

RELIANCE WEALTH MANAGEMENT LIMITED**PORTFOLIO MANAGEMENT SERVICES DISCLOSURE DOCUMENT****(As on September 30, 2020)****Pursuant to Regulation 14 read with Schedule V of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993**

Registered & Corporate Office	11 th Floor, R-Tech IT Park, Nirlon Compound, Off Western Express Highway, Goregaon (East), Mumbai – 400063 Tel. No.: 022-41681200 Fax No.: 022-41681220
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INVESTORS SHOULD NOTE THAT

This Disclosure Document has been filed with the Securities and Exchange Board of India together with the certificate in the prescribed format in terms of Regulation 14 read with Schedule V of Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended ('the Regulations').

This Disclosure Document sets forth concisely the essential information that a prospective investor ought to know about portfolio management services, to assist and enable the investor before engaging a portfolio manager. Investors should carefully read the Disclosure Document before making a decision of appointing a portfolio manager.

This Disclosure Document remains effective until a 'material change' occurs. Material changes will be filed with Securities and Exchange Board of India ("SEBI") and circulated to the investors or may be publicly notified by advertisements in the newspapers, subject to the applicable Regulations.

The particulars of this Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993, as amended till date and this Disclosure Document has been filed with SEBI. This Disclosure Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this Disclosure Document.

No person has been authorised to give any information or to make any representations not confirmed in this Disclosure Document, in connection with this Disclosure Document, and any information or representations not contained herein must not be relied upon as having been authorised by Reliance Wealth Management Limited.

This Disclosure Document discloses the necessary information about the Portfolio Manager that an investor would require to know before investing.

Please retain this Disclosure Document for future reference.

Mr. Varun Bang of Reliance Wealth Management Limited has been designated as the Principal Officer w.e.f. October 29, 2020 in place of Mr. Kaushik Dani. The detail of the Principal Officer is as under:

Mr. Varun Bang

Reliance Wealth Management Limited

11th Floor, R-Tech IT Park,

Nirlon Compound, Off Western Express Highway,

Goregaon (East),

Mumbai – 400063

Tel. No.: 022-4168 1200

Email: varun.bang@relianceada.com

A handwritten signature in black ink, appearing to be "B. Bang" with a flourish.

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PORTFOLIO MANAGEMENT SERVICES – DISCLOSURE DOCUMENT**1. DISCLAIMER**

This Disclosure Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations 1993 as amended ('the Regulations') and it has been filed with the Securities and Exchange Board of India (SEBI) and has neither been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Disclosure Document.

Disclaimers in respect of jurisdiction: The possession, circulation and/or distribution of this Document may be restricted or regulated in certain jurisdictions by appropriate laws. No action has been or will be taken by RWML in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Document shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. RWML requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to RWML. Any dispute arising out of this Document shall be subject to the exclusive jurisdiction of the Courts in India.

2. DEFINITIONS AND ABBREVIATIONS

For the purposes of this Disclosure Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires, the following words and expressions shall have the meanings assigned to them respectively hereinafter:

Sr. No.	Words	Description
1	Act	means the Securities and Exchange Board of India, Act, 1992 (15 of 1992) as amended from time to time
2	Agreement	means the agreement between the Client and the Portfolio Manager for providing portfolio management services to that Client and stating therein the terms and conditions on which the Portfolio Manager shall provide such services to that Client.
3	Board	means the Securities and Exchange Board of India
4	Client or Investor	means any person who registers with the Portfolio Manager for availing the services of portfolio management.
5	Custodian	means Axis Bank Limited or any other such service provider, appointed by the Portfolio Manager to provide custodial services and to act as a custodian on terms and conditions as are agreed between the Custodian and the Portfolio Manager.
6	Depository	means Depository as defined in the Depositories Act, 1996 (22 of 1996)

Sr. No.	Words	Description
7	Depository Account	means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations.
8	Disclosure Document	means this Disclosure Document prepared and issued by Reliance Wealth Management Limited in accordance with the terms laid under Regulation 14 (2) (a) and Schedule V of the SEBI (Portfolio Managers) Regulation, 1993.
9	Discretionary Portfolio Management Services	means portfolio management services where the portfolio manager exercises or may, under a contract relating to portfolio management service exercise any degree of discretion as to the investments or management of a portfolio of securities or Funds of the Client, as the case may be.
10	Financial year	means the year starting from April 1 of a year and ending on 31st March the following year.
11	Funds	means the moneys placed by the Client with the Portfolio Manager and any accretions thereto
12	Initial Corpus	means the value of the Funds and the market value of readily realizable investments brought in by the Client, if any at the time of registering him as a Client with the Portfolio Manager and accepted by the Portfolio Manager.
13	Investment Advisory Services	means the services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients as agreed upon in the Agreement.
14	Non-Discretionary Portfolio Management Services	means portfolio management services other than Discretionary Portfolio Management Services and, Investment Advisory Services where the discretion to decide on investments made in the portfolio lies with the Client
15	Option	means the current investment options and any other investment options that may be introduced at any time in the future by the Portfolio Manager.
16	Portfolio	means the total holdings of all investments including Securities and Funds belonging to the Client.
17	Portfolio Manager	means Reliance Wealth Management Limited (the Company / RWML) a SEBI Registered Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
18	Portfolio Management	means the Discretionary Portfolio Management

Sr. No.	Words	Description
	Services	Services or Non Discretionary Portfolio Management Services or Investment Advisory Services, as the context may require.
19	Principal Officer	An employee of the Portfolio Manager who has been designated as such by the Portfolio Manager
20	Regulations or SEBI Regulations	means the SEBI (Portfolio Managers) Regulations, 1993, as amended from time to time.
21	SEBI	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act,1992
22	Securities	means the securities whether listed or unlisted in which the Portfolio Manager may from time to time invest for and on behalf of the Clients in accordance with the Agreement.

The terms that are used herein and not defined herein, except where the context otherwise so requires, shall have the same meanings as are assigned to them under the Act, Regulations and / or SEBI Regulations.

3. INTERPRETATION:

For the purpose of this Document, except as otherwise expressly provided or unless the context otherwise requires all references to the masculine shall include the feminine and vice-versa and all reference, to the singular shall include the plural and vice-versa.

4. HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

Reliance Wealth Management Limited

Reliance Wealth Management Limited (RWML / the Company) is a company registered under the Companies Act, 1956 vide Corporate Identity Number: U65999MH2009PLC189285 dated January 1, 2009 having its Registered Office at Reliance Centre, 4th/11th Floor, North Wing, R-Tech IT Park, Nirlon Compound, Off. WEH, Santacruz Western Express Highway, Goregaon (East), Mumbai – 400055 and is a wholly-owned subsidiary of Reliance Capital Limited (RCL).

SEBI has approved transfer of PMS business having SEBI Regn. No. INP000002353 dated October 18, 2010 from Reliance Securities Limited ("the former Portfolio Manager") in favour of Reliance Wealth Management Limited (the Company / RWML) vide its letter dated January 17, 2011 and has issued the SEBI Registration Certificate in favour of the Company.

The Company's core strengths are its investment research capabilities and the active investment analysis.



