividend income shall be recognized on the ex-dividend date. Interest income on investments shall be accrued on due dates. Profit or loss on sale of investments shall be recognized on the trade dates on the basis of first-in-first-out basis.

c. Recognition of fees and other expenses

Investment Management fees and other charges shall be accrued and charged as agreed in the agreement between the Portfolio Manager and the Client.

d. Valuation of Investments:

- (i) Secondary market transactions shall be recognized as investments on the trade dates at cost including brokerage, Goods and Service Tax or such other taxes as may be levied by Government of India, stamp fees and other applicable transaction charges. Subscriptions to primary market issues shall be recognized as investments on allotment. Bonus and/or right entitlements shall be recognized on ex-bonus/ex-right dates. If the investment quantity for any Client results in fractional holdings, pursuant to split or de-merger or any other corporate action, the Portfolio Manager, at his discretion, may sell or buy fractional units (subject to availability of cash) to make the investment of each Client in marketable lots.
- (ii) Traded Securities shall be valued on the basis of closing market rates on the National Stock Exchange ('NSE') as on the relevant valuation date. If the Security is not listed on the NSE, the latest available quote within a period of thirty days prior to the valuation date on any other major stock exchange where the Security may be listed would be considered. In the event of this date being a holiday at the exchange, the rates as on the immediately preceding trading day shall be adopted. If no such quote is available, the security may be considered as non-traded.
- (iii) Mutual fund units shall be valued at the latest available net asset value closest to the relevant valuation date.

⁸ Status (individual, company, firm etc.) of the tax payer; Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others); Tax payer's tax identification number in the country or specified territory of residence (In case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the tax payer claims to be a resident); Period for which the residential status, as mentioned in the certificate of residence is applicable; and Address of the tax payer in the country or specified territory outside India, during the period for which the certificate is applicable.

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- (iv) Government securities shall be valued at the prices released by the Reserve Bank of India. Government securities, where prices are not available, shall be valued at yield to maturity based on the prevailing interest rates as per the yield curve.
 - (v) Bonus shares to which the portfolio becomes entitled shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the Stock Exchange, Mumbai on an ex-bonus basis. Similarly, rights entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis.
 - (vi) Index Futures shall be valued at settlement price declared by NSE on the valuation date.
 - (vii) Profit/ loss on index futures shall be recognized on expiration or squaring up of the contract based on first –in- first out (FIFO) method.
 - (viii) On the valuation date, the ‘marked to market’ (MTM) margin received on outstanding contracts shall be considered as current liability. MTM margin paid shall be considered as current assets and provision shall be created for the same.
 - (ix) In respect of all interest bearing investments, income shall be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
 - (x) In determining the holding cost of investments the “Weighted average price (WAP)” method shall be followed for each security and the gains or loss on sale of investments, “First in first out (FIFO)” method shall be followed.
 - (xi) Transactions for purchase or sale of investment shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market for example, acquisition through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the portfolio obtains an enforceable obligation to pay the price or in the event of a sale. When the portfolio obtains an enforceable 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.
 - (xii) Unlisted, non-traded and thinly traded equity securities, including those not traded within thirty days prior to the valuation date and all other securities where a value cannot be ascertained shall be valued in good faith at fair value as determined by the Portfolio Manager. Non-traded and thinly traded Fixed Income Instruments, including those not traded within seven days prior to the valuation date will be valued at cost plus interest accrual till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instrument.
 - (xiii) The cost of Investments acquired or purchased shall include brokerage, stamp duty and any charge customarily except for Securities Transaction Tax included in the broker’s bought note. In respect of privately placed debt instruments any front end discount offered may be reduced from the cost of the investment.