5. PROMOTERS AND DIRECTORS OF THE PORTFOLIO MANAGER AND THEIR BACKGROUND IN BRIEF**a) Promoters**

The promoter of the Portfolio Manager is Reliance Capital Limited having audited Net worth of Rs. 509crore on standalone basis and Rs. (5,043) crore on consolidated basis as on September 30, 2020.

b) Particulars of the Directors of Reliance Wealth Management Limited

The Directors of the Portfolio Manager as on September 30, 2020 are:

Name	Qualification	Experience	Other Directorships
Mr. Amit Agrawal - Director	B.Com, CA	Over 14 years	As per Annexure A
Mr. Viral Sarvaiya – Director	B.Com, CS, LL.B	8 years	As per Annexure B
Mr. Sushilkumar Agrawal - Independent Director	B.Com, FCA	Mr. Sushilkumar Agrawal is a practicing Chartered Accountant and the Senior Most Partner in M/s. N. D. Kapur & Co., Chartered Accountants. He has over the years developed special expertise in the Banking and Financial Services Industry	As per Annexure C
Mr. Ashok Karnavat- Independent Director	B.Com, FCA DISA(ICAI)	Over 25 years of experience as Practicing Chartered Accountant	As per Annexure D

6. TOP TEN GROUP COMPANIES/FIRMS

Sr. No	Name	Income/Turnover for the year ended September 30, 2020. (Amt. Rs. in crore)
1	Reliance General Insurance Company Limited	5,413.76
2	Reliance Nippon Life Insurance Company	3,544.97
3	Reliance Commercial Finance Limited	245.02
4	Reliance Securities Limited	117.10
5	Reliance Financial Limited	6.72
6	Quant Capital Private Limited	3.03
7	Reliance Commodities Limited	2.72
8	Reliance Capital Pension Fund Limited	1.45
9	Reliance Wealth Management Limited	1.25
10	Reliance Health Insurance Limited	0.15

Note: Reliance Capital Limited and its top ten subsidiaries have been disclosed above.

7. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC.

There have been no instances of penalties imposed or directions issued, or proceedings initiated by the Board under the Act or Rules or Regulations or by any Regulatory authority against the Company / Portfolio Manager for any economic offence and/or for violation of any securities laws or for any deficiency in the systems and operations of the Portfolio Manager.

There are no criminal proceedings initiated against the Portfolio Manager or its key personnel by any authority.

8. SERVICES OFFERED

A) DETAILS OF SERVICES OFFERED BY THE PORTFOLIO MANAGER

The Portfolio Manager offers its services to residents, Non Resident Indians (NRIs) and Foreign Portfolio Investors (FPIs). These services are provided on Indian and international investments of clients, as per the following categories:

1. Discretionary services

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per the Agreement and make such changes in the investments and invest some or all of the Client's account in such manner and in such markets as it deems fit. The securities invested / disinvested by the Portfolio Manager for Clients under the Portfolio Management Services (PMS) may differ from one Client to another Client.

Under these Discretionary Portfolio Management Services, the Portfolio Manager shall have the discretion to invest the Client's funds in various securities including but not limited to the following - (i) shares, scrip's, stocks, bonds, debentures, debentures stock, Alternative Investment Funds or other marketable securities of a like nature in or of any incorporated company or other body corporate, (ii) derivative, (iii) units or any other instrument issued by any collective investment scheme to the investors in such Options; (iv) security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; (v) Government securities; (vi) such other instruments as may be declared by the Central Government to be securities; (vii) rights or interest in securities; and (viii) units or any other such instruments issued to the investors under any mutual fund scheme; to the extent permitted under the Rules and Regulations.

Investments can also be made in all types of debt securities including but not limited to Securitised Debt (Pass Through Certificates) (PTCs), Debentures (fixed, floating, and Variable Coupon), Bonds, Government securities issued or guaranteed by Central or State Govt, non-convertible part of partially convertible securities, corporate debt (of both public and private sector undertakings), securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits (pending deployment of funds), commercial papers, certificate of deposit, trade bills, treasury bills, units of mutual funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements etc and other instruments as may be permitted by SEBI/RBI from time to time and as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

Subject to the Regulations, the securities invested under Discretionary Portfolio Management Services could be listed, unlisted, convertible, non-convertible, secured, unsecured, rated or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPO's), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' 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 any time thereafter except on the ground of malafide intent, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager will be exercised strictly in accordance with the relevant Acts, Rules, and Regulations, guidelines and notifications in force from time to time.

Under these services, Clients may authorize the Portfolio Manager to invest their Funds in specific financial instruments or a mix of financial instruments or restrict the Portfolio Manager from investing in specific financial instruments or securities.

Under this category of services, apart from providing customized investment portfolios for clients based on their individual needs, the following investment options are offered:

A. Equity Options:

- i. **Alpha Growth:** A multicap aggressive investment option. This option focuses more on the future growth potential of companies rather than only the lower valuation of the stocks. The bottom-up strategy employed in this option will aim to select and invest in good quality, high growth companies that are available at a reasonable price.
- ii. **Value:** An option which offers a diversified investment portfolio predominantly. This option follows a moderately defensive approach to portfolio construction with focus on value based investing in companies that have strong balance sheet and high intrinsic value.
- iii. **MINT:** An option with an objective to generate superior returns over long term with a focused multi-cap portfolio. Portfolio Manager may take active cash & profit booking calls on the portfolio.
- iv. **Alpha Large Cap:** An option with an objective to generate consistent and superior returns over a medium to long term by capitalizing on investment opportunities in the large cap space. Strategy is to generate consistent and superior returns by adopting a blend of bottom up and top down approach.
- v. **Emerging Business Opportunities Portfolio (Multiple Series)**
This option will focus on providing long term capital appreciation by investing predominantly in Small & Micro Cap companies. The bottom up strategy employed in this option will endeavour to select and invest in good quality, high growth companies at a reasonable price.

B. Fixed Income Options:

Debt: Under this option, the Portfolio Manager would endeavor to generate superior risk adjusted returns on a consistent basis by taking an active view on the markets in terms of interest rate movements or any other factor that may affect overall returns.

The duration of these debt portfolios would primarily be managed with a view to generate absolute returns while managing the interest rate risk. The Portfolio Manager would endeavor to mitigate the risks associated with individual debt securities by diversification and effective use of hedging techniques where possible and mandated.

C. Structured Solutions:

- i. **Focused Customized Strategy:** An option with an objective to develop and execute customized specific strategies as per client suitability across Stocks, Securities, NCDs, Mutual Funds, Preference Shares, Structured Products, Bonds/NCDs, CP/CD's, Derivatives, Alternative Investment Funds (AIFs), etc.

- ii. **Alpha Yield Multiplier (Multiple Series):** A close-ended multi-asset class strategy which combines the positives of two asset classes – high income yielding AIF Category-II /RE or Non-RE NCDs and capital appreciation from equities through bottom-up stock-picking (GARP – Growth at Reasonable Price) which is suited for investors from a medium term perspective.
Strategy will have higher allocation to high yield AIF II / NCD's to start say (100% to 70%) and (0% to 30%) equity to start with, but as and when cash flows are generated from AIF II/NCD's be it interest or principal payments, cash is deployed into equities systematically over a period of time.
Primary objective of the strategy is to generate higher income/capital gains on the investments, by effectively investing in both equities and high yielding assets with an option to distribute capital earlier at the discretion of the Portfolio/Fund Manager.
- iii. **Alpha Mutual F-of-F:** A dynamic quantitative asset allocation between equity and debt mutual funds with an aim to maximize return and lower volatility of the portfolio. Under this option, investments shall be made in units of different mutual funds.
The Portfolio Manager may invest in units of open-ended equity and debt funds. This option will endeavor to optimize portfolio returns by combining varied investment styles of various funds and will invest in a mix of best breed mutual fund schemes.
- iv. **Yield Optimiser (Multiple Series):** A close-ended strategy which contains the positives of high income yields from AIF-II/ RE or Non-RE NCDs and stability from fixed income and fixed income related assets/instruments.
Strategy will have higher allocation to AIF-II/NCD's (100% to 70%) and remaining to fixed income and related assets/instruments (0% to 30%) to start with but as and when cash flows are generated from AIF II/NCD's be it interest or principal payments, they are deployed into other fixed income and related assets /instruments systematically over a period of time.
Primary objective of the strategy is to generate higher income on the high yielding investment and then redeploy the cash flows generated in the interim period effectively in fixed income and related assets/instruments with an option to distribute capital earlier at the discretion of the Portfolio / Fund Manager.
Bonds/Debentures, Debt and Debt oriented Mutual Funds units, Fixed Income Securities, Preference Shares, Market Linked Debentures (MLDs), AIFs are included in fixed income and related assets/instruments
- v. **Alpha Multiplier (Multiple Series):**The strategy aims to generate enhanced equity returns with downside protection by investing in Market Linked Debenture which is linked to an actively managed large cap equity portfolio /index.
- vi. **Alpha Liquid Strategy:** Under this strategy investments will be made in units of Liquid Mutual Funds, Money Market Mutual Funds with an objective to have low volatility.

2. Non-Discretionary Services

- i. **NDPMS:** Under these services, the Client decides their own investments, with the Portfolio Manager facilitating the execution of transactions. The Portfolio Manager will provide all the other services including execution of transactions, settlement of trades, accounting and providing MIS to the Client. Under this category of services, the Portfolio Manager will execute orders only as per the mandate received from Client(s) and the client (s) may give required POA to the Portfolio Manager for executing such transactions. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Rules and Regulations, guidelines and notifications in force from time to time. Periodical statements in respect of Client's Portfolio shall be sent to the respective Client.
- ii. **R-CUBE:** A non-discretionary strategy which seeks to provide a comprehensive package designed to help the investor in his investment decisions. It aims to generate returns and

capital appreciation over a period of time from portfolio of stocks, fixed income instruments, structured products, private equity and mutual funds based on asset allocation mapped to investor's risk profile.

3. Investment Advisory Services

The Portfolio Manager will provide Advisory Services which shall be in the nature of non-binding investment advice and may include the responsibility of inter alia advising for renewing and reshuffling the portfolio, buying and selling the securities. Additionally, the Portfolio Manager may advise on the safe custody of the securities and monitor book closures, dividend, bonus, rights etc. and any other benefits that accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described in the Products from time to time, entirely at the Client's risk

4. Distribution / Referral Services

Under these services, the Distribution division of Portfolio Manager shall provide Distribution / Referral services on various financial products in accordance with the applicable Acts, Rules and/or Regulations, guidelines and notifications in force from time to time. The company may receive commission / fees from the manufacturer/issuer of such products as per the prevalent market practice.

B) INVESTMENT OBJECTIVES AND POLICIES / INVESTMENT PHILOSOPHY

a) EQUITY INVESTMENT PHILOSOPHY

The objective of managing equity portfolios would be to generate long term wealth for Clients, by primarily investing in fundamentally sound companies over a longer-term holding period.

The Portfolio Manager will attempt to identify companies for investments, based on the following criteria among others: -

1. Sound Management
2. Good Track Record of the company
3. Potential for future growth
4. Attractiveness of operating parameters
5. High & Consistent earnings growth at reasonable/discount valuations.
6. Upward Re-Rating through structural changes in business or Market Cap.
7. Unlocking of Asset Valuation on Balance Sheet.
8. Sector re-rating as a result of changes in the economic/political environment.

The evaluation of each investment alternative would be based on extensive research to be carried out by the Portfolio Manager before making / advising investment decisions.

b) DEBT INVESTMENT PHILOSOPHY

Investment decisions would be based primarily on:

1. Active views on the interest rates and yield curves
2. Active duration management

3. Credit quality of the portfolio
4. Liquidity of the overall Portfolio

The Portfolio Manager will endeavor to generate superior risk adjusted returns by investing in appropriate maturity buckets consistent with the interest rate view. The Portfolio Manager will also endeavor to develop a well diversified portfolio in order to minimize the credit and liquidity risk. Extensive credit research would be carried out before making decisions to invest directly into bond and other similar securities for such debt portfolios. As per the Regulations, the Portfolio Manager will not deploy the clients' funds in bill discounting, badla financing or for the purpose of lending or placement with corporate or non-corporate bodies.

c) TRADING IN DERIVATIVES

SEBI vide the Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2002, has permitted all the Portfolio Managers to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, the

Portfolio Managers may use various derivative products from time to time, as would be available and permitted by SEBI.

Accordingly, the Portfolio Manager may use derivative instruments for hedging and portfolio rebalancing like Stock Index Futures, Stock Futures, Options on Stocks and Stocks Indices, Interest Rate Swaps, Forward Rate Agreements and other such derivative instruments introduced from time to time, as permitted by SEBI.

d) RISK MANAGEMENT

The Portfolio Manager will not trade on margin or on a speculative basis on behalf of the client. All transactions will be settled on a delivery basis. The portfolio will be structured so as to keep risk at acceptable levels. This will be done through various measures including –

1. Appropriate diversification of portfolio
2. Ongoing review of relevant market, industry, sector and economic parameters.
3. Equity investment in companies, which have been well researched
4. Credit research on companies where investments are done in debt instruments

Besides, the above Portfolio construction will be done keeping in view the investment objective, risk profile and investment horizon of the client.

C) POLICY FOR INVESTMENTS IN GROUP / ASSOCIATE COMPANIES AND AVAILING OF SERVICES OF GROUP / ASSOCIATE COMPANIES

The Portfolio Manager may utilize the services of its Group Companies and / or any subsidiary or associate company of the Portfolio Manager established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees and / or relatives) on commercial terms after evaluation of the competitiveness of the pricing offered and the services to be provided by them and on arms length basis at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations. The Portfolio Manager shall ensure that there is no conflict of interest for any transaction/arrangement with any of its Group Companies and / or any subsidiary or associate company.

In managing the portfolios of its clients, the Portfolio Manager may avail securities broking services and may invest in shares, units of mutual funds, debt, deposits and other financial instruments issued by any of the group /associate companies of the Portfolio Manager to the extent permitted under the SEBI Regulations.

9. RISK FACTORS

1. Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
2. The past performance of the Portfolio Manager is not indicative of the future performance. Investors are not being offered any guaranteed or indicative returns.
3. The names of the option do not in any manner indicate their prospects or returns. The performance in the equity options may be adversely affected by the performance of individual companies' changes in the market place industry specific and macro economic factors.
4. Risk to the use of derivatives: As and when the Portfolio Manager trades in the derivatives market there are risks associated with the use of derivatives that investor should be aware of. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and other related capabilities. There is the possibility that a loss may be sustained as a result of the failure of another party (usually referred to as the counter party) to comply with the terms of the derivatives contract. Other risks in using derivatives include market risk, valuation risk, option risk, liquidity risk and basis risk.
5. Risks pertaining to stock lending: In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks.
6. Client portfolios will be exposed to various risks depending on the investment objective, investment strategy and the asset allocation which may differ from client to client. Portfolios with higher allocation to equities will be subject to higher volatility than portfolios with low allocation to equities.
7. Risk arising out of non-diversification, if any.
8. Generally, highly concentrated portfolios with lesser number of stocks are more volatile than a portfolio with a larger number of stocks. Diversified portfolios (allocated across companies and broad sectors) generally tend to be less volatile than non-diversified portfolios
9. Specific risks and disclosures associated with investments in fixed income and money market securities. These risks include but are not restricted to:
 - a) Interest Rate Risk: Changes in interest rates may affect the current value of the debt securities, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities.
 - b) Liquidity Risk: This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.
 - c) Credit Risk: Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk.

- d) Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are reinvested. The additional income from reinvestment is the interest on interest component. The risk refers to the fall in the rate for reinvestment of interim cash flows.

10. Specific Risk Disclosures associated with investments in Securitised Debt Instruments

- a) Presently, secondary market for such securitised papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
- b) Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.

11. Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures

- a) The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.
- b) The Issuer of Equity index linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in indices, futures and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
- c) The Structured Products, even after being listed, may not have a market at all;
- d) The returns on the Structured Products, including those linked to the may be lower than prevalent market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures, or less income/return than the Debenture-holder may have expected or obtained by investing elsewhere or in similar investments.
- e) In the case of Equity Index Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.
- f) At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
- g) The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products;

10. CLIENT REPRESENTATION-

The categories of the Clients serviced by the Company for the years 2017-18, 2018-19, 2019-20 and as on September 30, 2020 are stated here under:

Category of Clients*	As on September 30, 2020		As on YE March 31, 2020		As on YE March 31, 2019		As on YE March 31, 2018	
	No. of Clients	Funds Managed Amt. (Rs. in Cr.)	No. of Clients	Funds Managed Amt. (Rs. in Cr.)	No. of Clients	Funds Managed Amt. (Rs. in Cr.)	No. of Clients	Funds Managed Amt. (Rs. in Cr.)
Discretionary Clients	234	107.36	282	137.09	492	516.94	671	1124.74
Non-Discretionary Clients	4	1.81	12	28.49	16	33.86	9	16.39
Clients being Associates or Group Companies	0	0.00	0	0.00	0	0	0	0
Advisory	1	199.94	1	94.87	2	846.29	2	1116.50
Total	239	309.10	295	260.46	510	1397.09	682	2257.63

* The number of clients mentioned hereinabove are unique across the product offerings

11. DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES PERTAINING TO PORTFOLIO MANAGEMENT SERVICES

The Portfolio Manager may invest the funds of the Client in the units of schemes of Reliance Mutual Fund and other short term products of other group Companies. The Portfolio Manager may invest in shares, debt, deposits, units of mutual funds and other financial instruments issued by any of the group / associate companies of the Portfolio Manager to the extent Permitted under the SEBI Regulations.

During the period under review on September 30, 2020 following Related Party Transactions as per AS 18 of the Institute of Chartered Accountants of India are entered in the ordinary course of business.

Nature of Transaction	Name of Related Party	Nature of Relationship	Amount (Rs.)
Receipt			
Distribution Income	Reliance Capital Limited	Parent Company	NIL
	Reliance Financial Ltd	Fellow subsidiaries	NIL
	Reliance Securities Ltd	Fellow subsidiaries	NIL
	Reliance Nippon Life Asset Management Ltd	Fellow subsidiaries	NIL

12. PERFORMANCE OF THE PORTFOLIO MANAGER
DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES- PERFORMANCE TABLE:

The performance of the Company for the years 2017-18, 2018-19, 2019-20 and the period from 01/04/2020 to 30/09/2020 are stated here under:

Discretionary:

Particulars		Period: 01/04/2020 to 30/09/2020	March 31, 2020	March 31, 2019	March 31, 2018
Portfolio Performance (%), Net of all fees and charges levied by the Portfolio Manager	Aggregate - Portfolio Manager	27.90	-21.48	-15.10	24.83
	Alpha Growth - Scheme	37.46	-34.82	-24.87	30.23
	Alpha Large Cap - Scheme	18.84	-27.54	-2.58	13.70
	Mint - Scheme	38.59	-27.61	-11.99	25.31
	EBOP - Scheme	48.21	-36.09	-29.94	22.07
Benchmark Performance (%)	Nifty 50	30.82	-26.03	14.93	10.25
	Nifty 200	31.91	-27.07	10.56	10.97
	BSE Small Cap	54.72	-36.06	-11.57	17.74
	NIFTY MIDCAP 100	45.11	-35.90	-2.66	9.07

Non-Discretionary:

Particulars		Period:01/04/2020 to 30/09/2020	March 31, 2020	March 31, 2019	March 31, 2018
Portfolio Performance (%), Net of all fees and charges levied by the Portfolio Manager		49.96	-12.39	22.04	1.15
Benchmark Performance (%)	Nifty 50	30.82	-26.03	14.93	3.57
	NIFTY MIDCAP 100	45.11	-35.90	-2.66	9.07

Notes:

1. Past performance may or may not be sustained in the future
2. Performance are not validated or verified by SEBI The equity-oriented portfolios use S&P Nifty Index as the benchmark.
3. Returns on equity-oriented portfolios are calculated on time weighted average rate of return basis, considering all inflows and outflows into the consolidated portfolios during the period in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993.
4. If NAV is not available for AIF, then performance shall be calculated based on cost price.

13. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER -

The following exhibit states the key financial data pertaining to the Portfolio Manager as per the audited financial statements as on September 30, 2020 and audited financial statements as on March 31, 2020, March 31, 2019 and March 31, 2018 presented in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Summarized Financial Statements- Balance Sheet

Particulars	30-Sept-20	31-Mar-20	31-Mar-19	31-Mar-18
	Amt.(Rs.)	Amt.(Rs.)	Amt.(Rs.)	Amt.(Rs.)
ASSETS				
Non-current assets				
Property, plant and equipment	19,85,414	29,15,655	111,97,864	130,97,549
Other intangible assets	24,66,686	33,81,996	52,84,125	61,55,008
Other non-current assets	51,51,978	59,73,842	1,31,87,242	123,12,760
Total non-current assets (A)	96,04,078	1,22,71,493	2,96,69,230	315,65,317
Current assets				
Financial assets				
Investments	-	-	-	252,27,991
Trade receivables	13,91,976	9,98,142	368,67,814	1394,27,927
Cash and cash equivalents	5,21,162	5,39,386	187,96,135	277,47,410
Bank balances other than above	-	-	-	1,05,000
Current tax assets (net)	40,17,758	1,17,78,225	80,78,018	-
Deferred tax assets (net)	-	0	1000,90,192	418,24,410
Other current assets	56,54,467	75,55,165	72,54,871	20,62,604
Total current assets (B)	1,15,85,363	2,08,70,918	17,10,87,030	2363,95,342
Total assets (A+B)	2,11,89,441	3,31,42,411	20,07,56,260	2679,60,659
EQUITY AND LIABILITIES				
Equity				
Share capital	42,75,00,000	42,75,00,000	3250,00,000	1750,00,000
Other equity	(54,96,86,482)	(54,82,54,728)	(2244,95,682)	-587,60,704
Total equity (C)	(12,21,86,482)	(12,07,54,728)	1005,04,318	1162,39,296

LIABILITIES				
Non-Current liabilities				
Provisions	-	0	-	1,82,894
Total non-current liabilities (D)	-	-	-	1,82,894
Current liabilities				
Financial liabilities				
Borrowings	9,90,00,000	10,76,00,000	320,00,000	-
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,28,41,306	1,49,86,017	3,64,35,355	33,22,216
Other payables	-	-	-	-
Short term provisions	-	-	40,81,734	23,41,254
Current tax liabilities (net)	-	3,13,11,122	-	14,33,337
Other current liabilities	3,15,34,617		277,34,853	1444,41,662
Total current liabilities (E)	14,33,75,923	15,38,97,139	10,02,51,942	1515,38,469
Total liabilities (F) (D+E)	14,33,75,923	15,38,97,139	10,02,51,942	1517,21,363
Total equity and liabilities (C+F)	2,11,89,441	3,31,42,411	20,07,56,260	2679,60,659

Summarized Financial Statements –Statement of Profit & Loss

Sr. No.	Particulars	30-Sept-20	31-Mar-20	31-Mar-19	31-Mar-18
		Amt.(Rs.)	Amt.(Rs.)	Amt.(Rs.)	Amt.(Rs.)
I	Revenue from operations	1,05,78,922	9,72,23,246	209,086,207	455,955,899
II	Other income	19,18,430	6,54,562	2,158,108	1,388,118
	Total Revenue (A)	1,24,97,352	9,78,77,808	211,244,315	457,344,017
III	Expenses				
	Operating cost	5,31,148	18,98,077	2,082,143	17,063,246
	Employee benefit expenses	225	19,36,95,829	258,055,996	287,473,495
	Depreciation and amortisation expense	18,40,589	81,95,405	11,117,659	9,451,749
	Finance costs	59,48,322	1,01,06,825	3,966,072	2,456,199
	Other expenses	85,63,137	10,63,71,805	158,193,737	71,336,941