- (xiv) Securities brought in by the client, the same is accounted for in PMS accounts on the date on which the stock is credited to the depository account shall be valued at the closing price of the security at NSE. If closing price on NSE is not available, BSE price would be considered. Accordingly, date of credit as aforesaid shall be construed as date of acquisition and cost as stated above is considered as cost of acquisition for the purpose of computing gains / returns in case these details are not provided by the Client.
- (xv) Securities withdrawn by the client: the same is accounted for in the portfolio accounts on the date on which the stock debited to the depository account shall be valued at the closing price of the security at NSE. If closing price on NSE is not available, BSE price would be considered. Accordingly, date of debit as aforesaid shall be construed as date of sale and value as stated above is considered as sale consideration for the purpose of computing gains / returns.
- (xvi) The accounting policies and standards as outlined above are subject to changes made from time to time by the Portfolio Manager. However, such changes would be in conformity with the Regulations.

(13) INVESTORS SERVICES

- (a) The name and address and telephone number of the Investor Relation Officer who shall attend to the investor queries and complaints are as follows:**

Mr. Murali Ramasubramanian

PGIM India Asset Management Private Limited

2nd Floor, Nirlon House, Dr. A.B. Road

Worli, Mumbai - 400030

Tel. no: +91 22 61593000

Fax: +91 22 61593100

Email: murali.ramasubramanian@pgimindia.com

- (b) Grievances & Dispute Settlement Mechanism:-**

Grievances of the Clients may be sent to the designated Investor Relation Officer of the Portfolio Manager. The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, in a reasonable manner and time.

Clients may also register/lodge their grievances with Securities and Exchange Board of India (SEBI) on SCORES (SEBI Complaints Redressal System) Portal i.e. <http://scores.gov.in/> by clicking on “Complaint Registration” under “Investor Corner” or by writing to any of the offices of SEBI. For any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800 22 7575 / 1800 266 7575.

In case of any disputes, differences, claims and questions whatsoever which arise either during the subsistence of the PMS Agreement or afterwards between the parties thereto and/or their respective representatives, arising out of or in connection with the PMS Agreement, the Portfolio Manager and Client will endeavor to settle such dispute amicably within 30 days, failing which the same shall be referred to and settled by arbitration, under the specific terms described in the Client Agreement, in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and will be conducted in the English language.

(14) MISCELLANEOUS PROVISIONS

a. Prevention of Money Laundering

The Portfolio Manager is committed to adhere to the requirements specified under the Prevention of Money Laundering Act 2002 and the requirements laid down by SEBI, in this respect. The Clients including guardians (in case of minors) shall ensure that the investments made by them are through legitimate sources only and do not involve or are not designated for the purpose of money laundering or any contravention or evasion of the requirements specified under any rules, laws and regulations specified by the Government of India or any other statutory body / entity.

The Portfolio Manager reserves the right to seek appropriate information / documents from the Clients with a purpose to comply with *inter alia* its regulatory obligations. For this purpose the Portfolio Manager could record telephonic calls of the Client, retain documents and information etc. including details for establishing the identity of the Investor, proof or residence, source of funds etc. The Portfolio Manager may also verify information through third party databases, personal visits etc. In case a Client refuses / fails / delays in providing the information sought by the Portfolio Manager, the Portfolio Manager retains the right to freeze the accounts of the Client, reject any transaction request, effect mandatory repayment / return of assets etc. The decision of the Portfolio Manager in this regard, shall be final.

SEBI vide circular dated January 24, 2013 prescribed guidelines for identification of Beneficial Ownership to be followed by the intermediaries for determination of beneficial owners. A 'Beneficial owner' is defined as a natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercise ultimate effective control over a legal person or arrangement. In this regard, all categories of investors (except individuals, company listed on a stock exchange or majority-owned subsidiary of such company) are required to provide details about beneficial ownership for all investments with effect from July 1, 2014. The Portfolio Manager reserves the right to reject applications/restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in beneficial ownership, investors are requested to immediately update the details with the Portfolio Manager.

The Portfolio Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND that it believes are suspicious in nature within the purview of the anti-money laundering laws and/or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise investors or distributors of such reporting. The 'Know Your Client' (KYC) documentation requirements shall also be complied with by the persons becoming clients by virtue of operation of law (such as by way of transmission).