	Total Expenses (B)	1,68,83,421	32,02,67,941	433,415,607	387,781,630
IV	Profit /(Loss) before exceptional and extraordinary items and tax (A-B)	(43,86,069)	(22,23,90,133)	(222,171,293)	69,562,387
V	Exceptional items	-	0	-	-
	Profit /(Loss) before tax	(43,86,069)	(22,23,90,133)	(222,171,292)	69,562,387
VI	Income tax expense				
	- Current tax	-	-	-	18,627,362
	- Deferred tax	-	10,00,90,192	(57,410,905)	6,892,129
	- Earlier Years	(29,54,314)	12,78,721	14,375	(21,861)
VII	Profit /(Loss) after tax	(14,31,755)	(32,37,59,046)	(164,774,762)	44,064,757
VII	Other Comprehensive Income				
	<i>Items that will be not be reclassified to profit or loss</i>	-	-	(3,287,990)	(484,517)
	Remeasurements gain/(loss) on post-employment benefit obligations	-	-	854,877	124,712
	Income Tax on above	-	-	-	-
	Other comprehensive income	-	-	(2,433,113)	(359,805)
VIII	Total comprehensive income/(loss) for the year	(14,31,755)	(32,37,59,046)	(167,207,875)	43,704,952

Note: Figures have been regrouped wherever necessary.

The Portfolio Management division of Reliance Wealth Management Limited (RWM) proposed to transfer to Reliance Securities Limited (RSL) and applied to SEBI vide letter dated December 30, 2019 there will not be any change in the ultimate ownership in the context of the proposed transfer of Registration to RSL, as both RWML and RSL are sister subsidiaries of Reliance Capital Limited (RCL).

14. NATURE OF COSTS AND EXPENSES FOR CLIENTS

The following are indicative types of costs and expenses for clients availing the Portfolio Management services.

The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements of each of the services availed at the time of execution of such agreements.

1. Upfront Fees

The Portfolio Manager may charge Upfront Fees for the portfolio management services offered to the client. Upfront Fees relate to the processing fee charged on initial and subsequent capital contributions made by the client. The fee shall be a fixed percentage of such capital contributed by the client. The upfront fee cannot be charged to the PMS clients w.e.f. SEBI notification dated 16th January 2020.

2. Management Fees

Management Fees relate to the Portfolio Management Services offered to clients. The fee may be fixed charge or a percentage of the quantum of funds managed or linked to portfolio returns achieved or a combination of any of these.

The management fees linked to portfolio returns (performance fees) is computed on the basis of high-water mark principle over the life of the investment as prescribed by the SEBI circular Cir. /IMD/DF/13/2010 dated October 5, 2010.

3. 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.

4. Registrar and Transfer Agent Fee

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

5. Brokerage, Distribution and Transaction Costs

The brokerage* charges, distribution 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..

* For execution of transactions in the securities market, the Company shall avail of the broking services of Prabhudas Lilladher Pvt. Ltd. and its group company viz. Reliance Securities Limited

6. Securities Lending and Borrowing Charges

The charges pertaining to the lender of securities, costs of borrowing including interest, and costs associated with transfers of securities connected with the lending and borrowing transfer operations.

7. Certification and Professional Charges

Charges payable for outsourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities

8. Incidental Expenses

Charges in connection with the courier expenses, stamp duty, goods & services tax, postal, telegraphic, opening and operation of bank accounts etc

15. TAXATION IMPLICATIONS FOR CLIENTS

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 and the Investors should be aware that the relevant fiscal rules or their interpretation may change or it 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 or the proposed tax position prevailing at the time of an investment in the PMS 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 PMS, as an investor.

In view of the above, it is advised that the investors appropriately consult their investment / tax advisors in this regard.

A. General

In view of the individual nature of tax consequences, each client is advised to consult his or her tax advisor with respect to the specific tax consequences to him / her of participation in any of the Option. The following provisions are as per the existing Income Tax Act, 1961 (the Act). The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

1. INCOME FROM DIVIDEND ON SHARES AND UNITS OF MUTUAL FUND

- 1.1. Dividend referred to in section 115O of the Income Tax Act, 1961 ("the act") received in respect of shares of an Indian Company, is exempt from tax under Section 10(34) of the Act in the hands of the recipient. However, tax on distributed profits will be payable by the domestic company.
- 1.2. The dividend distribution tax rates payable by Mutual Funds for various assesses are as follows:

Scheme Type	Resident Individuals / HUF	Corporate	NRI
Equity Oriented Schemes	10% + 12% Surcharge + 4% Cess	10% + 12% Surcharge + 4% Cess	10% + 12% Surcharge + 4% Cess
Money Market / Liquid Schemes and debt schemes (other than infrastructure debt fund)	25% + 12% Surcharge + 4% Cess	30% + 12% Surcharge + 4% Cess	25% + 12% Surcharge + 4% Cess
Infrastructure Debt Fund	25% + 12% Surcharge + 4% Cess	30% + 12% Surcharge + 4% Cess	5% + 12% Surcharge + 4% Cess

- 1.3. In the case of Mutual Funds, other than equity-oriented funds, the long term capital gains arising on transfer of units will be taxed at the rate of 20%. The period of holding in respect of such units will now be 36 months for this purpose.

Note: Additional tax at the rate of 10% has been imposed on the persons receiving dividend exceeding Rs. 10 lakhs per annum from F.Y. 2017-18.



2. INCOME FROM INTEREST ON FIXED INCOME SECURITIES.

Taxability of Interest income earned

Interest on securities stripped by sale and buyback should be taxable as income of the owner of the securities [Section 94(1)].

Interest income is taxable as normal business income / income from other sources, depending upon whether the securities are held as investments / stock in trade for resident PMS clients as per the rates applicable to other income as per Schedule I to the Finance Bill.

In case of certain specific fixed income securities and certain debt instruments, purchased and held as investments and transferred prior to maturity, the gain from the transfer may also possibly be characterized as “capital gains” (treatment separately discussed).

The investors should obtain specific advice from their tax advisors regarding the tax treatment of their investments.

3. CHARACTERIZATION OF INCOME DERIVED FROM SALE OF SECURITIES

The applicable tax rate depends on the nature of income i.e., capital gains or business income. Gains on disposition of securities that are held as “stock-in-trade” should be considered as “business profits” whereas those held as “investment” should be considered as “capital gains”.

Judicial precedents have not evolved any specific test that could be universally applied in determining whether gains on disposition of securities are “capital gains” or “business profits”. The answer to this question would necessarily depend upon all relevant factors and circumstances of a case.

However, the Central Board of Direct Taxes (‘the CBDT’) vide its circular no. 4/2007, dated 15 June 2007, had laid down the tests/ provided the instructions (supplementing the earlier Instruction No. 1827, dated 31 August 1989) to make distinction between shares held as stock-in-trade and shares held as investments.

3.1 Profits and gains of business or profession

As per the Finance Act 2008, deduction in respect of securities transaction tax paid is allowed in the computation of business income. However, if the income on sale of securities is treated as capital gains (treatment separately discussed), no deduction of securities transaction tax paid will be allowed from the gains derived.

Under section 43(5) of the Act, transactions in stocks and shares ultimately settled otherwise than by actual delivery are regarded as speculative transactions.

However, Finance Act 2005 has inserted proviso (d) to Section 43(5), whereby transactions in respect of trading in derivatives shall not be considered as a Speculative Transaction, provided the transaction is carried out electronically on screen-based systems through a stock broker or sub-broker or intermediary registered under SEBI or by banks or mutual funds on a recognized stock exchange and is supported by time stamped contract note.

Profits/ loss arising on sale / purchase / close out of derivatives on the recognized stock exchange should be considered as Business Profits.

There is no withholding tax on income arising on sale trades through the recognized stock exchange and so tax is payable as advance tax during the year of sale.

Business Profits are taxed as normal income at the rates mentioned in note 1 & 2 below.

Losses under the head business income:

Business loss can be set off against the income from any other source under the same head or income under any other head except income from Salary in the same assessment year. Further, if such loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business, within the period of eight subsequent assessment years.

Further from F.Y. 2017-18, in the case of a company not being a company in which the public are substantially interested, no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per cent of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than fifty-one per cent of the voting power on the last day of the year or years in which the loss was incurred;

Where any part of the business of a company consist of purchase and sale of shares, such company (other than the exceptions provided in the Explanation to section 73 of the Act) shall be deemed to be carrying on speculation business.

Speculation loss can be set off only against speculation income. So, in case of Corporate PMS clients, the loss on sale of shares may be treated as speculation and may not be allowed set off against profit on sale of other securities (i.e. derivatives, units, debt securities etc). Speculation loss cannot be carried forward for more than four assessment years.

3.2 Capital Gains Tax

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

As per the provisions of section 2(42A) of the Act, short-term capital asset means capital asset held for a period of not more than 36 months immediately preceding the date of transfer. In case of a share held in a company or any other listed security or units of mutual fund or specified zero coupon bonds, the period of thirty-six months is reduced to twelve months. Long term capital asset is asset other than short-term capital assets.

Any income arising to foreign portfolio investors from transaction in securities will be treated as capital gains.

3.2.1 Where sale transaction of shares and units are chargeable to STT

STT is payable on a taxable securities transaction as mentioned in note 3 below.

All Investors

Long term Capital Gain

The calculation of long term capital gain as stands amended from F.Y. 2018-19, so as to provide that any income arising from the transfer of a long-term capital asset, being an equity share in a company shall be taxable @ 10% in excess of Rs 1,00,000, Further no indexation benefit is available for the calculation of long term capital gain as relief is given in form of all long-term capital gain is grandfathered up to January 31, 2018.

For example, if an equity share is purchased six months before January 31, 2018 at Rs.100/- and the highest price quoted on 31st January 2018 in respect of this share is Rs.120/-, there will be no tax on the gain of Rs.20/- if this share is sold after one year from the date of purchase. However, any gain in excess of Rs.20/- earned after 31st January 2018 will be taxed at 10% if this share is sold after 31st July 2018.

In the case of Equity Oriented Mutual Fund also tax on distributing income @ 10% in excess of Rs 1,00,000/-. The holding period for such units is 1 year from the date of acquisition to be considered as long term. For other than equity-oriented funds, the long-term capital gains arising on transfer of units will be taxed at the rate of 20% after indexation. The period of holding in respect of such units will now be 36 months for this purpose.

Short term Capital Gain

As per Section 111A of the Act, short-term capital gains arising from the sale of shares, unit of an equity-oriented fund entered into in a recognized stock exchange or sale of such unit of an equity-oriented fund to the mutual fund shall be taxed at 15 per cent, provided such transaction of sale is chargeable to securities transaction tax.

However, in case of Individuals both resident and non-resident / Persons of Indian origin and HUF, where taxable income as reduced by short-term capital gains arising on sale of units of an equity-oriented fund is upto / below the basic exemption limit, the short-term capital gains shall be reduced to the extent of the shortfall and only the balance short-term capital gains shall be subjected to the income-tax.

Securities transaction tax is not deductible while computing capital gains.

However, in case of non-resident investor including FII / sub – account who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (which is in force) income tax is payable at the rate provided in the Act or the rate provided in the said agreement, whichever is more beneficial to such non-resident investor.

The investors should obtain specific advice from their tax advisors regarding the availability of the tax treaty benefits.

3.2.2 In case of sale transaction in shares, units and other securities (other than derivatives) which are not chargeable to STT

Long-term capital Gains

All investors other than Non-Resident, FII / sub - account

Long-term capital gains arising on sale of securities (other than derivatives, shares and units of equity-oriented fund referred to above), shall be chargeable under Section 112 of the Act, at rate of tax at 20 per cent. The said tax rate shall be increased by applicable surcharge and cess wherever applicable.

The following amounts shall be deductible from the full value of consideration, to arrive at the amount of capital gains:

- Cost of acquisition of securities as adjusted by Cost Inflation Index notified by the Central Government, and
- Expenditure incurred wholly and exclusively in connection with such transfer.

However, where the tax payable on such long-term capital gains arising on sale of listed security (other than derivative), units and zero-coupon bonds, computed before indexation, exceeds 10 per cent, (as increased by the applicable surcharge and cess), of the amount of capital gains, such excess tax shall not be payable by the Investor.

In case of Individuals both resident and non-resident / Persons of Indian origin and HUF, where taxable income as reduced by long-term capital gains arising on sale of securities (other than derivatives, shares and unit of an equity-oriented fund) is upto / below the basic exemption limit, the long-term capital gains shall be reduced to the extent of the shortfall and only the balance long-term capital gains shall be subjected to the income-tax.

Further it has been clarified by the income tax department that Bonus shares, policy compliant foreign investment, shares acquired via a will or inheritance, court or regulator approved acquisition, shares acquired under insolvency resolution and those under government disinvestment among others would be eligible for the new long-term capital gains tax regime as discussed above in point no. 3.2.1 above even though STT is not paid. It means that long term capital shall be chargeable @ 10% in excess of Rs 1,00,000.

For Non-Resident

Long-term capital gains arising on sale of securities shall be chargeable under Section 112 of the Act, at rate of tax at 20 per cent. The said tax rate shall be increased by applicable surcharge and cess

For NRI's

Under section 115E of the Act, income arising to NRI by way of long term capital gain in respect of specified assets (which includes shares, debentures, deposit in Indian Company and securities issued by Central Government) purchased in convertible foreign exchange is chargeable to tax at the rate of 10% plus cess. Such long-term capital gains would be calculated without indexation of cost of acquisition.

Alternatively, NRIs can offer long term capital gain for tax under S 112 as discussed above.

For FII / sub - account

Long-term capital gains arising on sale of securities (other than on transactions of shares and units are chargeable to STT), shall be taxed at the rate of 10% under Section 115AD of the Act. The said tax rate shall be increased by applicable surcharge cess. Such gains shall be calculated without inflation index and currency fluctuation adjustment.

Short-term capital gains

All investors other than, Non-Resident, FII / sub - account

Short-term capital gains arising on sale of securities (other than derivatives, shares and unit of equity-oriented fund referred to above) shall be taxed in case of corporate and firm investors (being resident) and increased by applicable surcharge and cess.

Short-term capital gains arising to individuals and HUFs are taxable as per normal rate, as given in note 1 below.

For Non-Resident

Short term capital gain earned is chargeable to tax as per the normal rates applicable to tax payer, as given in note 1 below.

For NRI's

Short term capital gain earned is chargeable to tax as per the normal rates applicable to tax payer, as given in note 1 below.

For FII / sub – account

Short-term capital gains arising on sale of securities (other than on transactions of shares and units are chargeable to STT), shall be taxed at the rate of 30% under Section 115AD of the Act. The said tax rate shall be increased by applicable surcharge and cess. if any.

In order to avail the benefit of the provisions of section 115AD of the Act, the FII's and sub-accounts should be notified by the Central Government in the Official Gazette.

However, in case of such other non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (which is in force), income-tax is payable at the rate provided in the Act or the rate provided in the said agreement, whichever is more beneficial to such other non-resident investor.