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

b. Client Information

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by him is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner and the investor is duly entitled to invest the said funds. Where the funds invested are for the benefit of a beneficiary other than the person in whose name the investments are made and/or

registered, the Portfolio Manager shall assume that the Client holding the funds/Securities in his name is legally authorised /entitled to invest the said funds through the services of the Portfolio Manager, for the benefit of the beneficiaries.

Pursuant to the provisions of U.S. Office of Foreign Assets Control (OFAC) laws and regulations, if after due diligence, the Portfolio Manager believes that any transaction is violating any provisions of the OFAC laws and regulations or the investor failed to provide required documentation, information, etc., the Portfolio Manager shall have absolute discretion to report such transactions and details of the clients to Prudential Financial Inc or its affiliates for reporting under OFAC laws and regulations and/or to freeze the investment or reject any application(s).

c. Sharing of Client Information:

The Clients agree and acknowledge that the Portfolio Manager may share any Client's information (personal / financial, etc.,) with the following parties, in connection with and as may be necessary for the conduct of the Portfolio Manager's business / operations:

- i. With any authorised external third parties / intermediaries (including, but not limited to Depository Participant, Custodian for the Portfolio Manager) who are involved in record-keeping, transaction handling and processing, dispatches, etc. of Client's investment in any Products / Portfolio of the Portfolio Manager; or
- ii. With any Authorised Distributors / Introducers / Referrers through whom applications of Clients are received for the Products / Portfolio and/or who has introduced/referred the Client to the Portfolio Manager, unless any Client/s have specifically written to the Portfolio Manager to refrain from sharing such information with such parties; or
- iii. any regulatory/administrative/legislative authority within or outside India and/or with any group company of the Portfolio Manager or the Prudential Group for compliance with any legal, statutory or regulatory requirements and/or to verify the identity of Clients for complying with anti-money laundering requirements and/or any order under any applicable laws for the time being in force and/or for the purpose of data storage.

The Account statements or financial information pertaining to the Clients, Distributors, Introducers, Referrers or any other entity as indicated above to be sent over the internet will be sent by the Portfolio Manager only through a secure mode. In case any Client feels that any information/data provided by the Client is inaccurate / deficient, then the Client has to ensure to correct/amend such information/data as soon as possible by getting in touch with the Portfolio Manager. The Portfolio Manager will at all times endeavor to handle transactions efficiently and to resolve any Client grievances promptly. Any complaints should be addressed to the Investor Relations Officer as specified in this Document.

d. Compliance with Foreign Account Tax Compliance Act:

The Hiring Incentives to Restore Employment Act was signed into US law in March 2010 and includes provisions commonly referred to as Foreign Account Tax Compliance Act ('FATCA'). FATCA require financial institutions to report to the US Internal Revenue Service ("IRS") certain information on US persons (based on one or more specified US indicia), holding accounts outside the US, as a safeguard against U.S. tax evasion. FATCA provisions imposes a 30% withholding tax on certain U.S. source payments (including dividends and gross proceeds from the sale or other disposal of property that can produce U.S. source income) when made to an individual or entity that does not comply with FATCA provisions. The 30% withholding could also apply to payments otherwise attributable to US source income. Any amounts withheld under FATCA may not be refundable by the IRS.

FATCA is globally applicable from July 1, 2014 and in order to comply with FATCA obligations, the Portfolio Manager will, with effect from July 1, 2014 seek additional information/ documentation from investors while accepting applications or otherwise (at its discretion), in order to ascertain their U.S. Person status. Further, with effect from July 1, 2014, the Portfolio Manager reserves the right not to accept applications which are not accompanied with information/documentation required to establish the U.S. Person status from the investors.