Where sale is made during the minority of the child, tax will be levied on either of the parents, whose income is greater, where the said income is not covered by the exception in the proviso to section 64(1A) of the Act. When the child attains majority, such tax liability will be on the child.

Certain deductions available under Chapter VI-A of the Act

Deductions limit under Section 80C of the Act have been raised to 1.5 Lacs under the Finance Act 2014-15. An assessee can get an additional deduction of Rs. 50,000 if he makes investment in NPS scheme notified by the Central Government. This means the Limit for maximum deduction available u/s 80C, 80CCC, 80CCD + 80CCD(1B) is Rs. 200,000/-.

Interest paid on housing loans is allowed as a deduction to the extent of Rs. 200,000/- in respect of self-occupied property. An additional deduction of up to 150,000/- for interest paid on loans borrowed up to 31st March 2020 for purchase of an affordable house valued up to Rs. 4,500,000/-. Therefore, a person purchasing an affordable house will now get an enhanced interest deduction up to Rs. 350,000/-. (Applicable from F.Y. 2019-20)

Tax deducted at source

Presently, tax is withheld at source for non- residents. If any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard.

Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIIB (hereafter referred to as deductee) on or after 1/04/2010, shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:

- i.at the rate specified in the relevant provision of this Income Tax Act; or
- ii.at the rate or rates in force; or
- iii.at the rate of twenty per cent.



A handwritten signature in black ink, appearing to be "P. B. Singh" or similar, written over a circular stamp.

Foreign Institutional Investors

Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of securities referred to in Section 115AD of the Act.

Specified overseas financial organizations

As per section 196B of the Act, income tax is deductible on long-term capital gains (other than long-term capital gain on units of equity oriented mutual funds) arising on repurchase of units purchased in foreign currency, at the rate of 10%. The said tax rate would be increased by an applicable Surcharge and Cess.

Other Non-resident Unit holders

In the case of a non-resident other than a company

Payment of any other sum to a Non-resident	TDS Rates (in %)
Income in respect of investment made by a Non-resident Indian Citizen	20
Income by way of long-term capital gains referred to in Section 115E in case of a Non-resident Indian Citizen	10
Income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-Section (1) of Section 112	10
Income by way of long-term capital gains as referred to in Section 112A	10
Income by way of short-term capital gains referred to in Section 111A	15
Any other income by way of long-term capital gains [not being long-term capital gains referred to in clauses 10(33), 10(36) and 112A	20

New Amendment (Applicable from F.Y. 2019 -20)

In order to promote digital payments and To discourage the practice of making business payments in cash, TDS of 2% on cash withdrawal exceeding 1 crore in a year from bank accounts.

Note 1: Rates of income-tax for the F.Y. 2019-20

Category	Total Income for tax year	Tax Rates
Individuals, Hindu Undivided: Families, Association of Persons, Body of Individuals, resident Indians and POIs	< =Rs 2.5 lacs	Nil (basic exemption limit#)
	>Rs 2.5 lacs and <= Rs. 5 lacs	5% **** A tax rebate of Rs 12,500 is allowed to resident individual.
	> Rs 5 lacs and <= Rs 10 lacs	20%
	>Rs 10 lacs	30%
	# Basic exemption limit for resident individuals of the age of 60 years or more but less than 80 years is Rs. 3 lacs, for individuals of the age of 80 years or more (very senior citizens) is Rs 5 lacs.	
Partnerships (including LLP's)	30%	
Resident companies	30%*****	
Foreign companies other than FIIs	40%	
FII / sub - account non-corporate	30%	
FII / sub - account corporate	40%	

Note 2: Rates of surcharge and Health and Education cess

Category	Resident	Non-Resident
Surcharge		
Individuals, Hindu Undivided: Families, Association of Persons, Body of Individuals,	Nil*	Nil
Partnership (including LLP's), FII / sub-account (Non-corporate)	Nil*	Nil
Company / Corporate FII / sub – account	7% if income exceeds INR 10,000,000**	2% if income exceeds INR 10,000,000***
Health and Education Cess		
Health and Education Cess	4% on tax plus Surcharge, applicable in all cases	

Note:

* A surcharge has been levied at 10% if income exceeds INR 50,00,000 but less than 1 Crore Rupees, 15% if income exceeds 1 Crore Rupees but less than 2 Crore Rupees, 25% if income exceeds 2 Crore Rupees but less than 5 Crore Rupees and 37% if income exceeds 5 Crore Rupees. This will apply to individuals, HUFs, firms and entities with similar tax status. (Applicable from F.Y. 2019-20)

** In the case of Domestic Companies whose taxable income exceeds 10 crores per year surcharge is levied at 12%.

*** In the case of foreign companies, who pay the higher rate of corporate tax, the surcharge will increase from 2 percent to 5 percent.

**** A resident individual is entitled for rebate under section 87A if his total income does not exceed Rs. 500,000/-. The amount of rebate shall be 100% of income-tax or Rs. 12,500, whichever is less. If the income exceeds Rs. 500,000/- then no tax rebate can be claimed by the resident individual. (Applicable from F.Y. 2019-20)

***** The tax rate is 25% if turnover or gross receipt of the company does not exceed Rs. 400 crores and all in other cases rate of income tax is 30%.

Presumptive Taxation

The limit of turnover under the Presumptive Taxation Scheme (PTS) under section 44AD3 of the Act has been increased from existing Rs. 1 Crore to Rs. 2 Crore.

Also, a new proviso is inserted so as to reduce the existing rate of deemed total income of eight per cent to six per cent., in respect of the amount of total turnover or gross receipts which is received by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account during the previous year.

Whereas in case of professionals having gross receipts up to Rs. 50 lacs, the deemed amount of profit for such professionals under PTS would be 50% of the gross receipts.

Note 3: Securities Transaction Tax

The Securities Transaction Tax (STT) will be charged as follows:

Nature of Transaction	Payable by	Rate of Tax
Purchase and sale of equity shares on a recognized stock exchange on delivery basis *	Both Purchaser as well as Seller	0.10%
Sale of units of equity oriented mutual funds on a recognized stock exchange on delivery basis *	Seller	0.001%
Purchase of units of equity oriented mutual funds on a recognized stock exchange on delivery basis*	Purchaser	NIL
Sale on stock exchange of equity shares on non-delivery basis	Seller	0.025%
When Option is exercised (In a case where the Option is exercised, the levy will be on the difference between settlement price and strike price)	Purchaser	0.125%
When Option is Not exercised (In a case where the Option is not exercised, the levy will be on the Option Premium)	Seller	0.05%
Sale of a Futures in securities in a derivative segment of a recognized stock exchange*	Seller	0.01%
Sale of an unlisted equity shares and units of business trust under an initial offer	Seller	0.2%

*Deduction will not be allowed while computing income under the head Capital gains in respect of sum paid on account of Securities Transaction Tax

In view of the individual nature of tax benefits, each prospective client/investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their availing Portfolio management services, in terms of the provisions of the Income-tax Act, 1961. Clients are best advised to take independent opinion from their tax advisors / experts for any income earned from such investments. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the Client's tax obligations. The provisions of the Income Tax Act, 1961 shall apply to the Client and the Portfolio Manager in respect of their individual income.

16. ACCOUNTING POLICIES / VALUATIONS

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

Investments in Equities, Mutual Funds and Debt instruments will be valued at the closing market prices of Bombay Stock Exchange Limited or National Stock Exchange of India Limited as the case may be, or the Repurchase Net Asset Value declared for the relevant option on the date of the report or any cut-off date or the market value of the debt instrument at the cut-off date. Alternatively, the last available prices on the exchange or the most recent Net Asset Value will be reckoned.

Unlisted securities will be valued at cost of acquisition till said securities are listed on a recognized stock exchange(s).

Securities awaiting listing due to IPO will be valued at allotment price as available in a public domain

If listed securities are suspended for a certain period, then up to 30 days of suspension the last traded price will be used for valuation and after 30 days of suspension the valuation methodology will be decided on a case to case basis as approved by the Portfolio Manager

Realized gains / losses will be calculated by applying the First in First Out principle / weighted average cost method as agreed upon in the Client Agreement.

Dividends on shares shall be accounted on ex-dividend date and dividends on units in mutual funds shall be accounted on receipt of information from the Mutual Fund House and interest, stock lending fees earned etc., shall be accounted on accrual basis. The interest on debt instruments shall be accounted on accrual basis.

For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions. Unrealized gains/losses are the differences, between the current market value/Net Asset Value and the historical cost of the securities, Individual stock & index, futures & options will be valued as given below:

Options

All options will be valued as per the closing prices and in absence of closing prices at the settlement price declared by the exchange. If the settlement price is not available a theoretical price as derived by approved option pricing formula will be used for valuation.

Futures

On T day (valuation day), all futures will be valued at the settlement price for valuation if the same is available by 7.00 p.m. If the contract is traded and settlement price is not available by 7.00 p.m. the closing prices shall be used for valuation and on T +1 day, cognizance of T day's settlement price will be taken & pass necessary bank entries

If on T day, the contract is not traded then the latest available settlement price shall be taken for valuations. On T +1 day, cognizance of T day's settlement price will be taken & pass necessary bank entries.

The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of the client's investments or accounting for the same as may be mutually agreed between them in writing.



A handwritten signature in black ink, appearing to be "P. K." followed by a long horizontal stroke.

17. INVESTOR SERVICES**a) Contact information**

Name, address and telephone number of the investor relations officer who shall attend to the investor queries and complaints are as under.

Name : Mr. Darshan Dalal

Address: Reliance Wealth Management Limited.

11th Floor, R-Tech IT Park,

Nirlon Compound, Off Western Express Highway,

Goregaon (East),

Mumbai – 400063

Telephone: 022- 4168 1200, e-mail: rwealth.service@relianceada.com

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official has the necessary authority, independence and empowerment to handle investor complaints.

b) Grievance Redressal and dispute settlement mechanism

The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives may be uploaded on SEBI Complaint Redress System (SCORES) by visiting <http://scores.gov.in/>. The settlement for the same shall also be subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

GENERAL

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

Name of Directors

Sr. No.	Name	Signature
1	Mr. Amit Agrawal	 Sign
2	Mr. Viral Sarvaiya	

Date : December 03, 2020

Place : Mumbai



Annexure A

**Details of Directorship / controlling shareholding in other companies / entities of
Mr. Amit Agrawal as on September 30, 2020**

Sr. No.	Name of Company	Designation
1	Reliance Money Precious Metals Private Limited	Director
2	Quant Investment Services Private Limited	Director
3	Quant Securities Private Limited	Director



A handwritten signature in black ink, appearing to be "Amit Agrawal".

Annexure B

**Details of Directorship / controlling shareholding in other companies / entities of
Mr. Viral Sarvaiya as on September 30, 2020**

Sr. No	Name of Company	Designation
1.	Reliance Money Solutions Private Limited	Director



A handwritten signature in black ink, appearing to be "Viral Sarvaiya".

Annexure C

**Details of Directorship / controlling shareholding in other companies / entities of
Mr. Sushilkumar Agrawal as on September 30, 2020**

Sr. No	Name of Company	Designation
1.	Pranavaditya Spinning Mills Limited	Director
2.	Margo Finance Limited	Director
3.	Reliance Home Finance Limited	Director
4.	Reliance Mediaworks Limited	Director
5.	Azalia Broadcast Private Limited	Director
6.	Reliance Broadcast Network Limited	Director
7.	Reliance Financial Advisory Services Private Limited	Director
8.	Reliance Commercial Finance Limited	Director
9.	Quant Capital Private Limited	Director
10.	Goldengadre Financial Services Limited	Director
11.	Globesecure Technologies Limited	Director
12.	Ana Cyber Forensic Private Limited	Director



A handwritten signature in black ink, appearing to be "Sushilkumar Agrawal".

Annexure D

**Details of Directorship / controlling shareholding in other companies / entities of
Mr. Ashok Karnavat as on September 30, 2020**

Sr. No	Name of Company	Designation
1.	Reliance Home Finance Limited	Director
2.	Reliance Unicorn Enterprises Private Limited	Director
3.	Rosa Power Supply Company Limited	Director
4.	Sasan Power Limited	Director
5.	Quant Broking Private Limited	Director
6.	Reliance Money Infrastructure Limited	Director
7.	Quant Capital Private Limited	Director
8.	Reliance Money Solutions Private Limited	Director
9.	Reliance Money Precious Metals Private Limited	Director



A handwritten signature in black ink, appearing to be "A. Karnavat".

FORM C

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

Reliance Wealth Management Limited

Regd. Office:

11th Floor, R-Tech IT Park,
Nirlon Compound, Off Western Express Highway,
Goregaon (East),
Mumbai – 400063
Tel. No.: 022-4168 1200
Fax No.: 022-4168 1220

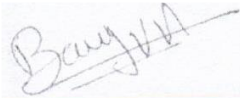
We confirm that:

The Disclosure Document forwarded to the Securities and Exchange Board of India (SEBI / Board) is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time;

The Disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well informed decisions regarding entrusting the management of the portfolio to us / investment in the Portfolio Management

The Disclosure Document has been duly certified by Mr Samir J Kapadia, Membership No. 123349, Partner M/s Shah Kapadia & Associates, Chartered Accountants, Office No. 328, 3rd Floor, Champaklal Industrial Estate, Plot No. 105, Sion Koliwada Road, Sion East, Mumbai – 400022.

A copy of the said certificate issued by M/s Shah Kapadia & Associates, Chartered Accountants to the effect that the disclosures made in the document are in conformity with the requirement of Regulation 14(2) (b) of the SEBI (Portfolio Managers) Regulations, 1993 and are true, fair and adequate to enable the investors to make a well informed decision, is enclosed.



Signature of the Principal Officer:

Name and address of the Principal Officer: Mr. Varun Bang
Reliance Wealth Management Limited
11th Floor, R-Tech IT Park,
Nirlon Compound, Off Western Express Highway,
Goregaon (East),
Mumbai – 400063

Place: Mumbai

Date: December 03, 2020



SHAH KAPADIA AND ASSOCIATES
CHARTERED ACCOUNTANTS

Office No. 328, 3rd floor, Champaklal Industrial Estate, Plot No. 105,
Sion Koliwada Road, Sion East, Mumbai 400022.

Tel No: 022-49741224 | Web: www.theSKA.in | Email: SKA@theSKA.in

December 2, 2020

Reliance Wealth Management Limited

11th Floor, R-TECH IT Park,

Nirlon Compound, Off Western Express Highway,

Goregaon (East), Mumbai - 400063

Dear Sir,

We hereby certify that the disclosure made in the enclosed Disclosure Document prepared and forwarded by Reliance Wealth Management Limited in terms of the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020, and the guidelines and directives issued by the Board from time to time are true, fair and adequate to enable the investors to make a well informed decision.

This certification is issued on the basis of information and documents provided before us and on the basis of representation made by Reliance Wealth Management Limited.

For Shah Kapadia & Associates

Chartered Accountants

**SAMIR JITENDRA
KAPADIA**

Digitally signed by SAMIR
JITENDRA KAPADIA
Date: 2020.12.02 12:28:41
+05'30'

Samir Kapadia

Partner

Membership No. 123349

Mumbai

UDIN No.: 20123349AAAANF5604