Further, the Portfolio Manager may report the information related to the investment of any investor to the US tax authorities (or to an Indian agency as notified, once India signs the Inter governmental Agreement with US) and redeem and/or apply withholding tax to payments to investors who fail to provide the information and documents required to identify their status, or are non-FATCA compliant financial institutions or fall within other categories specified in the FATCA provisions and regulations. Investors should consult their own tax advisors regarding the applicability of FATCA requirements to them.

e. Provisions applicable for subscription and redemption:-

The portfolio inception date for a client's portfolio account would be determined on the basis of the date on which the subscription amount (either in cash or in securities) received from the client is available for utilization by the Portfolio Manager, subject to completion of all account opening formalities.

In case of redemption, the Portfolio Manager will endeavor to sell the securities in the portfolio account of the client within two business day from the date of receipt of valid and complete redemption request. Please note that in case of any illiquid securities in the portfolio, selling of such securities within the above prescribed time period may be difficult and in such scenarios the time taken for selling such illiquid securities may be extended.

Portfolio Manager, their directors, officers and /or agents shall not be liable/ responsible for any indirect or opportunity loss incurred by the client on account of the sale of securities.

The Portfolio Manager shall endeavor to disburse the redemption proceeds to the client within six business days from the date of receipt of valid and complete redemption request, subject to the completion of all the relevant formalities, including settlement of sell trades and availability of funds.

Notwithstanding anything contained in this Disclosure Document, the provisions of the SEBI (Portfolio Managers) Regulations, 1993, as amended from time to time and the guidelines there under shall be applicable.

Investors are advised to read the Disclosure Document carefully before entering into the agreement with the Portfolio Manager.

Sd/-
Name: Mr. C. P. Philip
Designation: Director
DIN: 00054325

Sd/-
Name: Dr. V. R. Narasimhan
Designation: Director
DIN: 00170064

M. P. Chitale & Co.

Chartered Accountants

1/11, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 • Tel.: 43474301-03 • Fax : 43474304

The Board of Directors,

PGIM India Asset Management Private Limited

(Erstwhile DHFL Pramerica Asset Managers Private Limited),

2nd Floor, Nirlon House, Dr. A.B Road,

Worli, Mumbai - 400 030.

We have examined the Disclosure Document for Portfolio Management dated August 08, 2019, prepared in accordance with Regulation 14 of SEBI (Portfolio Managers) Regulations, 1993 by PGIM India Asset Management Private Limited (Erstwhile DHFL Pramerica Asset Managers Private Limited), having its Corporate office at 2nd Floor, Nirlon House, Dr. A.B. Road, Worli, Mumbai 400 030.

Based on our examination of attached Disclosure Document and other relevant records and information furnished by Management, we certify that the disclosures made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well informed decision.

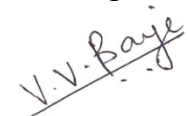
We have relied on the representations given by the management about the penalties or litigations against the Portfolio Manager mentioned in the disclosure document. We are unable to comment on the same.

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

For M.P. Chitale & Co.

Chartered Accountants

Firm Reg. No. 101851W



Vidya Barje

Partner

Membership No. 104994

Mumbai, August 09, 2019

UDIN : 19104994AAAAQQ3621

FORM C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993
(Regulation 14)

PGIM India Asset Management Private Limited

2nd Floor, Nirlon House, Dr. A.B Road,
Worli, Mumbai - 400 030, India
Tel: +91 22 61593000
Fax: +91 22 61593100

We confirm that:

- (i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time;
- (ii) The disclosures made in the Disclosure 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, namely, M. P. Chitale & Co., Chartered Accountants, 1/11, 1st Floor, Prabhadevi Industrial Estate, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025, Tel:- +91 22 4347 4301 (Firm Registration No: 101851W) on August 9, 2019 (enclosed is a copy of the chartered accountants' certificate to the effect that the disclosures made in the document are true, fair and adequate to enable investors to make a well informed decision).

Sd/-

Ajit Menon

(Principal Officer)

PGIM India Asset Management Private Limited

(erstwhile DHFL Pramerica Asset Managers Pvt. Ltd.)

2nd Floor, Nirlon House, Dr. A.B Road,

Worli, Mumbai - 400 030, India

Place : Mumbai

Date : August 9, 2019